



September 4, 2025

Summary of Remarks by JGA Chair UCHIDA Takashi

1. Introduction

I extend my heartfelt sympathy to all those who have suffered immense damage due to the record-breaking heavy rainfall that began on the August 6th, 2025 in the Kyushu region, as well as in other areas including the Tohoku region and across Japan.

I sincerely pray for the safety of all those in the affected areas and for the swiftest possible recovery.

Regarding city gas, as gas pipelines are predominantly buried underground, they are less susceptible to heavy rain damage. Consequently, there have been no particular disruptions to city gas supply during this period of record rainfall.

We will continue and strengthen our efforts towards stable gas supply and enhanced resilience, positioning city gas as a resilient energy source.

Today, I will explain two points: ① trend of e-methane, and ② contribution of the gas system to increased electricity demand.

2. Trend of e-methane,

e-methane, positioned in the 7th Strategic Energy Plan as a “key energy for achieving carbon neutrality by 2050” alongside hydrogen, is undergoing policy and institutional review for its societal implementation. Today, we present two points regarding institutional developments for e-methane.

First, regarding short-term measures to promote e-methane adoption while considering the price differential with LNG, the “Regulation” utilises

the "Act for Establishing Energy Supply Resilience", and the "System" utilizes the "Transmission tariff System". The relevant amended laws and regulations came into effect on 15 July 2025. Under the Act for Establishing Energy Supply Resilience, a target has been set to supply 1–5% of gas with e-methane or biogas by fiscal year 2030. Furthermore, the system promotes e-methane adoption by incorporating the price differential with LNG into the transmission tariff cost base for recovery.

Secondly, regarding the positioning of e-methane within Japan's CO₂ counting rules, coefficients for calculating greenhouse gas emissions were published in June 2025 as part of the reporting of FY2024 results under the SHK system (Act on Promotion of Global Warming Countermeasures). This has, for the first time, enabled consumers utilising e-methane to report that portion as having zero CO₂ emissions.

Therefore, we perceive that institutional design for the societal implementation of e-methane is progressing concretely and steadily. The city gas industry will also continue to focus its efforts on initiatives towards the societal implementation of e-methane.

3. Contribution of the gas system to increased electricity demand

It is anticipated that electricity demand will increase in the future due to the establishment and expansion of data centers and semiconductor factories. Consequently, expanding power generation capacity and reinforcing the power grid will be essential. However, this will simultaneously present challenges such as rising electricity prices, concerns over stable supply, and a shortage of decarbonized power sources.

The "Public-Private Advisory Council on Watt-Bit Collaboration to

Launch 1.0”, published in June 2025 by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, states that the potential for a business environment that more effectively utilizes existing power infrastructure through the installation of storage batteries and cogeneration systems at individual data centers will be examined.

In response to the anticipated increase in electricity demand, particularly from data centers, cogeneration – as a distributed power source – can contribute significantly. This includes reducing grid load, shortening lead times for customer equipment commissioning, providing balancing power, and enabling decarbonization through e-methane ready. Consequently, the term “Watt-Bit-Joule Collaboration” has recently emerged.

Moving forward, to expand the adoption of cogeneration, the city gas industry will continue to work towards increasing the introduction of gas systems, including cogeneration. This will involve collaboration within the industry, such as leveraging the engineering divisions of major city gas operators when it is difficult for smaller operators to manage themselves.