



April 24, 2024

## **Summary of Remarks by JGA Chair UCHIDA Takashi**

### **1. Introduction**

First, I would like to express my thoughts on assuming this position.

The environment surrounding the city gas industry has changed dramatically over the past several years. These include the accelerating global trend toward carbon neutrality, the tightening of global LNG supply and demand following Russia-Ukraine conflict and the resulting surge in energy prices, and, on the demand side, the growing awareness of energy conservation and the need to strengthen disaster countermeasures in light of the frequent earthquakes, windstorms, and floods that have occurred in many regions.

Particularly, the trend toward carbon neutrality will significantly change the future of the city gas business.

The city gas industry is in the process of undergoing a major transformation, the first phase being the foundation of the gas business, the second phase being the introduction of LNG, and the current phase being the “third founding”.

The entire gas industry will work in unison to realize the challenges of stable energy supply and a carbon-neutral society, and in particular, will steadily implement the social implementation of e-methane, while firmly strengthening support for local gas companies.

I would like to keep in mind what we must do to ensure that the city gas industry continues to be chosen by customers and society.

## **2. Japan Gas Association Business Plan for FY2024**

FY2024 will be an important year for paving the way for the social implementation of e-methane, as the next Strategic Energy Plan is formulated and detailed studies on the feasibility of e-methane production in Japan and abroad are underway. Therefore, we will aim to establish the position of e-methane in national policies and systems, as well as in society. In addition, with the changing global situation and concerns about energy supply, including LNG, we will respond to the demands for a stable supply from the government and society, and support the business activities of local city gas utilities that are facing a declining population.

The first concrete initiative is to strengthen efforts to realize the "Carbon Neutral Challenge 2050 Action Plan". In addition to ensuring the position of e-methane in the Strategic Energy Plan and other policies, we will strengthen support and institutional measures for social implementation of e-methane, such as the Japan Climate Transition Bonds and investment recovery schemes. At the same time, efforts will be strengthened to promote the introduction of gas systems that contribute to the promotion of fuel switching during the transition period and the strengthening of resilience. Energy policy is based on "S + 3E," and while aiming for carbon neutrality, it is important to ensure low carbon, stable supply, and economic efficiency in the transition period. We hope that the government will also clearly indicate the importance of natural gas in the transition period in the next Strategic Energy Plan.

The second point is the constant efforts to ensure a safe and stable supply of city gas.

We will promote thorough preparation from both supply and demand sides for LNG supply disruptions in the event of a contingency, ensure safe

and stable supply, promote the introduction of smart security, and strengthen its disaster response capabilities.

The third point is to strengthen support for local decarbonization and regional revitalization efforts.

We will promote the expansion of gas systems in the region, support for carbon neutrality that can be implemented in the region, horizontal development of good examples of regional revitalization efforts, and support for regional collaboration measures.

In addition to these three points, in FY2024, we will make thorough preparations for the pavilion's participation in the Expo 2025 Osaka, Kansai, Japan, including building momentum, steady construction work, and detailed studies of operation and exhibition staging.

### **3. Trends of e-methane**

The Japan-U.S. Clean Energy and Energy Security Initiative Plenary Meeting was held in March by the Ministry of Economy, Trade and Industry and United States Department of Energy.

Following the agreement reached at that meeting, the outcome document of Prime Minister Kishida's official visit to the U.S. on April 10 clearly stated that he welcomed the progress of the CCUS and carbon recycling projects underway between Japanese and U.S. companies.

It also clearly stated that Japanese companies have signed a basic agreement with U.S. companies on e-methane to avoid double-counting of carbon dioxide emissions.

It is hoped that the private-sector agreement will lead to the organization of counting rules among nations in the future.

#### **4. Gas Pavilion in the Expo 2025 Osaka, Kansai, Japan**

Regarding the Gas Pavilion in the Expo 2025 Osaka, Kansai, Japan, preparations for the GAS PAVILION OBAKE WONDERLAND including planning and construction work, are generally progressing smoothly in preparation for the opening of the Expo in about a year, and work will continue to proceed safely.

A new “OBAKE” (friendly shapeshifter) character was recently unveiled and will be named by votes from all over Japan, with the aim of creating a pavilion that will be familiar to all visitors.