

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC  
Chairman on March 17, 2023

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies (FEPC). Today, I will first talk about industry-wide initiatives to ensure compliance with conduct regulations, second about initiatives to flesh out the GX Basic Policy and improve safety in nuclear power plants, and third about the state of electricity supply and demand and our gratitude to the public for cooperating in conserving electricity this winter.

<Industry-wide initiatives to ensure compliance with conduct regulations>

First, I will talk about industry-wide initiatives to ensure compliance with conduct regulations.

Since December of last year, several incidents where utility employees inappropriately viewed customer information and information in the Ministry of Economy Trade and Industry's renewable energy work management system have transpired, and the Federation of Electric Power Companies (FEPC) has been working to address these issues. On the system side, in addition to the initiatives being implemented by each utility, utility Presidents in today's Corporate Ethics Committee agreed to block the flow of information to ensure strict conformance to conduct regulations. The system used by the retail electricity operators and similar operators will be physically cut off from the system used by general transmission and distribution operators to manage undisclosed information.

On the operational and structural sides, as well as awareness reform, utilities will be expanding their organizations to ensure compliance and enhance their monitoring efforts. The FEPC as a utility organization has decided to implement two initiatives to enhance the effectiveness of utility efforts.

First is the establishment of a dedicated organization to address this issue. To

this end, we established the Compliance Promotion Headquarters today within FEPC. The Compliance Promotion Headquarters will be “the spear that will pierce through organizations as a check and balance system” mentioned in last month’s press conference. Fully leveraging the knowledge of external experts, the utilities’ initiatives will be verified cross-sectionally across utilities and the results will be reported to each utility to support their efforts to increase the effectiveness of their initiatives. Through this organization, we seek to increase the base level of all industry initiatives.

The second initiative is the revision of the FEPC Behavioral Guideline. As of today, the FEPC Behavioral Guideline has been revised to reflect strict conformance to the Electricity Business Act and the Personal Information Protection Act as well as similar laws and regulations to strengthen discipline regarding our own actions including that of member companies.

We invited a lecturer from the finance industry to speak at today’s Corporate Ethics Committee about the structures and mechanisms to ensure compliance and initiatives to instill a mindset to comply with laws and regulations in each and every one of the people working on the ground. We also discussed with the lecturer the perspectives and measures that are needed as management, and will continue to learn earnestly from these third-party experts.

FEPC will continue to work sincerely and untiringly on ensuring compliance to recover trust from society.

<Initiatives to flesh out the GX Basic Policy and improve safety in nuclear power plants>

Next, I’d like to talk about our initiatives to flesh out the GX Basic Policy and improve safety in nuclear power plants.

The Bill for GX Decarbonized Power Sources was approved by the Cabinet on February 28, and was submitted to the Diet currently in session. The bill seeks to realize the GX Basic Policy which approved by the Cabinet on February 10. The

Diet will deliberate over this bill which aims to introduce legislation to maximally deploy renewable energy sources and utilize nuclear power premised on safety.

The Atomic Energy Commission also revised its Basic Approach to Using Nuclear Power on February 20, and the Cabinet decided that the national government will pursue this approach going forward on February 28. This Basic Approach is the compass showing the long-term direction of the national government's nuclear power policy, and is the culmination of more than a year's worth of discussion by the Atomic Energy Commission. This document established the importance of putting an end to the myth that our nuclear power plants are completely safe, sincerely learning from the reflections and lessons of the Fukushima Daiichi Nuclear Power Station accident, and continuing to work to recover the trust of the public. It also laid out the need to use this semi-domestic energy source with safety as a premise to allow Japan to make its energy supply decisions.

This is a very important direction for the future of energy policy that clearly positions the use of nuclear power with safety as a premise to rebuild a system to provide stable energy supply in Japan and decarbonize energy with stable supply as a premise.

As we come up on the 12th anniversary of the Fukushima Daiichi Nuclear Power Station accident, we as members involved in nuclear power, deeply regret that the accident continues to cause concern and burden many people. Under a strong commitment to never let an accident like this occur again, we will keep on voluntarily and continuously improving safety beyond what is required in the new regulatory requirements, always conscious of the characteristics and risks of nuclear power generation.

Today, in light of the importance of having top management commit to improving safety in nuclear power generation, the top management of nuclear operators, and

external organizations—Atomic Energy Association (ATENA), Japan Nuclear Safety Institute (JANSI) and Nuclear Risk Research Center (NRRC) at the Central Research Institute of the Electric Power Industry—gathered together to discuss their roles and the new measures they will be implementing to voluntarily improve safety. In concrete terms, nuclear power operators agreed they will continue to pursue safety tirelessly by introducing their own initiatives in the FEPC Safety Management Reform Task Team to learn and adopt best practices from one another, implement measures to safely operate nuclear power plants while also looking toward extending the operating period, and cooperating with other organizations in implementing these initiatives.

We nuclear operators believe using nuclear power in the long-term is necessary for Japan and will continue to voluntarily pursue safety and establish the nuclear fuel cycle. The industry as a whole will also communicate the state of our nuclear power facilities and our safety improvement initiatives to the public as part of risk communication to recover trust in nuclear power.

<State of electricity supply and demand and our gratitude to the public for cooperating in conserving electricity this winter>

Next, I'd like to talk about the state of electricity supply and demand and express our gratitude to the public for cooperating in conserving electricity this winter.

From last December to this January, there were days where demand exceeded projected demand assuming the once-in-a-decade bitter cold in five areas across Japan. However, we were able to maintain stable supply by pushing up the schedule for bringing power sources back online, changing maintenance plans and otherwise securing supply in advance, and of course, with the cooperation of the public in conserving energy. I want to take this opportunity to express my deepest gratitude to those who have cooperated with conserving energy, as well as the media for calling for conservation.

However, fuel supply could still be cut off due to the War in Ukraine, and considering the demand increases last March when temperatures dropped below expectations, electricity supply and demand is in a precarious state yet. We will continue to monitor the situation carefully. We ask that you continue to conserve energy to the extent you feel comfortable until the end of March.

<Finally>

Those are my three main points for the day. Finally, I want to address the appointment of the FEPC Chairman. The electricity industry is facing a critical moment: the future policy for Japan's energy supply has been set out in the form of the GX Basic Policy and the electricity industry needs to tackle stable energy supply and restarting nuclear power plants through concrete actions. At the same time, the industry needs to discipline itself in addressing issues such as the inappropriate viewing of information. In this environment, utility presidents today agreed that I will be continuing on as Chairman.

I understand this to be a very important responsibility and will leverage the experience of the past three years to serve the industry and the public who use electricity, by ensuring stable supply.

This concludes my remarks for today.

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