

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC
Chairman, on September 16, 2022

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies (FEPC).

Today, I will talk about the “state of electricity supply and demand, and the items discussed at the GX (Green Transformation) Implementation Council” and the “establishment of the Nuclear Fuel Cycle Promotion Task Force to further strengthen support for the JNFL review.”

<On the state of electricity supply and demand, and the items discussed at the GX Implementation Council>

First, looking at the state of electricity supply and demand, an electricity supply and demand crunch advisory was issued over multiple days during the end of June for the Tokyo area causing concern to many. However, we have been able to secure stable supply since July as plants completed their overhauls and came back online, increasing supply capacity and with the cooperation of the public in conserving energy. I'd like to take this opportunity to thank everyone for their cooperation.

We have been securing additional capacity for this winter by restarting nuclear power plants and bringing thermal power plants currently offline back online through supply capacity bidding. However, the situation still requires close monitoring given that we need to be prepared for the possibility that the supply of fuel from Russia could cease at any moment due to effects of the situation in Ukraine. We believe that all possible measures need to be implemented on both the supply and demand fronts. On the supply side, we will do our utmost, including securing stable fuel supply for thermal power generation and conducting facility maintenance appropriately, while also on the demand front,

calling out to the public to conserve energy and promoting the demand response. We ask for your continued support in using electricity efficiently.

In addition to these short-term measures, mid-to-long term measures need to be implemented to solve the tightening of supply and demand. As the liberalization of electricity market continues, concrete discussions need to be had on building a mechanism to realize an attractive power generation business environment that promotes the maintenance and utilization of existing plants and encourages investment into new power sources. A business environment that encourages the maintenance of existing power sources and increasing predictability in recovering investment into the construction of new power sources needs to be created.

To realize a carbon neutral society in 2050 that also has reliable electricity requires the development of such a mechanism and the operation of, in addition to renewables, nuclear power plants and thermal power plants, which take the environment into consideration. In regards to nuclear power, we will continue to operate the restarted plants stably. We also need to make progress on safety measures work, advancing necessary procedures, and swiftly responding to the Nuclear Regulation Authority (NRA) review to increase the number of restarted plants currently stalled at 10. Toward this goal, we have established the Restart Acceleration Task Force where we continue to share information about review issues and flexibly support the utilities as an industry, provide personnel support that also helps foster personnel to operators working on restart, and accumulate and pass on knowledge and expertise related to reviews.

We believe it is important to communicate closely with the NRA especially in the new regulatory standards review so that the content can be enhanced and procedures can be preformed efficiently. Starting this April, management of operators who are undergoing the review have been meeting with NRA commissioners to exchange opinions. On September 7, the NRA delivered its

opinion on the current state of affairs given the discussions had at these meetings. In the opinion exchanges, operators communicated various suggestions for streamlining the review including communicating the main points in the review at an early stage through documents with a high-level of transparency or in open meetings with NRA staff, to have the regulatory and applicant periodically discuss and share review progression, to conduct plant reviews at the same time as ground basis motion reviews, and to review multiple plants on the same site at the same time. The NRA have said that they are open to holding review meetings on a more flexible schedule and that reviewing multiple plants at once is possible in principle. We will continue to conform to the new regulatory standards appropriately and communicate closely with the NRA to ensure efficient reviews.

The 2nd GX Implementation Council held by the national government on August 24 discussed measures to rebuild stable energy supply in Japan. The Council looked broadly at the energy landscape of Japan and the world and outlined a direction for future discussions regarding measures to do everything possible under political leadership to realize stable energy supply in Japan and carbon neutrality. In concrete terms, we understand this to mean that important points of discussion have been outlined from various perspectives for future discussions including the deployment of renewable energy, maximal use of nuclear power, reinspection of the electricity system, and increasing the resilience of the entire supply chain for securing resources. We believe that energy policy lies at the root of a country and is foundational to the people's lives and economic activity. As we have maintained over the years, the importance of S+3E, where we aim to achieve stable supply of energy, economic efficiency and consideration for the environment with safety as a premise to remain unchanged.

The Council also discussed nuclear power, including the extension of the

operating period, and development and construction of next-generational innovative reactors. We will work attentively on nuclear power generation for it to keep on contributing to society in the short-term with early restart and in the mid-to-long term to perform our most important mission of supplying electricity stably.

It is of the utmost importance that this issue continues to be discussed by the national government, and we as the electricity industry will do our utmost to balance securing stable supply with realizing carbon neutrality by developing innovative solutions together with the national government, municipalities, and the public.

<On the establishment of the Nuclear Fuel Cycle Promotion Task Force to further strengthen support for the JNFL review>

Moving onto the Reprocessing Plant of the Japan Nuclear Fuel Limited (JNFL), JNFL is responding appropriately to the NRA reviews for its reprocessing plant and is working at full speed toward construction completion with the understanding that the reprocessing plant is the crux of the nuclear fuel cycle. As announced by JNFL on September 7, the date of completion scheduled to be in the first half of FY2022 has been revised. We, as nuclear operators, regret the concern that this change in the completion date may cause to the people of the local community and the public at large. Completion of construction is in sight, with about 95% of construction other than that to be conducted after NRA approval, to be completed by the end of the month and the rest to be completed by the end of the year. The first amendment for the review for design and construction plan approval has already been submitted, and JNFL is currently working on organizing the core issues in the review and preparing for the next round of discussions to gain approval.

To accelerate initiatives for the completion of the reprocessing plant, the FEPC has launched the Nuclear Fuel Cycle Promotion Task Force. Utilities have already sent in directors and management-level personnel with a wealth of review experience to JNFL who are then appointed key positions to support the JNFL employees working on design and construction approval. Going forward, we will assist JNFL even more powerfully through a framework that identifies management issues in addition to technical issues, discusses solutions and provides appropriate feedback to JNFL. Secondees from utilities as well as JNFL employees will routinely share the issues they encounter in the review for the Task Force to discuss solutions that the people on the ground to steadily implement in future work to get clarity on the timeline for the design and construction approval review. We aim to share that with the public by the end of the year, and will provide as much support as possible toward this goal.

Resource-poor Japan needs to continue to use nuclear power generation as an important baseload power source. The nuclear fuel cycle is critical in utilizing uranium effectively, and reducing the volume and harmfulness of waste. The GX Implementation Council has commented that they will consider ways in which the national government can be actively involved to make progress on the backend, including reprocessing, decommissioning, and final disposal.

We wish for JNFL to continue to do their best in responding to the design and construction approval review and in the safety measures work for the completion of the Rokkasho Reprocessing Plant which will be the crux of the nuclear fuel cycle. We as nuclear operators will come together as an industry to continue to support JNFL by putting our best on the case.

<Finally>

Finally, I'd like to introduce a new FEPC TV commercial that have started airing across Japan. The new commercial features the actress Mio Imada. There

are two versions: an environment-focused version with a message of “decarbonizing electricity” and a version that emphasizes the importance of reliable supply with a message of “let’s think about the energy mix.” I hope that the new commercial will encourage people to think about the environment and about the state of energy in Japan. We also have created video clips where Mio Imada calls to conserve energy and a special short targeting a younger demographic that are available online. A dedicated website for the commercials is accessible from the FEPC homepage. I hope you’ll check it out and spread the word.

This concludes my remarks for today.

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