

Presentation on:

# Japan's Energy/Climate Policy “After FUKUSHIMA”

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**Jusen ASUKA**

Director, Climate Change Group, IGES, Japan

Tohoku University, Japan

asuka@cneas.tohoku.ac.jp

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# 1. Situation in Japan

# **Myths (unquestioned-beliefs) about nuclear power were broken**

- **Myth #1 “Credible (stable)”**: Many small/big accidents
- **Myth #2 “Cheap”**: Subsidy (13 trillion JPY for 54 plants)+Compensation (more than several trillion JPY)+Damage on Industry (more than several trillion JPY) +  $\alpha$
- **Myth #3 “Safe”**: It was just not

# Example of the damage cost

- **(Complete or partial) import ban or request for a certificate to “made in Japan food” (almost all countries)**
- **Decrease of foreign visitors: 2.2 million (April-June, 2010) → 1.1 million (April-June, 2011) = Loss of 650 billion JPY per year**
- **Tremendous costs for decontamination: Several hundreds of trillion JPY (?)**

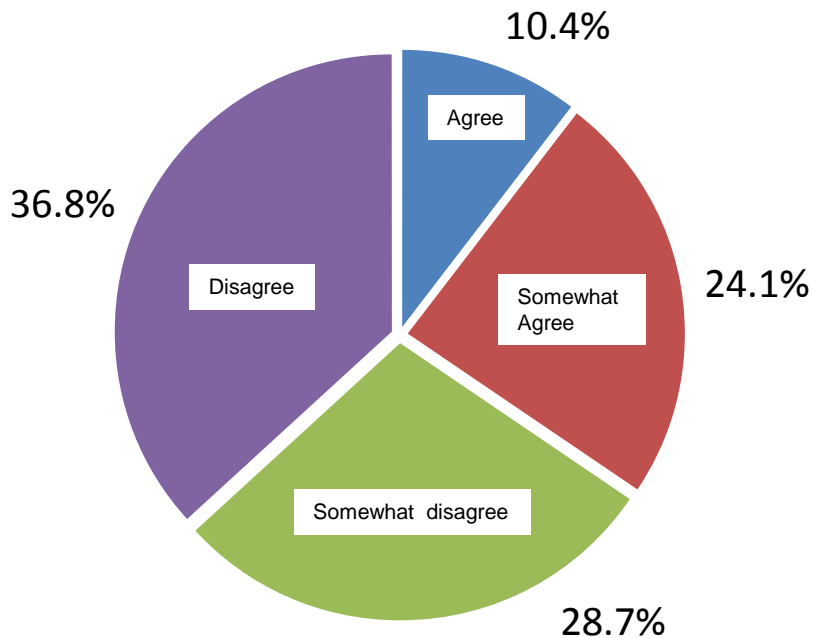
# Energy conservation we achieved this summer

- **15 % compulsory electricity consumption reduction requirement to the heavy consuming facilities in Tokyo and Tohoku area**
- **Voluntary reduction requirement for general house hold**
- **Results: -16 % compared to last year (July and August, Tokyo metropolitan area)**

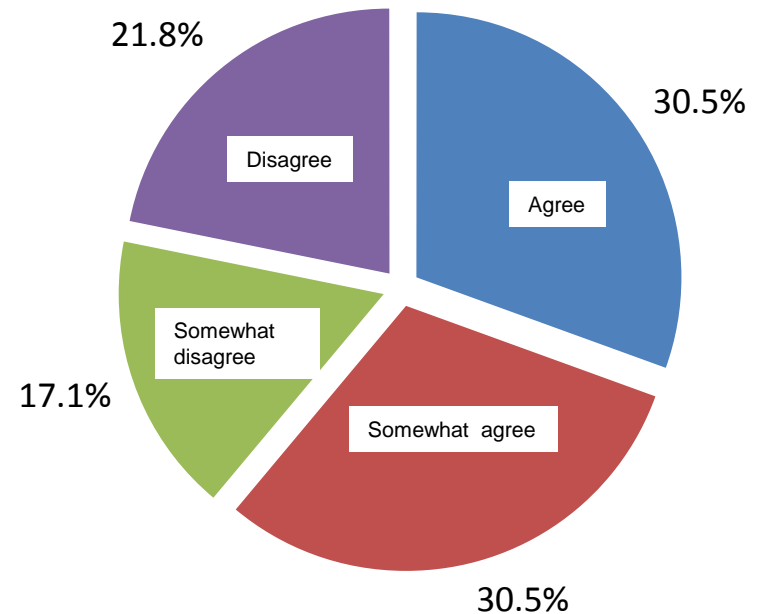
## Survey conducted by IGES:

# Do you support nuclear power to meet the demand of Japan?

Japanese (N=432)



Non Japanese (N=275)



## **2. Energy policy**



# “Less-dependent on nuclear power” is a consensus in Japan, but...

- **When?** : Immediately, 20years, 40 years....
- **How?** : Renewable? fossil fuel?
- **How much?** : Cost re-calculation
- **CO<sub>2</sub> implication?**: Difficult to say something definite at this moment

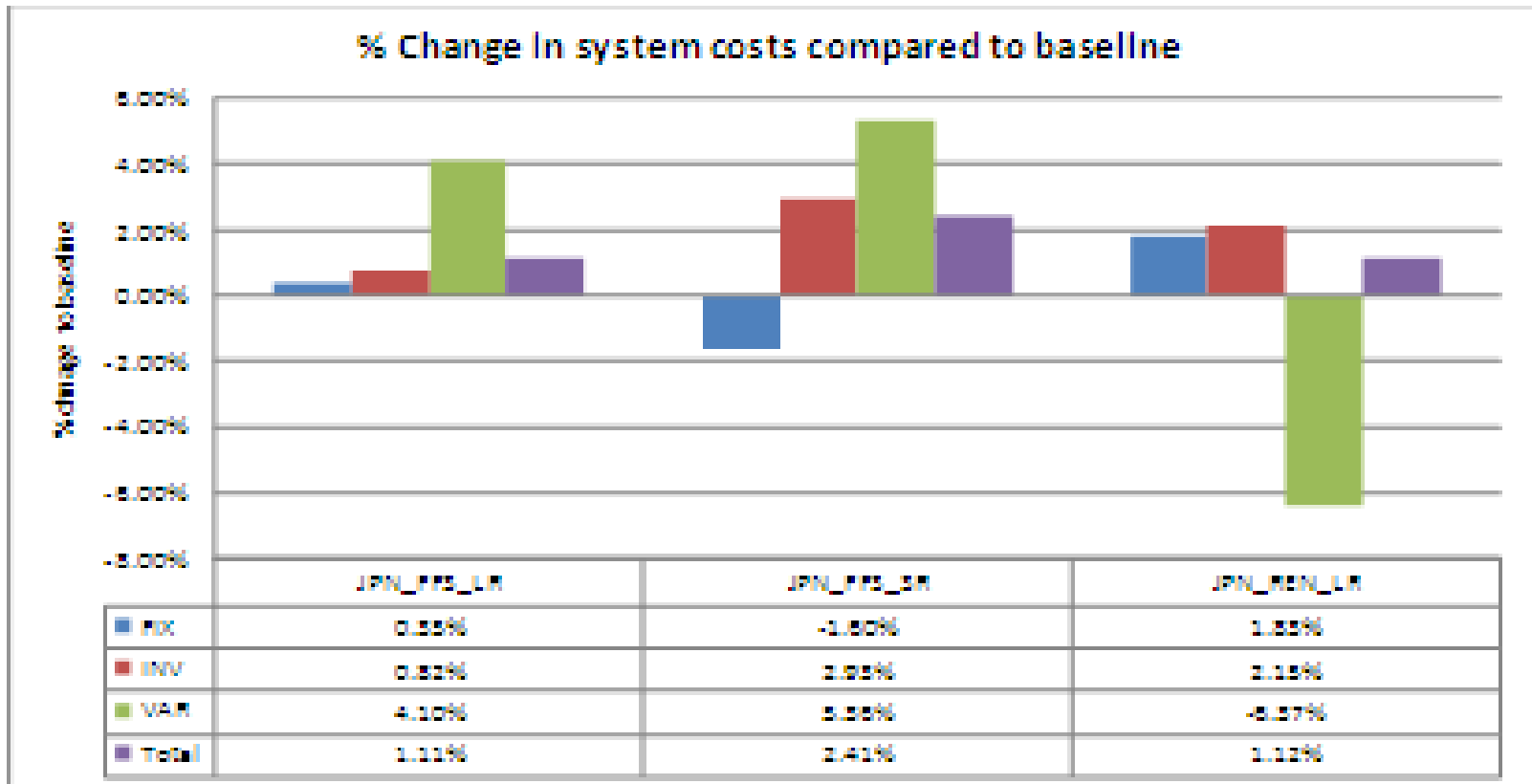
# Renewables are IN, but..

- **Exact FIT tariff prices, terms and amount of introduction, etc. are not yet decided**
- **Re-examining assumptions on cost calculation are still under-going**
- **Many regulation and local stake-holders objections are big barriers**

# Renewable is cheaper in the long run, but...

Results of the TIMES Japan model simulation by IGES

NPV of total energy system cost (2005-2100, 10% discount rate)



# Socio-economic impacts are high

- Challenges to the existing oligo-politicized, fragmented power supply/transmission system
- Revision of the price setting methodology of electricity price (**VERY IMPORTANT!**)
- Political influence of power companies on Japan's industries and policy-makers will change
- Asia super-grid?

# **Ministry of Environment (MOE) will be in charge of nuclear safety**

- **Transfer of authority from Ministry of Economy and Industry (METI) to MOE is underway**
- **Increase of 150 % MOE employees**
- **Energy (promotion) policy still gripped by METI**
- **We will see how it will work-out**

# 3. Climate policy

# **ETS is OUT, for the moment**

- **ETS was very close to be introduced last year, but...**
- **“Global warming mitigation action basic law” has been submitted to the Diet for several times, but no (open) substantial discussion yet**
- **FIT and weak carbon tax will be introduced earlier than ETS**

# **Kyoto target: Maybe OK, but...**

- **Kyoto target (-6%): Depend on GIS and CER bought by the Japanese government and power companies**
- **Power companies are supposed to buy (have already bought to some extent) 260 million CO<sub>2</sub> ton for 5years= 500 billion JPY**
- **Assets selling to make a enough budget for FUKUSHIMA victims compensation ?**



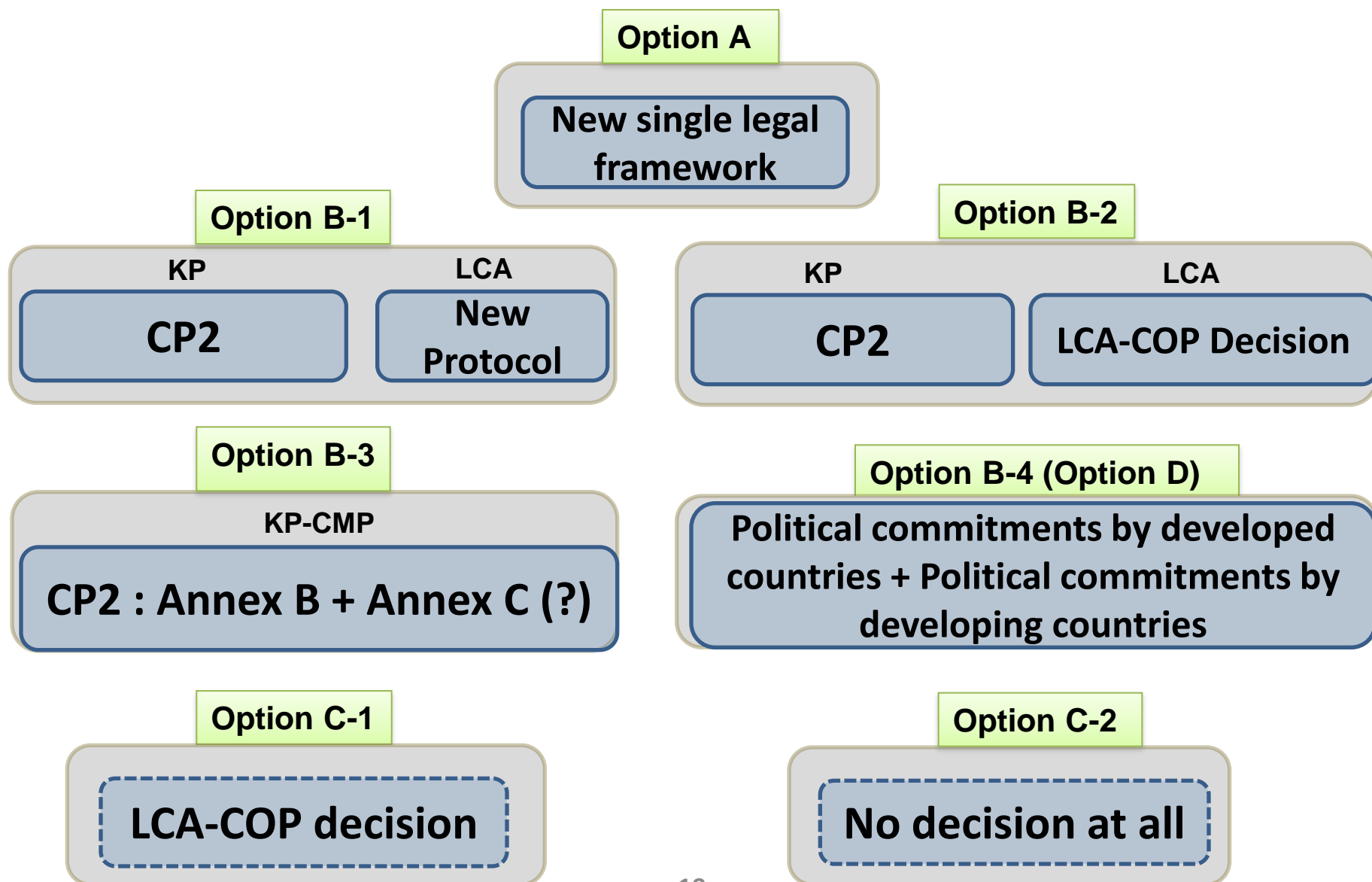
# **Copenhagen pledge: Don't know yet**

- **Copenhagen pledge (-25%) is actually contingent on many difficult and hard-to-define conditions (fair, effective and ambitious participation by major economies)**
- **Japanese government is keeping a low profile on 25% issue at this moment**

# **Copenhagen pledge: Don't know yet (cont'd)**

- **25% target is up to: 1) timing of the nuclear power plants restart under periodical inspections , 2) how we can continue energy conservation with/without proper regulations and institutions**
- **Overseas credit is also a big issue, but there is a strong antagonistic perspective on international trading**

# Post 2012: “Probable” options



# **Japan's climate policy: anti-multilateralism?**

**Generally speaking, Japan's traditional multilateralism seems to have somewhat faded away due to:**

- 1) loss of election for the UN security council member in 2005**
- 2) China's economic/political surge and Japan's relative decline**
- 3) FUKUSHIMA accident**

# 4. Conclusion

# Challenges and Opportunities

- **Japan's energy policy will definitely change after FUKUSHIMA**
- **Impacts on climate policy would be negative in the short term but positive in the medium and long term**
- **In short, Japan's climate policy depends on the "participation" of US and China**

***Thank you and  
let's keep fingers crossed!***

