Tokyo Cap and Trade Program

Strategic Reporting Requirements



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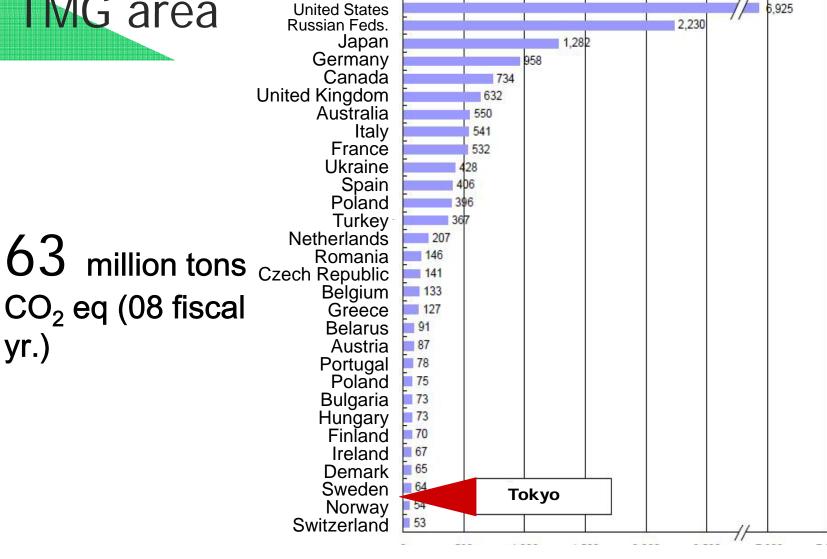




GHG Emissions in TMG area

CO₂ eq (08 fiscal

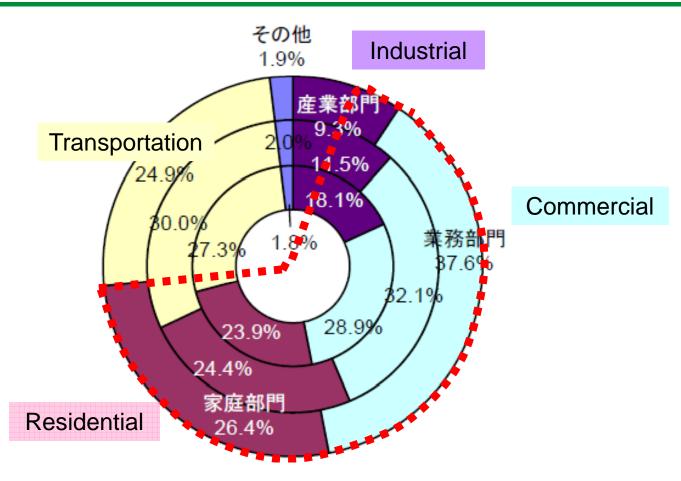
yr.)



million tons CO_{2 eq}

Source: UNFCCC, GHG emissions of AnnexI parties

Increasing Carbon Emissions from the Buildings Sector



CO₂ emissions in TMG area by sector Inner circle: 1990

Middle circle: 1990 Outer circle: 2007

okyo Climate Change Strategy Basic Policy

Responsibility as the enormous energy consumer

Annual emissions in Tokyo area is large, it's comparable to those from Scandinavian countries.

Importance to reduce emissions from urban buildings

Promoting measures in the buildings sector is the key to reduce emissions not only in Japan, but also in the urbanizing world

Enable Tokyo to grow in the coming carbon restrain age

Taking an advantage of the early shift to a low carbon city to realize sustainable growth of Tokyo

ramework of Measures for the Buildings Sector

Tokyo Cap and Trade Program

Require annual emission reduction from existing buildings

Covers
Existing
buildings

TMG Green Building Programs

Require energy conservation design and renewable energy use in new buildip

Covers New buildings

Introducing energy efficient measures in new buildings design

Easier emission reductions in the Cap&Trade

Investing in energy efficient measures in new buildings

Because of the future reduction obligations by Cap&Trade

Policy Development

"The 10-yr plan" **Plans** TMG environmental master plan Setting the target Setting sectoral targets & programs 2000 2005 2008 2010 2006 **Climate Change Strategy** Carbon Minus 10yr project Programs Basic policy for the 10 yr project Action plan Existing buildings Cap & Trade Mandatory Reporting Program •2002 **2005 •2008 •2010** Start Enact Start **Introduce Disclosure system**

New builds

Green Building Program

●2002 Start •2005

Reinforce standards in climate change & urban heat areas

•2008
Broader coverage
Reinforce standards

Green Labeling Program for Condominiums

Low-carbon prerequisite

for Large Developments



Inique coverage of urban facilities

The world's first urban cap and trade program to cover office buildings

Target facilities: 1,300 facilities

Facilities with annual energy consumption of 1,500 kl or more (crude oil equivalent)

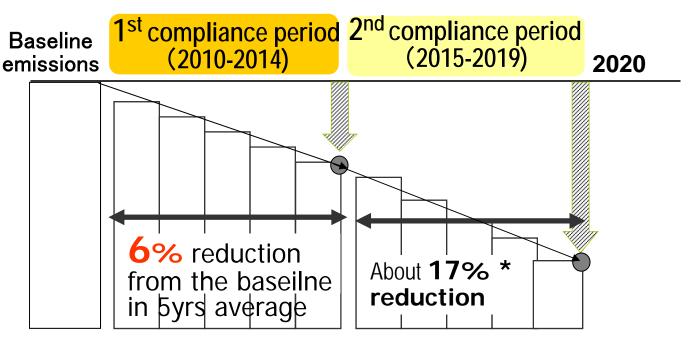
Approx. 1000 commercial & institutional buildings Approx. 300 industrial facilities



Covers approx.40% of commercial & industrial sectors' emissions

Strict Cap Setting to Achieve the TMG Target

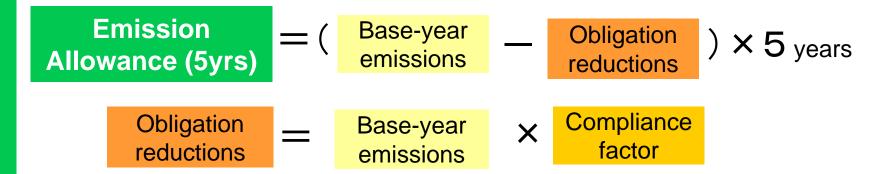
To achieve the Tokyo's emission reduction target "By 2020 25% reduction from 2000", the necessary reduction in industry & commercial sector is 17% reduction



* Current estimation.

The Cap for the 2nd compliance period will be fixed by the end of the 1st compliance period

air allowance allocations



Base-year : Average emissions of three consecutive years between 2002 to 2007

Category		Compliance factor
I -1	Commercial buildings, District cooling & heating facilities (plants)	8%
I -2	Commercial buildings using EHC	6%
П	Factories, etc.	6%
Top level	A facility already achieved high energy efficiency is certified as a: Top Level / Near-top level Facility	1/2 or 3/4 of the compliance factor

mission Trading: Creating a New Carbon Market

Tradable allowance:

Reductions exceeding the obligation

Creation of Emission Reduction Registry System:

Reductions exceeding

Creation of a MRV system:

Guidelines on MRV Requirements of verification by a registered verification agency

mission Trading: Offset Credits

1. Emission reductions from small and midsize facilities within the Tokyo area

* Emission reductions through energy-saving measures in smaller facilities not covered by the TC&T

2. Renewable Energy Certificates

- * Solar energy (heat and power), wind energy, etc.
- * No limit for offsetting

3. Emission reductions outside the Tokyo area

- * Sellers will be assumed to be covered under the Tokyo Cap-and-Trade Program, and reduction exceeding the reduction obligation would be counted as offset credit
- * Can only buy up to 1/3 of base year emissions

Penalties for non-compliance

Fines: up to JPY500,000

Charges: 1.3 times the shortfall

Violation will be published

*Among the other TMG programs, exceptionally high charges

verview

Mandatory emission reduction program targeting urban facilities in a cost effective way

- + Targeting BUILDINGS
- + Targeting existing buildings
- + Targeting total emissions from a building as a whole
- + Focusing on demand side energy consumption
- + Capturing real energy consumptions (emissions)
 - > design performance
- + Creating vast investments on energy efficiency measures and renewable energy introductions
- + Pursuing the cost effectiveness through the ETS



RV in the Cap & Trading Program

Measuring, reporting & verification Requirements

Measurement & reporting system is the basic rule of the cap & trade program

MRV on baseline emissions

-Set the starting point

Yearly report on emissions

- -Measuring and reporting on annual emissions
- -Verification required
- -Including "Reduction Plan"

Yearly report from large tenants

-"Reduction Plan" by tenants

MRV for emission trading system

-Credits creation and trading

Strategic Reporting System in the Program

Reporting Requirement of "Reduction Plan"

- -Not only monitor the emission amount but also report the reduction plan with a targeting goal
- -Disclosed on TMG website

Utilizing a reporting system to ensure/improve the program effectiveness

Mandatory reporting program (2005-2010)

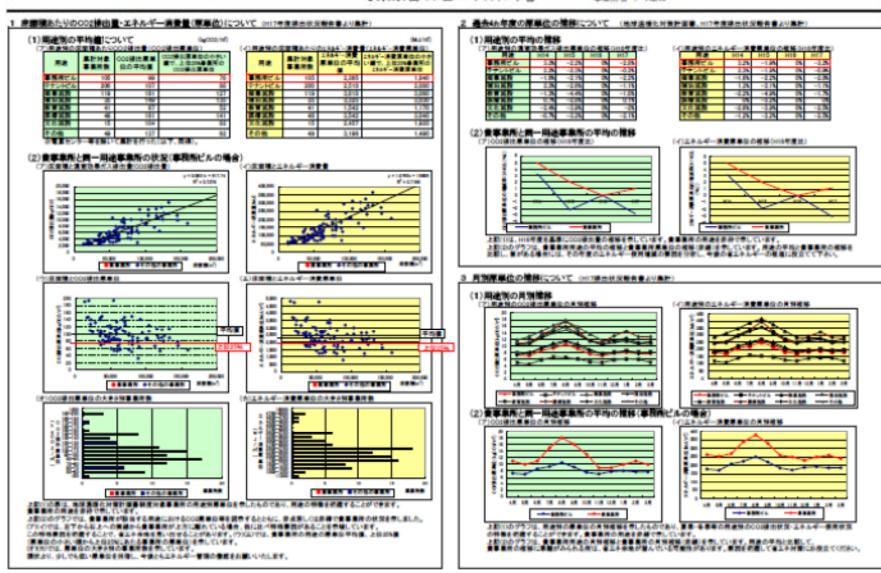
- Reporting requirement on emission inventory with a reduction target & reduction plan
- Feedback system to show their performance with comparable data & examples
- Rating & disclosure of the plan and results

Energy Efficiency Carte

~自らのエネルギーの演費状況がひと目でわかる~

『東京都士省エネカルテ』

車車用名 : Aビル

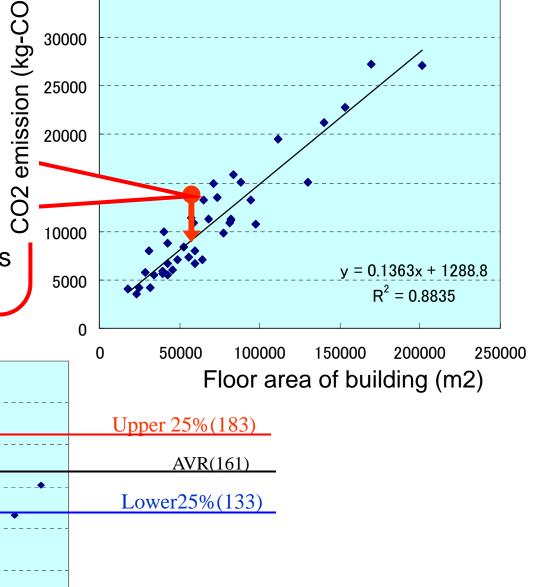


Feeding Back

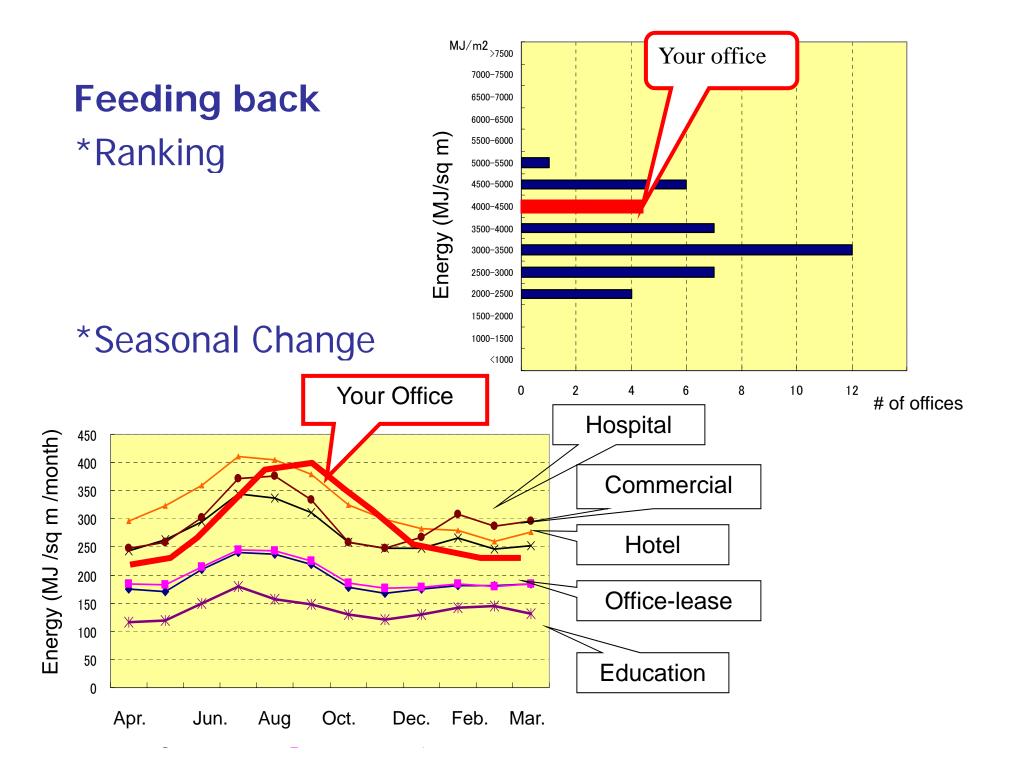
*Distribution

CO2 emission (kg-CO2/sq m)

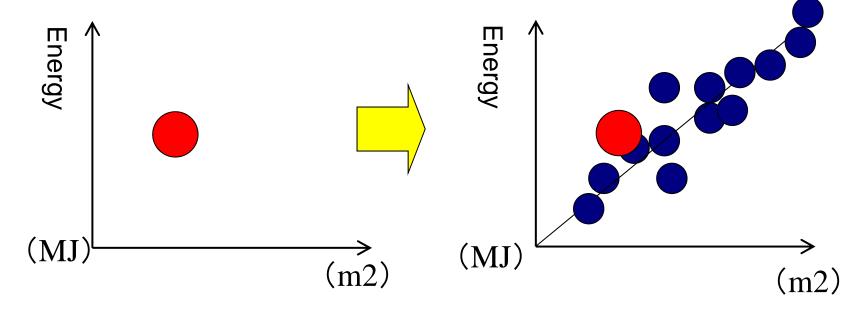
CO2 emission of your office is a little higher among those in the same business category
Check factors and seek measures for further reduction!



Floor area of building (sq m)



♦Distribution





Low Emission Buildings TOP30

TOP30 buildings were selected in line with the policy measures of TMG.

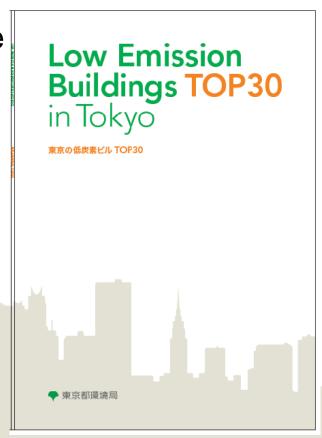
Existing buildings section:

Highly valued in the C&T Program

New building section:

Based on the evaluation of the Green

Building Program



http://www.kankyo.metro.tokyo.jp/en/int/top30.html

TOP30 Building List

東京の低炭素ビルTOP30 所在地マップ

EXISTING BUILDING

- Dentsu Shiodome Head Office Building
- Ginza Mitsui Building
- 1 Hibiya International Building
- Meiji Yasuda Seimei Building and Meiji Seimei Kan Building
- Mitsubishi Shoji Building
- Marunouchi Building
- Nihonbashi Mitsui Tower
- Otsuka Corporation Head Office Building
- Roppongi Hills
- C Sapia Tower
- Shin-Otemachi Building
- 1 Sony City
- 11 Tokyo Midtown
- Toranomon Towers Office
- Kokuryu Shiba Koen Building

Alphabetical order

NEW BUILDING

- O Chiyoda Ward Koujimachi Junior High School
- Pujimi Mirai Kan
- O JP Tower (tentative name)
- Kasumigaseki Common Gate
 Central Government Building No.7
- (1) Kyobashi 3-1 Project (tentative name)
- (1) Marunouchi 1-4 Project New Building (tentative name)
- Marunouchi Park Building
- Shimizu Corporation New Headquarters Construction Project
- Shopping Center at 1-1 block in the first south area of Musashi-Koganei Station
- O Sony Corporation Sony City Osaki
- Takenaka Corporation Tokyo Main Office
- Tokyo Metropolitan Matsuzawa Hospital
- Toyosu Cubic Garden
- Obayashi Corporation Technical Research Institute Main Building (Tecno-Station)



Tokyo Climate Change Strategy

www.kankyo.metro.tokyo.jp/en/climate/



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