

IEA / CERT Side Event 15 NOV 2016

Policy Challenge and Solutions in the Japanese context

15 NOV 2016

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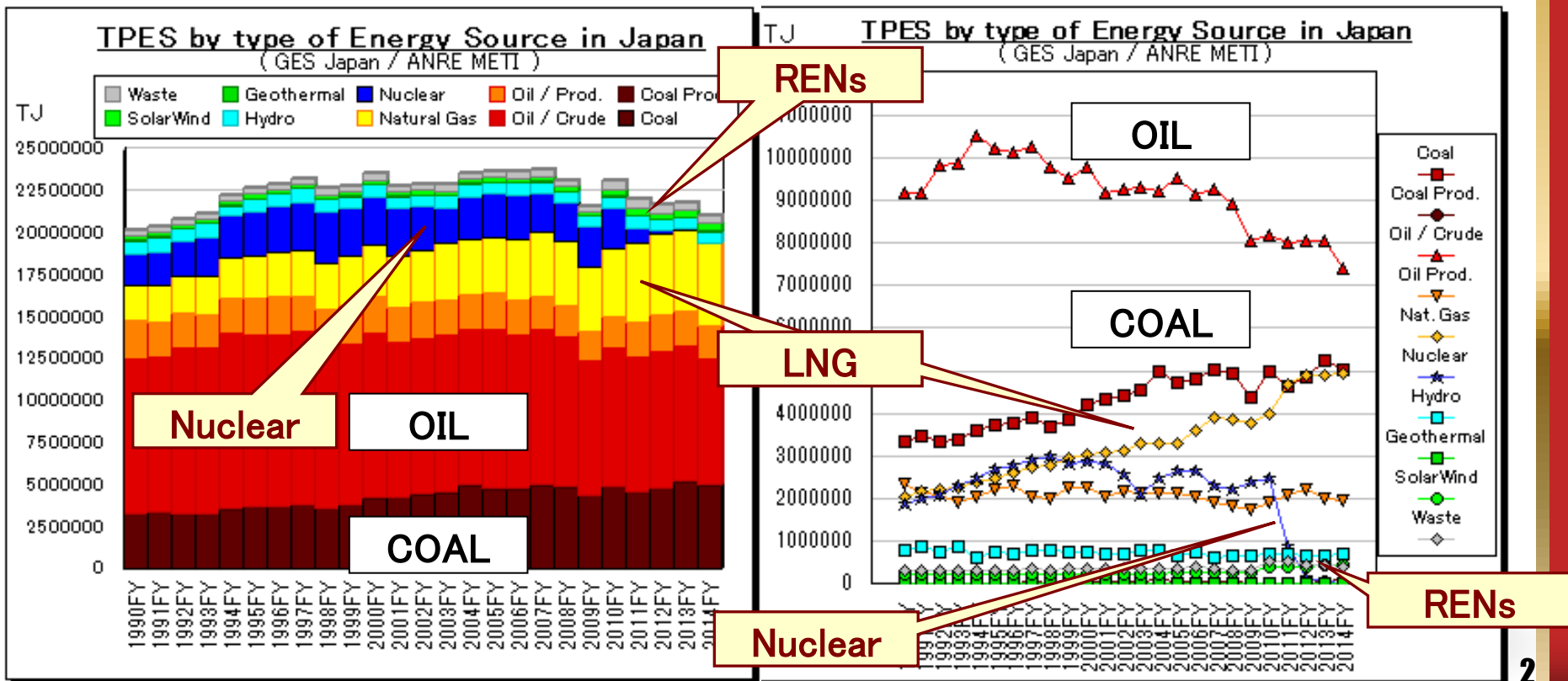
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1. What happened after Fukushima Nuclear Accident ?

1-1. Supply Side – Primary Energy Supply

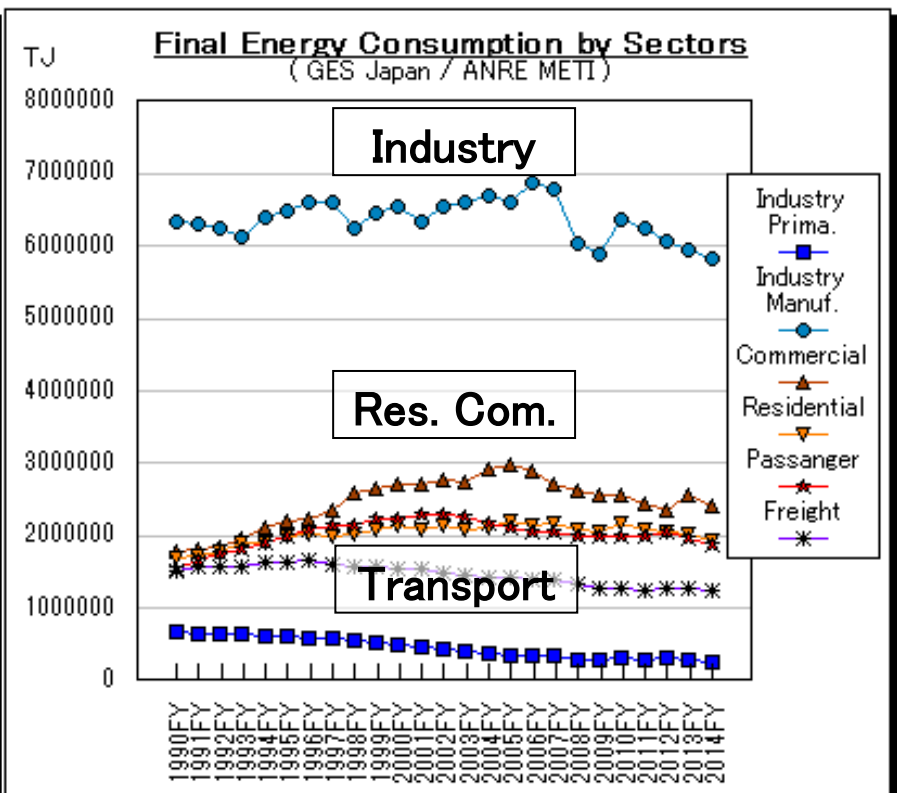
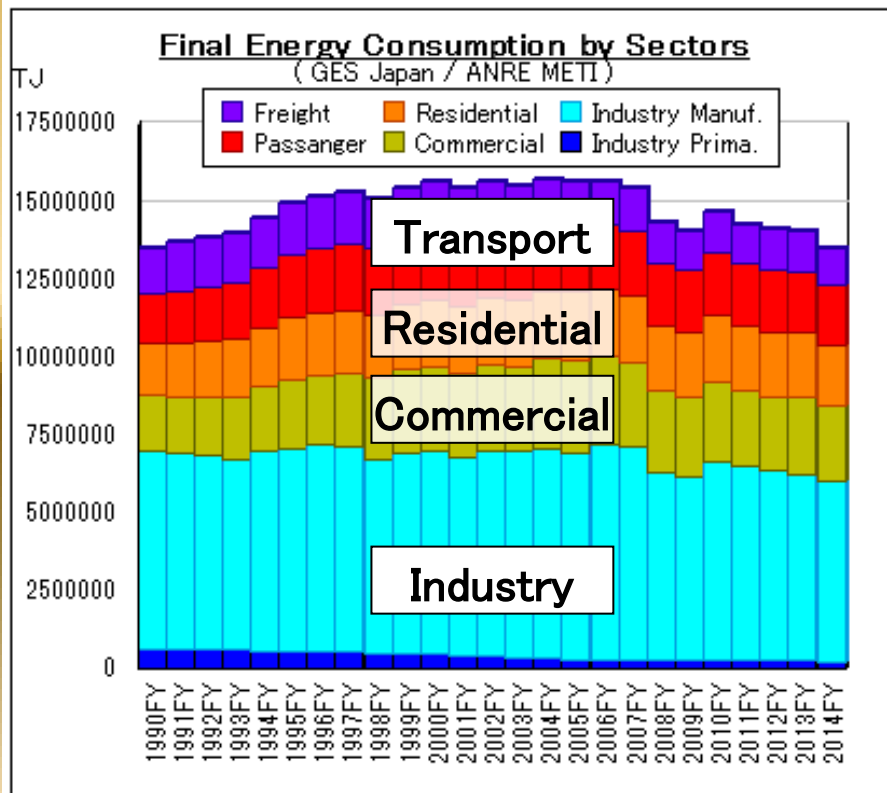
- Stoppage of Nuclear power supply seems to be altered by LNG supply, at least short term.
- RENs are still small though strong FIT measures.



1. What happened after Fukushima Nuclear Accident ?

1-2. Demand Side – Final Energy Consumption

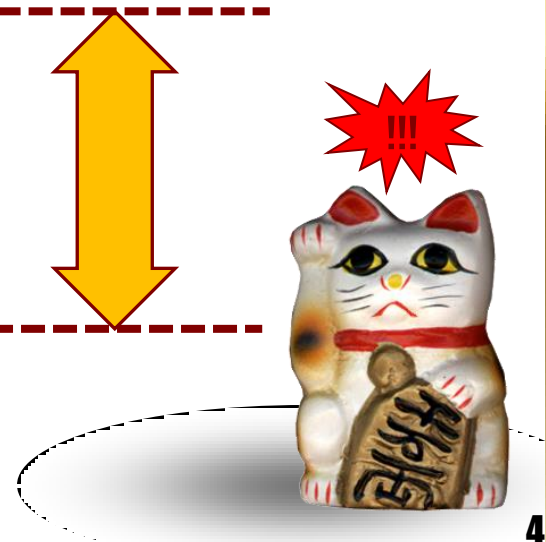
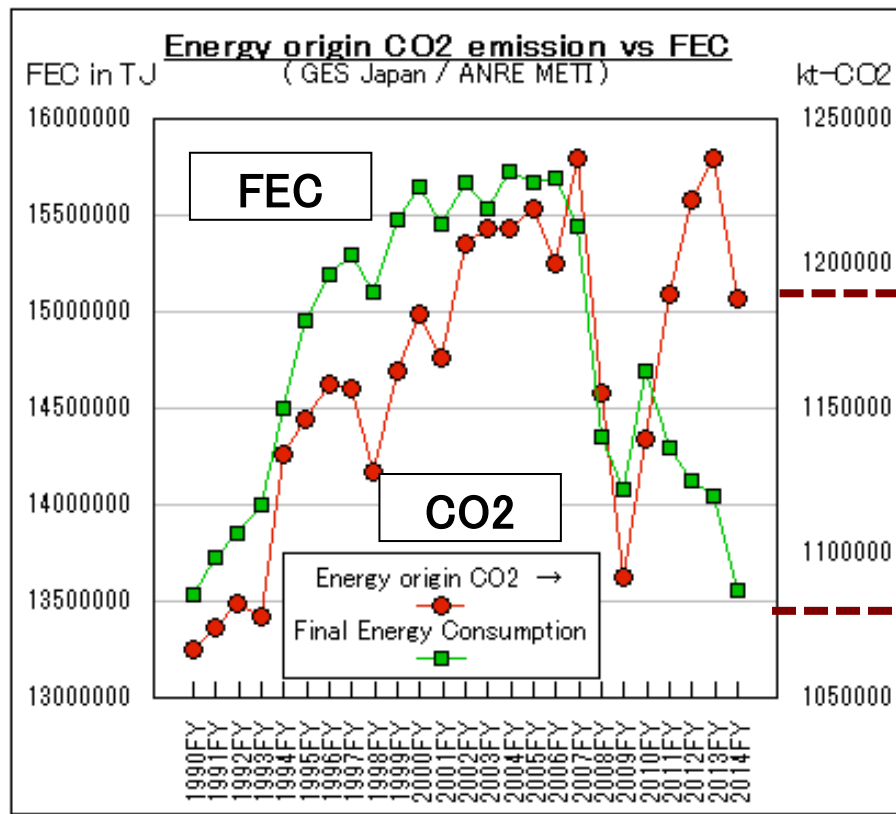
- Successful stabilization observed across the sectors, but not sure this trend continues long.
- Uncertainty in Transport. & Res. Com. sectors



1. What happened after Fukushima Nuclear Accident ?

1-3. Energy origin CO2 emission

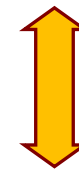
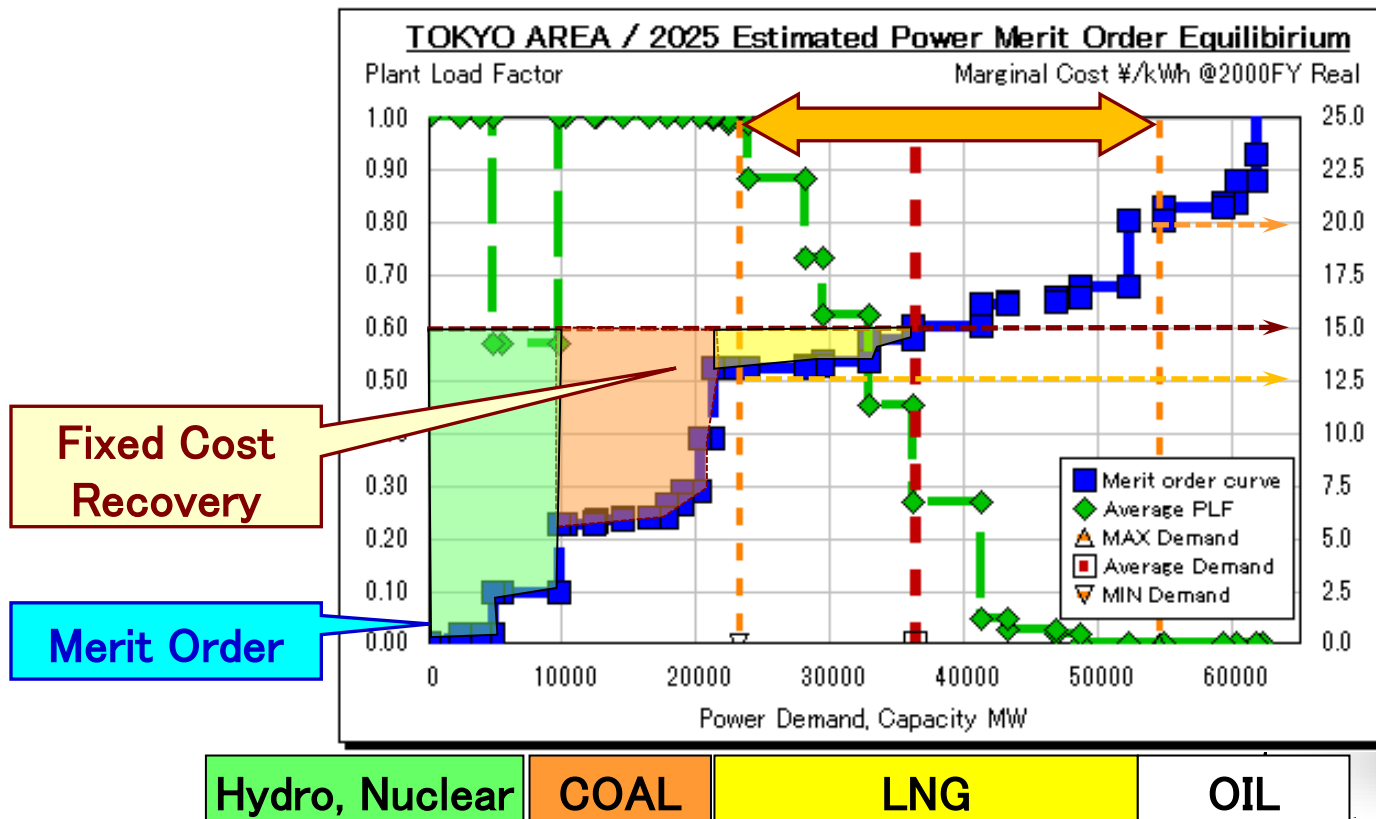
- Around 100Mt-CO2 additional gap between FEC and CO2 emission trends occurred due to the stoppage of Nuclear power supply



2. What will happen hereafter towards 2030 ?

2-1. Supply Side – “COAL Strikes Back”

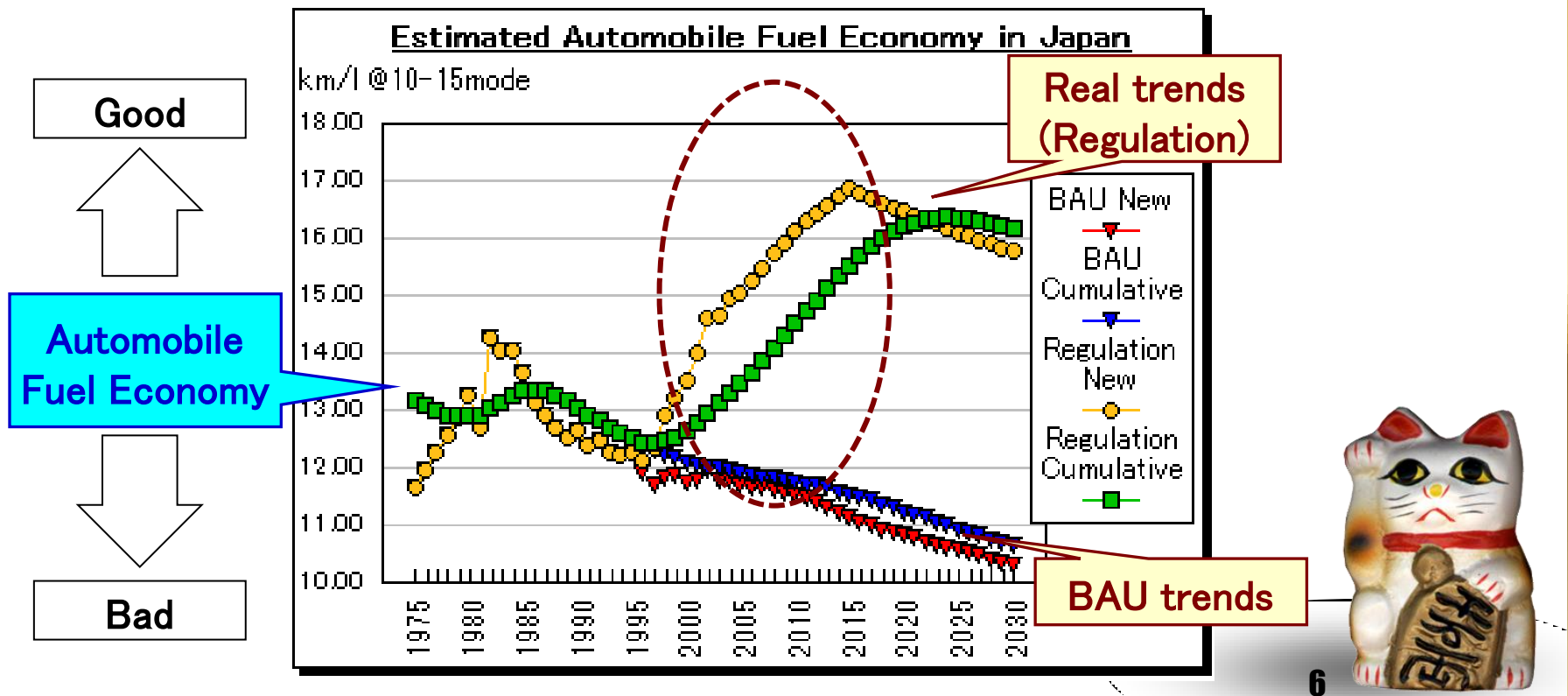
- Electricity market de-regulation paves way for Coal fired power plants due to their low cost
- Coal may better than Nuclear, but emission ...



2. What will happen hereafter towards 2030 ?

2-2. Demand Side – Rebound of efficiency regulation

- 3 and 4 waves of mandatory efficiency standard for home appliance and automobile contributed stabilization so far, but their effect shall saturate



3. What could be possible option towards 2030 ?

3-1. Supply Side

- Re-establish “Reliable” Nuclear Power Supply
 - Strong safety governance measure necessary
- Accommodate Coal increase, with effective use of “Paris Art. 6” to minimize Climate Change impact
 - Clear initiative for Methane abatement, CCS and other cost-effective scale offsets are necessary
- Steadily prepare for REN with Natural Gas supported supply system and infrastructure
 - Reinforced Power Grids for REN and
 - Transboundary Natural Gas P/L needed



3. What could be possible option towards 2030 ?

3-2. Demand Side

- **No compromise in challenge for energy efficiency innovation that enables continuous improvement**
 - Clear policy commitment facilitates investment and finance by private sector and reduce costs
 - Expansion of scope, equipment, fuel types for efficiency standard might be more effective
- **Flexibility for alternative policy measures such as taxation, pricing and normative regulation**
 - Continuous efficiency standard policy shall cause “saturation” and “low awareness”



4. Expectation for IEA/CERT

4-0. Important expected role of IEA/CERT from viewpoint of ex-policymaker of Japan

- **Clearing house for Useful policy option & analysis**
 - Provide unique and deep policy info., including analysis & intuitive both success and failure case
 - Lower policy development hurdles for “new” policy introduction; Bio-gas, Bio-transport fuel
- **Timely policy recommendation and advice from neutral standpoint**
 - Sometimes energy policy introduction are jammed by so primitive misunderstandings

