

ENERGY SITUATION IN JAPAN

March 2013

Agency for Natural Resources and Energy
Ministry of Economy, Trade and Industry (METI) Japan

2002.06	Basic Act on Energy Policy
2003.10	Basic Energy Plan
2007.03	First review of Basic Energy Plan
2010.06	Second review of Basic Energy Plan
2011.03	Great East Japan Earthquake
2012.09	Innovative Strategy for Energy and the Environment
2012.12	Change of Government
2013.03	Restart of review of Basic Energy Plan

MILESTONES

Within 3 Years

- Introduce renewable energy and enhance energy efficiency to the maximum extent for the next 3 years

- Restart nuclear power plants, once their safety is assured by the NRA (Nuclear Regulatory Agency)

Within 10
Years

- Establish the best long-term mix of power sources.

Overcome energy challenges while reducing costs in procurement, distribution and consumption sector.

1. Procurement Sector

< Diversify electricity source >

- (1) Maximize introduction of renewable energy
 - a) Deregulation
(E.g. Accelerate procedures for environmental assessments)
 - b) Promote wind and geothermal power, through enhancing grid, etc.
- (2) **Restart nuclear power plants once safety is assured**
- (3) Introduce high-efficiency thermal power plants (coal and LNG) while considering the environmental impact

< Diversify fuel source >

- (1) Procure low-cost LNG
- (2) Promote development of domestic energy sources including methane hydrate

2. Distribution Sector

(1) **Electricity market reform**

- a) Full liberalization of generation and retail
- b) Unbundling
- c) Nationwide transmission operation

- (2) Strict assessment of power rates
(Cut down fuel costs)

3. Consumption Sector

- (1) Enhance competitiveness and promote energy efficiency by installing cutting edge and efficient facilities in industries
- (2) Enhance energy conservation by adding houses/buildings, in the Top Runner Program
- (3) **Promote efficient energy management systems such as demand response**