



July 15, 2022

Summary of Remarks by JGA Chair HONJO Takehiro

1. Support for stable energy supply

In Prime Minister Kishida's press conference on July 14, PM Kishida stated that stable power supply is expected to be secured this summer. However, in response to the government's request for nationwide power conservation to deal with the recent severe power supply and demand outlook, the Japan Gas Association is calling for cooperation from city gas utilities nationwide in conserving electricity. The gas industry will also contribute to reducing the burden of electricity supply and demand through initiatives such as in-house power generation using gas cogeneration, gas air conditioning, and smart energy networks that use digital technology to control these systems.

Regarding gas supply, the national commission of inquiry has begun discussions on emergency demand measures. Unlike the request for power conservation in response to the severe electricity supply and demand outlook, there are no current obstacles to the stable supply of gas, but the international LNG procurement environment is becoming increasingly severe, and studies are being conducted to prepare for the eventuality of obstacles to procurement through long-term contracts and other means.

A presidential decree on the transfer of interests in Sakhalin II to a new company of Russian nationality has recently been issued. On July 14,

Prime Minister Kishida commented that "Sakhalin II is an important project for the stable supply of electricity and gas" and that "imports will not stop immediately." The gas industry will continue to monitor the situation closely and work to ensure a stable supply.

2. Smart security initiatives

Gas utilities have traditionally worked to maintain and improve safety at every stage of production, supply, and consumption, such as by promoting the use of gas appliances with high safety standards and establishing 24 hours a day, 365 day a year system. In this context, they have been working to improve the level of safety and resilience to natural disasters using digital technology to speed up and improve the accuracy of operations.

Furthermore, these technologies are horizontally deployed through dissemination seminars and other means to promote the advancement of security in the industry as a whole. As for future efforts, the gas industry will promote smart security based on the "Action Plan for Smart Security in the Gas Sector" formulated by the government in March 2021. Through these efforts, the company will further maintain and improve safety and stable supply, which are the cornerstones of the city gas business, as well as promote resilience enhancement and productivity improvement. We would like the Japanese government to consider institutional measures to encourage the promotion of such smart security.

3. Publication of 『METHANATION: e-methane, Ace for carbon neutralization of city gas』

The book is being published to raise awareness of methanation as a means of decarbonizing city gas. With contributions from Dr. Keigo

Akimoto who is Chief Researcher at RITE, and Professor Takeo Kikkawa who is Vice President at International University of Japan, as well as the The Institute of Applied Energy and other related organizations and companies, the report provides a wide range of information on methanation, including an overview of decarbonization technologies, domestic and international initiatives, and institutional issues. We hope to use this book to further improve the social recognition of methanation.