



December 15, 2022

## **Summary of Remarks by JGA Chair HONJO Takehiro**

### **1. Looking back on 2022**

In 2022, Russian invasion of Ukraine raised concerns about LNG procurement on a global scale, and energy prices rose sharply, bringing back awareness of the importance of a stable energy supply.

Despite those rapidly changing conditions, the Japanese city gas industry worked together with the public and private sectors to ensure a stable supply and to strengthen systems and mechanisms to prepare for any contingency.

On the other hand, for decarbonization, the Japanese city gas industries steadily promoted various activities, including the social implementation of “e-methane”, based on the Japan Gas Association’s “Carbon Neutral Challenge 2050” action plan.

In general, 2022 was a year in which we responded to major changes and worked toward the mid- to long-term challenge for carbon neutral of gas.

### **2. New comprehensive economic measures of the government (e.g., measures to reduce gas price)**

“New Comprehensive Economic Measures”, announced by the government, which included support measures to cope with the higher city

gas rates and support measures for the introduction of ENE-FARM (Residential fuel cell) in the residential sector.

With regard to support for city gas rates, all JGA's charter member utilities have applied, and preparations are underway to implement the program, including making it easier for customers to understand.

Support for the introduction of ENE-FARM is another support measure that contributes to the promotion of energy conservation, and the industry will actively utilize this measure.

### **3. Status of city gas supply and demand measures**

The city gas industry, which there have been no disruptions to the stable supply of LNG to date thanks to various measures and innovations, including accelerated procurement of LNG and stockpiling of inventory.

Amid such circumstances, the public and private sectors have been working together to prepare for any possible tight supply and demand.

The city gas industry has revised its "Guidelines for Response to Large-Scale LNG Supply Disruptions" to ensure smooth interconnections among gas utilities in the event of such an emergency, and is also studying mechanisms for providing information to consumers and other parties, as well as demand control measures using the gas version of economic demand response.

In the Japanese government, the Gas Industry Law has been amended to allow the government to be involved in LNG procurement and restrictions on gas use in the event of a contingency, such as an LNG supply disruption.

We will continue to take all possible precautions to ensure that stable supply will not be disrupted this winter.

#### **4. Methanation Promotion Public-Private Council meeting**

The 9th Council Meeting was held on November 22, and it was reported on studies and demonstrations for the introduction of e-methane in Japan and overseas. The report estimates the cost of supplying hydrogen carriers derived from renewable energy sources and indicated that e-methane is an important option as one of the hydrogen carriers.

The Council members commented that "Methanation" is under concrete consideration for social implementation and requested for measures to support its introduction on the same level as hydrogen and ammonia, as well as the positioning of e-methane in the GX (Green transformation) Executive Committee of the government.

The Japan Gas Association proposed unifying the designation of synthetic methane to "e-methane" and got the consensus from the committee members. We will work to raise awareness of e-methane from now on, including overseas.