# First Proposal on Energy Policy (Outline)

## 1. Fundamental Concepts

1. Ongoing commitment toward early restoration from the accident at the Fukushima Daiichi Nuclear Power Station is of utmost importance.

2. As factors including high corporate tax rates and inappropriate measures to fight climate change dull Japan’s competitive advantage as a business location, in order to avert further hollowing-out of the economy the government should promptly set a course ensuring stable electricity supply for the next five years or so.

3. Looking to the medium- to long-term (2020–2030), the government should review priorities among the 3Es (energy security, economic growth, and environmental protection) and create a new “best mix” for energy. Japan requires policies that place more emphasis on energy security (stable energy supply) and the economic aspect of energy, with safety as a major prerequisite. Japan should continue to combat climate change on a worldwide scale through the development and diffusion of world-leading technologies.

4. We should avoid rash debate over the electricity business and focus on realistic discussion that includes the issue of the government’s involvement in nuclear energy.

5. In reviewing energy policy, the government should release objective data and ensure transparent and open public discussion.

## 2. Urgent Measures Required to Ensure Stable Electricity Supply in the Short Term

1. Swiftly formulate and publicize an action plan for ensuring stable electricity supply over the next five years or so

2. Promptly re-start nuclear power stations still shut down following regularly scheduled inspections

3. Ensure smooth procurement and transport of fossil fuels through public-private cooperation

4. Support introduction of private power generation equipment and storage batteries

5. Support introduction of energy-saving devices, etc., support energy-saving improvements of buildings, and promote national energy conservation campaigns

6. Continue deregulation initiatives introduced this summer to balance supply and demand

## 3. Review Energy Policy from a Medium- to Long-Term Perspective

### Need for New “Best Mix” for Energy

Open public discussion should be conducted after objectively analyzing aspects including the advantages and disadvantages of each energy form.

1. Nuclear energy development should continue to be promoted steadily, while assuring safety as a major prerequisite
   - Improve safety, including rigorous measures to prevent the recurrence of accidents and a radical review of safety standards
   - Re-examine information disclosure protocols

2. For fossil fuels, stable procurement/supply and highly efficient use are crucial
   - Government and private sector must cooperate to ensure acquisition of upstream rights and interests as well as diversification of fuel sources and suppliers
   - Strengthen R&D in fields such as highly efficient thermal power generation and commercialization of carbon dioxide capture and storage

3. Renewable energy is important from such perspectives as improving energy self-sufficiency
   - Based on the potential of introducing renewable energy forms, formulate realistic plans suited to Japan’s natural environment
   - Increase efficiency and reduce costs by supporting R&D and capital investment and encouraging competition among operators
   - Ease regulations on location and other aspects of geothermal power stations, wind farms, etc.

4. Proactive support for energy conservation is crucial
   - Provide policy support for introduction of energy-saving devices and investment in plant and equipment, prioritize R&D, review lifestyles and work styles through national campaigns

### Energy Supply System

1. Create stronger links between centralized and distributed power sources
   - Realize the best mix of centralized and distributed power sources to achieve stable supply, high efficiency, and emergency responsiveness by reinforcing both types of energy supply and enhancing complementarity
   - Examine emergency back-up power sources, how costs for these will be borne, and who will take responsibility for supply

2. Develop disaster-resistant infrastructure
   - Examine enhancement of frequency converter stations and installation of interconnection transmission lines between regions, including government support
   - Maintain and strengthen oil supply chain, including utilization of national stockpiles
   - Examine how future gas pipeline projects should be pursued

3. Build smart grids
   - Accelerate efforts to commercialize smart grids through trial projects in model cities, etc.

### Need for Review of Future Measures to Fight Climate Change

1. Maintain/enhance world-leading levels of energy efficiency in manufacturing processes and products through industry-led initiatives

2. Accelerate efforts to realize bilateral offset mechanisms

3. Review Japan’s currently proposed medium-term targets for greenhouse gas reduction and individual measures to fight climate change from a zero base