



July 9, 2024

Summary of Remarks by JGA Chair UCHIDA Takashi

1. Introduction

Today, I will explain three points: ① Basic Policy on Economic and Fiscal Management and Reform, ② The status of consideration of domestic rules on CO₂ counting of e-methane, and ③ MOU signed by the city gas industries of Japan, Korea, and Taiwan.

2. “Basic Policy on Economic and Fiscal Management and Reform”

On June 21, the Cabinet approved the "Basic Policy on Economic and Fiscal Management and Reform".

The Basic Policy clearly states that the government will support the conversion to natural gas, which emits less CO₂, and promote the use of low-carbon hydrogen in the future.

It also stated that the government will promote R&D and capital investment in carbon recycling, including e-methane, and will work to create demand and arrange the surrounding environment.

Regarding environmental arrangement, it was stated that the rules for counting CO₂ emissions during e-methane use will be studied and a conclusion will be reached by the end of FY2024.

In accordance with this policy, we expect that concrete institutional design will be developed in the future.

In addition, in compiling this "Basic Policy on Economic and Fiscal Management and Reform", the "Diet Members' League for the Promotion of Advanced Utilization of Natural Gas and e-methane in GX (Green

transformation) " launched by the Liberal Democratic Party made recommendations to the government regarding the importance of natural gas during the transition period and the necessity of implementing e-methane in society, and we would like to thank everyone involved once again.

The gas industry also would like to continue to convey the importance of natural gas and e-methane in the context of the overall energy policy of Japan, taking a broad view.

3. Status of consideration of domestic rules on CO₂ counts for e-methane

At the Study Group on Calculation Method for Greenhouse Gas Emissions Accounting, Reporting and Publication System held on June 18, the rules for CO₂ emissions from carbon recycling fuels, including e-methane, were discussed, and it was decided that e-methane that meets the conditions would be considered to have zero CO₂ emissions when used under the Calculation Method for Greenhouse Gas Emissions Accounting, Reporting and Publication System.

It is expected that both domestically produced and overseas-produced e-methane will be treated in the same way, and the specific conditions for setting e-methane's CO₂ emissions to zero will be discussed in the future, but for now, the fact that the CO₂ counting rules for e-methane have been established in the domestic system in a way that makes the user side zero is seen as a major step forward.

4. MOU signed by the city gas industries of Japan, Korea, and Taiwan

The city gas associations in Japan, Korea, and Taiwan have been holding regular meetings to exchange information, and at the May 29 meeting, we decided to conclude an Memorandum of Understanding

(MOU) on cooperation for the future carbon neutralization of city gas, as we share the same mission to achieve carbon neutrality while maintaining a stable supply, despite the different energy and city gas business situations of the three associations.

With regard to the carbon neutrality of city gas, we will hold regular working-level information exchange meetings, and will also establish a new forum for exchanging information on the status and initiatives of each other's carbon neutrality efforts, and share knowledge.