

Second Proposal on Energy Policy (Outline)

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1. The Immediate Energy Policy

- (1) It is critical for all parties to make a concerted effort in resolving the accident at Fukushima Daiichi Nuclear Power Plant.
- (2) The electricity shortage countermeasures of this summer imposed heavy burdens on corporate activity. Continual power shortages will accelerate the hollowing-out of domestic industry.
- (3) The government should firmly implement the budgetary measures and deregulation policy incorporated in the Action Plan to Stabilize Energy Supply-Demand.
- (4) It is essential that, once trusted relationships are established with local governments, nuclear power plants are reinstated after regular check-ups, upon confirming their safety. The government should enhance public campaigns on energy efficiency and conservation as well as power-saving.

2. Medium- and Long-Term Energy Policy

(1) Critical issues to be resolved

1) Ensuring public safety and reliance

2) Sustainable economic growth

3) Contributing to international community

(2) Formulating a flexible and diverse energy utilization plan

- 1) It is important that the time line of the plan be considered, based on rational judgment on technological dissemination and development trends.
- 2) To avert energy supply anxieties, electric power supply plans should not be founded on exaggerated forecasts of energy efficiency and conservation and renewable energy introduction.
- 3) The target energy/generation mix should be flexibly planned with a certain range.
- 4) Ensuring safety and economic rationality as a prerequisite, a list of policy measures should be proposed to enable the efficient and effective use of diverse energy sources to the maximum extent possible.
- 5) The maintenance of diverse energy options will lead to risk dispersion and the sustainment and enhancement of resource-related negotiation power.

(3) Stabilizing power supply-demand

Securely recovering lost baseload power is a critical issue in future energy policy reviews :

- 1) Extensive efforts should be made to restore public trust in nuclear power, so that it may assume a given role.
- 2) Technological innovations for cost reduction and grid stability are indispensable for renewable energy to serve the role of a core energy source.
- 3) The immediate agenda is to secure a stable fossil fuel-based energy supply. Therefore, firm negotiation power against resource-rich economies is called for, as well as public-private cooperation in resource-related negotiations. Joint procurement of resources by a group of different companies should also be discussed.
- 4) Policy support is required for the dissemination of energy-saving products, development of energy-efficient technologies and products, and smart community demonstration experiments.

(4) Promoting technology-based international contribution

- 1) Overseas dissemination of technologies for the highly efficient use of fossil fuels should be sought through further promoting their development and practical application.
- 2) Research and development, as well as fostering and securing human resources to resolve the nuclear accident and to improve nuclear safety should be continued. Proactive contributions should be made to international rule-making for enhanced nuclear safety and to establishing an international cooperative framework for emergencies.
- 3) Details of the bilateral offset mechanism must be shaped and ODA must be strategically employed in order to boost the overseas dissemination of Japanese technology.

(5) Jointly promoting climate change and energy measures

- 1) Energy and climate change policies should be discussed in an integrated manner. A zero-based review of the mid-term GHG emission reduction target should be conducted.
- 2) Technological contributions to reducing global GHG emissions are essential. The tax for Measures against Global Warming should not be introduced from the perspective that it would erode financial resources for technological development. Furthermore, the feed-in-tariff scheme for renewable energy should be designed so as not to inflict excessive burden on national livelihood and corporate activities.