



26 October, 2021

Summary of Remarks by JGA Chair HONJO Takehiro

1. Positioning of gas in the 6th Strategic Energy Plan

We believe that the 6th Strategic Energy Plan, which was approved by the Cabinet on October 22, indicated once gain the importance of city gas for the future.

Specifically, regarding the reduction of environmental load by shifting to natural gas, fuel conversion and higher efficiency of natural gas utilization equipment were shown as one of the options for decarbonization of heat demand.

Regarding contributions toward the realization of carbon neutrality in 2050, synthetic methane will be able to use existing infrastructure and equipment, reduce investment costs for decarbonization, and secure a variety of energy supply sources other than electricity. It was described that this would contribute to a stable supply of energy.

Regarding the spread and expansion of distributed energy systems, cogeneration can utilize energy most efficiently and is expected to play a role as a stable power source.

As for the resilience of the gas infrastructure in the event of natural disasters, it was shown that the gas pipelines are not easily damaged by wind and rain and gas pipelines are earthquake-resistant, so the risk of supply disruption is

low, and early recovery can be expected.

In order to meet those expectations, Japanese gas industry wants to contribute to the achievement of the NDC in 2030 and the realization of carbon neutrality in 2050, which are indicated in the Strategic Energy Plan, through the implementation of the JGA's "Carbon Neutral Challenge 2050 Action Plan".

Next, regarding the primary energy supply and power source composition as of 2030 in the Strategic Energy Plan, the portion of natural gas in the power source composition in 2030 will decrease from about 27% to 20% compared to those of the previous Strategic Energy Plan. On the other hand, the portion of natural gas to the primary energy supply including power generation is said to be maintained at 18%, which is the same as that of the previous plan.

For those reasons, it is thought that natural gas other than for power generation use will be expanded, and from this viewpoint, we believe that city gas will play a major role in reducing CO₂ at the moment and achieving carbon neutrality in the future.

In addition to the Strategic Energy Plan, the Long-term Strategy as a Growth Strategy based on the Paris Agreement also describes the importance of utilizing natural gas and decarbonizing gas toward the transition period and the realization of carbon neutrality in 2050.

2. 10th LNG Producer Consumer Conference

The 10th LNG Producer Consumer Conference was held by the Ministry of Economy, Trade and Industry (METI) on October 5. Companies and Ministers from LNG producing and consuming countries participated to the conference. This time, themes of the conference were "Increasing role of LNG as transition

energy" and "The way of producing and use of clean LNG".

In the opening remarks by Mr. HOSAKA Shin, the Commissioner of the Agency for Natural Resources and Energy of METI, commented that "LNG plays an important role as a transition energy and as a regulating power source to support the expansion of the introduction of renewable energy," and "for the global economic development, a stable supply of LNG and a stable price are indispensable.

The gas industry will promote efforts for stable procurement of LNG, such as diversifying suppliers and promoting contract flexibility. At the same time, we would like to contribute to lowering and decarbonizing the transition period by converting fuel to natural gas and expanding the spread of distributed energy systems.