

Summary of Press Conference Comments Made by Kingo Hayashi, FEPC Chairman
on July 18, 2025

I am Kingo Hayashi of the Federation of Electric Power Companies of Japan.

I have two topics to address today: 1) the summary of the study meeting on future electricity supply-demand scenarios, and 2) developing concrete measures for nuclear power policy looking toward the use of nuclear power in the future.

Regarding the first point, I want to talk about the summary of the Study Meeting on Future Electricity Supply-Demand Scenarios which was published by OCCTO recently, that I touched on in last month's press conference.

The published summary was a very thought-provoking report that analyzed and evaluated demand and supply from various perspectives to maintain future stable supply. I want to pay my respects again to those who were involved, including the secretariat. With that in mind, I want to express my views on the verification results.

If you look at demand, it is growing in all four model cases for 2050 driven by the construction of data centers and electrification advances based on GX Promotion Act. This conclusion echos the projections laid out in the 7th Strategic Energy Plan and indicates the high probability of demand growing past 2040.

For each of the four model cases, necessary supply capacity to address growing demand needs to be secured. Meanwhile, supply capacity did not meet demand in many of the supply and demand balance scenarios calculated according to supply projections that include renewables, nuclear power, and decarbonized thermal. This means that stable supply may be compromised in the future, and as utilities, we consider this to be a very serious problem.

How do we as a country secure necessary supply capacity when demand is

projected to increase? We have reached a point where we need to think about this seriously.

This summary of discussion results suggest that nuclear power needs to be maximally utilized and the current scale of nuclear power needs to be maintained. To realize this vision, existing reactors need to be restarted without compromising safety and facility maintenance needs to be conducted to increase availability and enable long-term operation. Existing plants will need to be expanded and new plants constructed to secure the necessary capacity for stable supply based on projections that show facility capacity will fall after the 2040s.

Results also indicated that aging thermal power plants will also need to be replaced in the future. To secure stable supply now and in the future, we must not forget that thermal power capacity must also be maintained, assuming that they will be decarbonized.

Considering the lead times for power source construction, we have no time to waste in securing supply capacity for the future.

One of the objectives of this study was to produce reports that can be used in deliberating over the subscription targets for the Long-term Decarbonized Power Sources Auction. I hope the government will promptly start discussing necessary revisions to systems based on the result reached in this report that there may be a significant supply shortage.

To secure necessary supply capacity in the future, predictability needs to be increased for all players including generating operators. This result needs to be reflected onto systems to increase predictability for players and allow for planned investment into power sources. Investments can be further accelerated if the government can promptly develop a suitable environment for the power generation

business including for financing.

Moving to my second point, last month, the government's Nuclear Power Subcommittee started discussions around how to flesh out the nuclear power policy to utilize nuclear power in the future.

The Subcommittee presented a policy for discussing the projections for and the future ideal for nuclear power based on the 7th Strategic Energy Plan as well as additional measures for the supply chain and for securing talent.

As I've mentioned before, to utilize nuclear power sustainably now and in the future, we must secure technologies and talent, and maintain the supply chain. In order to achieve this, Japan must set concrete development and construction targets for nuclear power.

I think it is very meaningful that a policy to discuss quantitative projections and ideal state of nuclear power have been set. In addition, cross-sectoral discussions with industry, government, and academia coming together is one way to address the issue of maintaining the supply chain and securing talent. As utilities, we will cooperate with these discussions as much as possible.

This Subcommittee meeting also decided to establish a new working group to discuss system design related to backend processes.

The working group will discuss the long-term stable use of nuclear power once the Rokkasho Reprocessing Plant is complete and operations for the steady use of plutonium for the mid-to-long term use of nuclear power.

Resource-poor Japan has been pursuing fuel reprocessing to secure long-term energy security, utilize resources effectively, and reduce the volume of high-level radioactive waste.

As such, the nuclear fuel cycle policy, which has been considered a critical government policy for decades, needs to be advanced consistently with a long-term view. To achieve this goal, the effectiveness of the nuclear fuel cycle needs to be increased.

We, as nuclear operators, will cooperate whenever possible by providing information to enable constructive discussions. We are also committed to supporting JNFL in the completion of the Rokkasho Reprocessing Plant and promoting the understanding of the final disposal business.

This concludes my remarks for today.

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