



# **NEDO's Activities for Kyoto Mechanisms Credit Acquisition Programme**

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# 1. Outline of NEDO

**1980: Established (New Energy Development Organization)**

**1988: Added industrial technology R&D**

**(New Energy and Industrial Technology Development Organization)**

**1990: Added global environment R&D**

**1993: Added promotion of new energy and energy conservation**

**2000: Added support for private companies to strengthen**

**International competitiveness**

**2003: Re-organized as an “Incorporated Administrative Agency”**

**2006: Added Kyoto Credits acquisition**

**NEDO is an incorporated administrative agency under Japan's Ministry of Economy, Trade and Industry (METI)**

## **Headquarters**

**Kawasaki City, Japan**

## **Personnel**

**Approximately 1,000**

## **Budget** (April 2009 to March 2010)

**Approximately 234.7 billion yen in FY2008  
(= 1.7 billion euro)**

\*Exchange rate: ¥138 = 1€

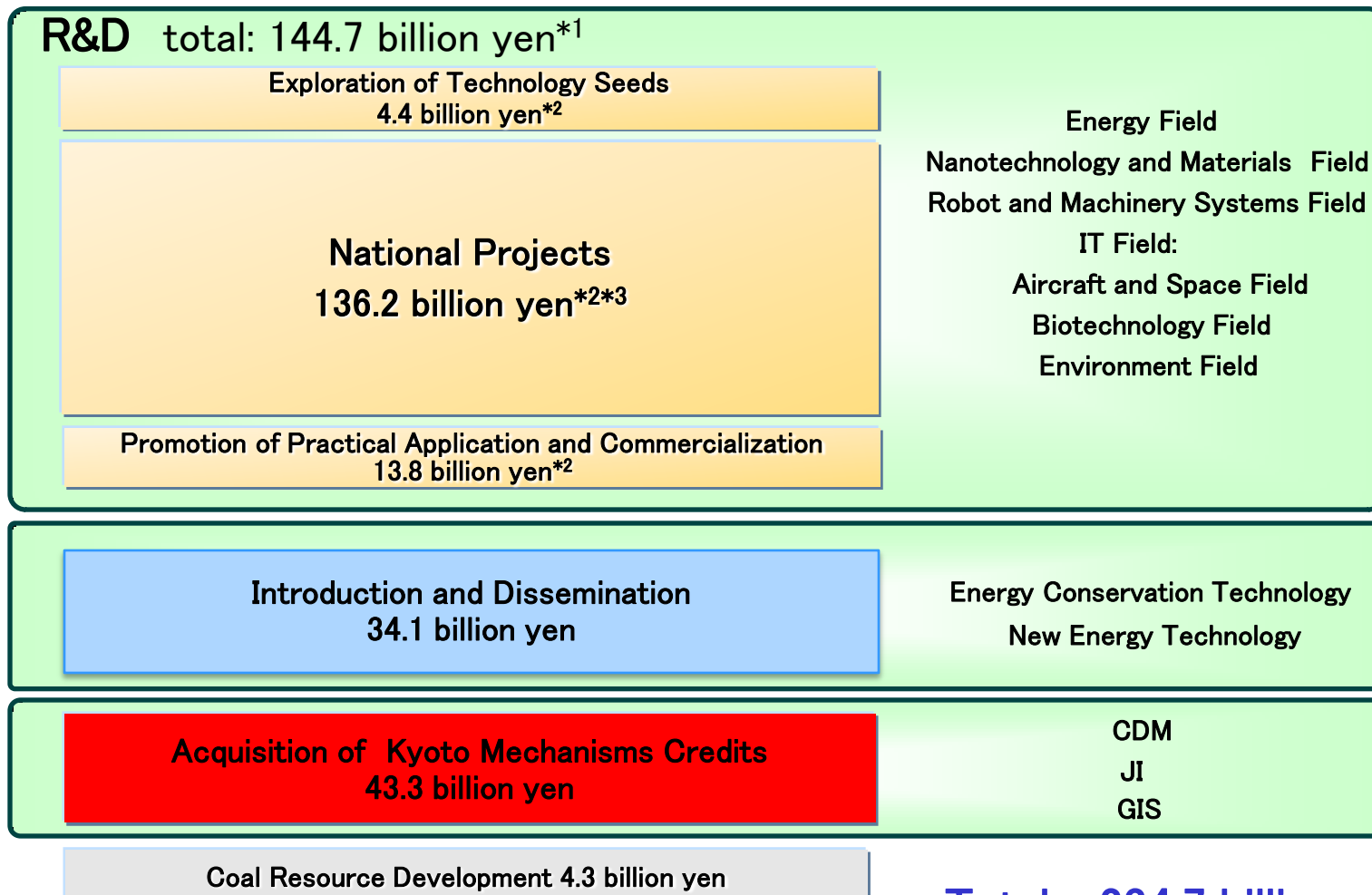
# NEDO's Main Activities

- R&D of industrial, energy and environmental technologies

- ☆Industrial technology --- Information technology, nanotechnology, biotechnology and machinery systems
- ☆Energy technology --- New energy, energy conservation and fuel cell technologies
- ☆Environmental technology

- Support for dissemination of new energy and energy conservation technologies
- Acquisition of Kyoto Mechanisms credits

# Outline of NEDO's Activities and FY2009 Budget



**Notes**

Budget allocation is as of the budget request to the government.

National projects are categorized in accordance with Innovation Programs (a comprehensive package of measures established by METI for achieving policy targets).

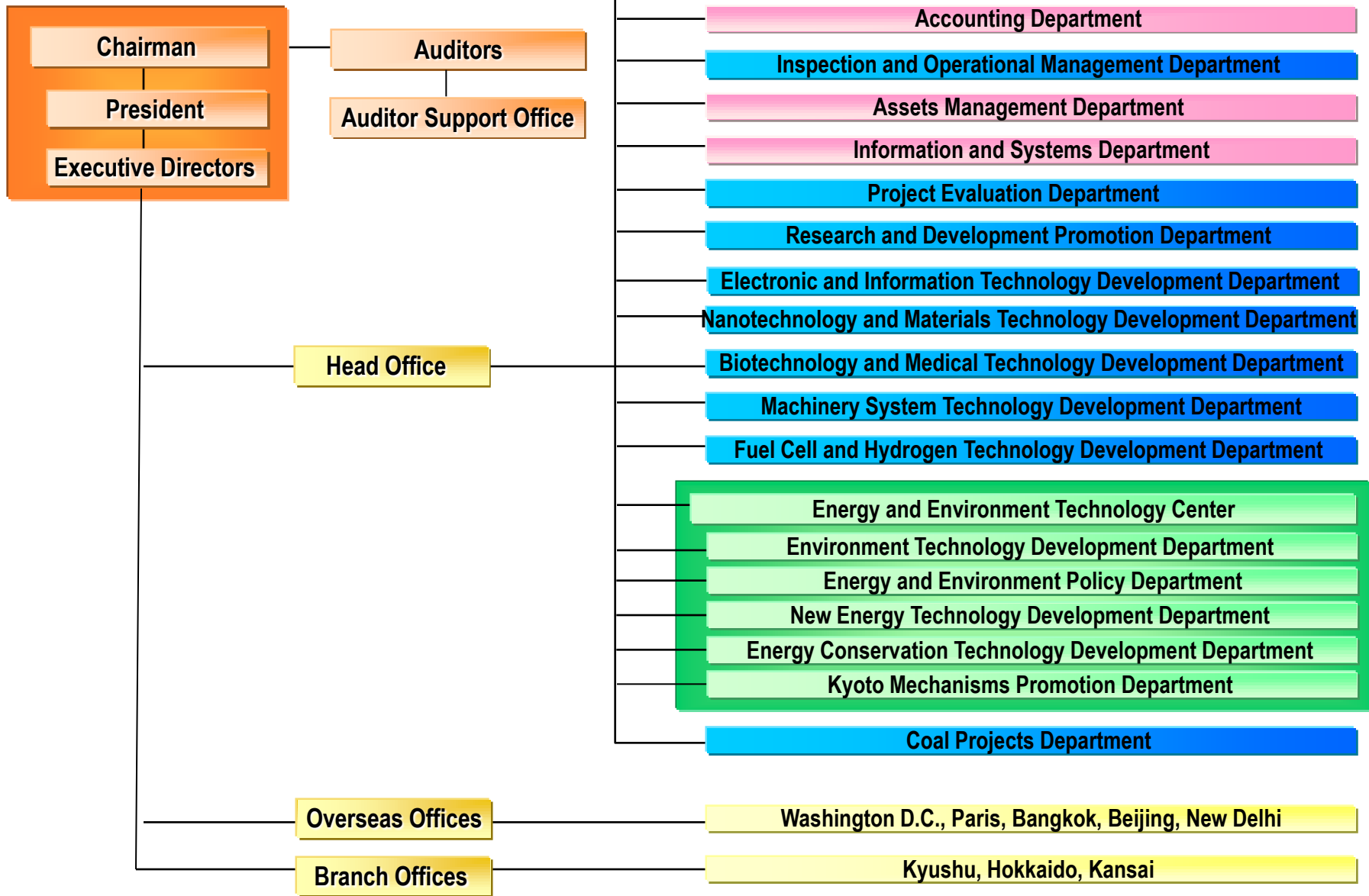
\*1: Total amount after subtracting all duplications.

\*2: Budget amounts for "Exploration of Technology Seeds," "National Projects" and "Promotion of Practical Application and Commercialization" include duplications.

\*3: Total amount after subtracting duplications among technology fields.

# Organization of NEDO

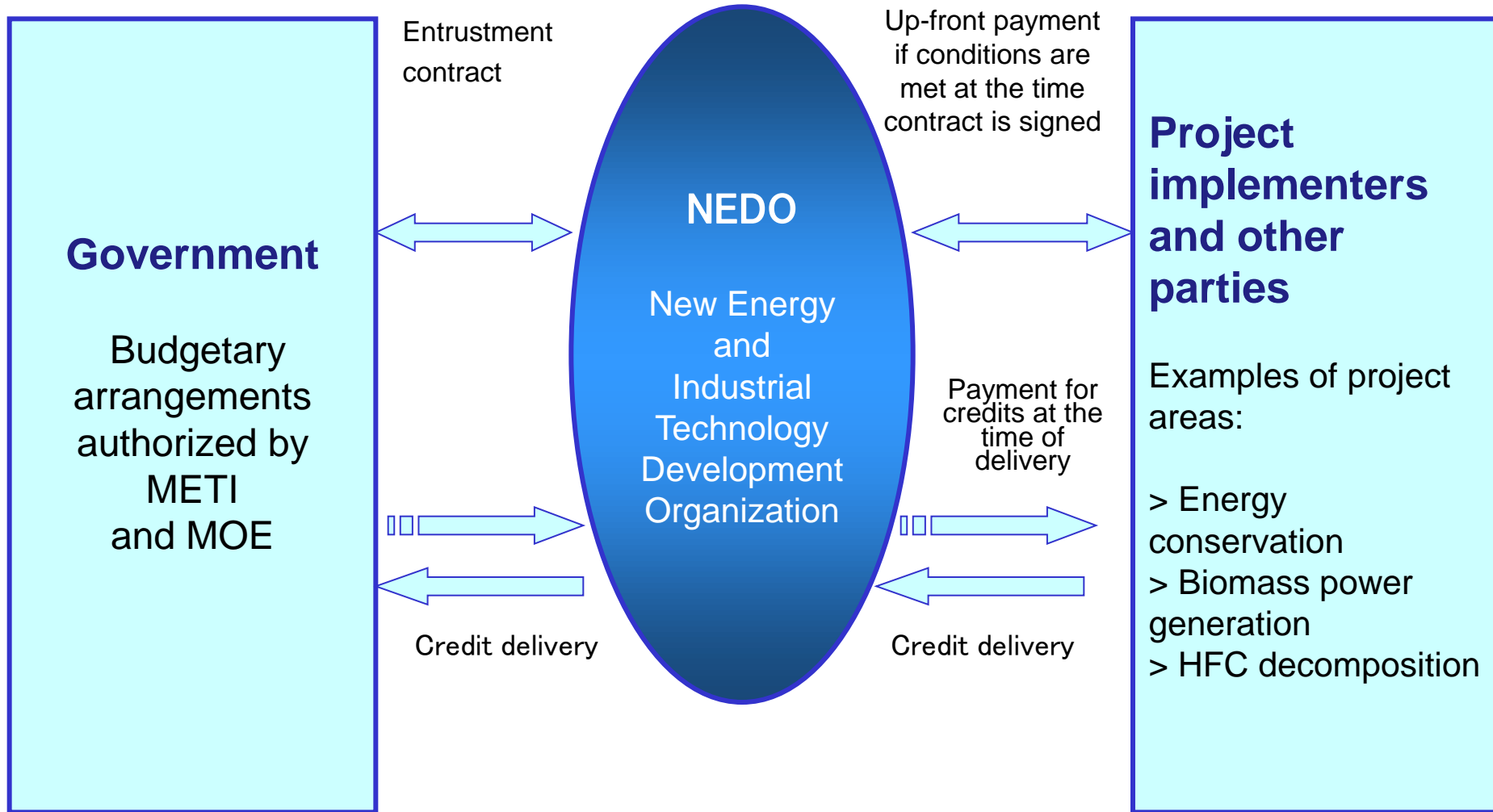
(as of July 2009)



# 2. Kyoto Mechanisms



# 1. Authorized to Acquire Credits on Behalf of Japanese Government through Active Use of Kyoto Mechanisms

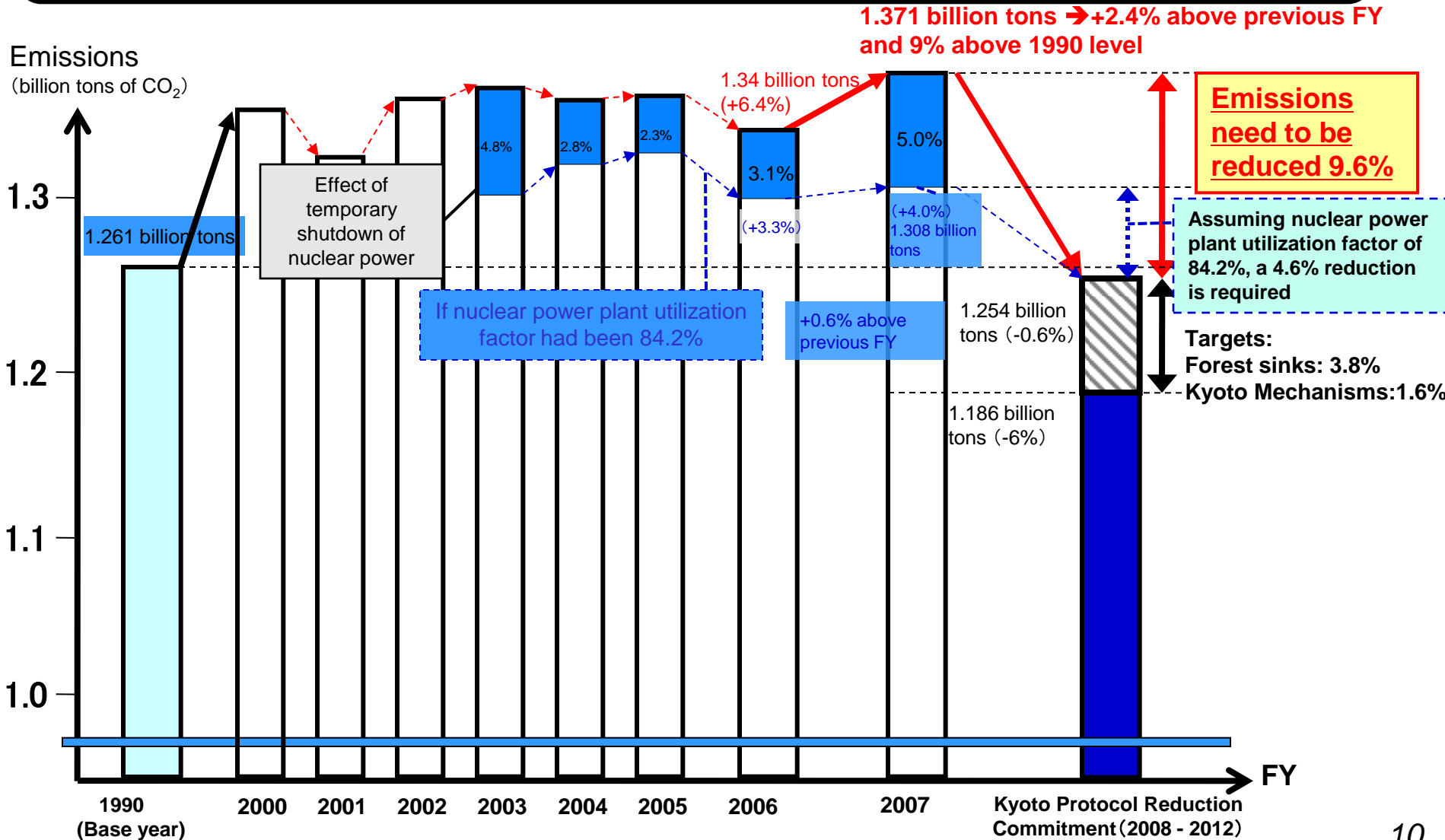


METI: Ministry of Economy, Trade and Industry

MOE: Ministry of the Environment

## 2. Greenhouse Gas Emissions in Japan

Japanese emissions for 2007 (provisional data) were 9% above base year, meaning a reduction of 9.6% is needed to meet 6% reduction commitment under the Kyoto Protocol. (Assuming a utilization factor of 84.2% at nuclear power plants, emissions must be reduced 4.6%)



# Types of Credit Acquisition Projects in NEDO

- **Direct acquisition (Type A)**

Conclude Emission Reduction Purchase Agreements (ERPAs) (Acquisition Agreements) with private businesses and other organizations as a project participant.

- **In-Direct acquisition (Type B)**

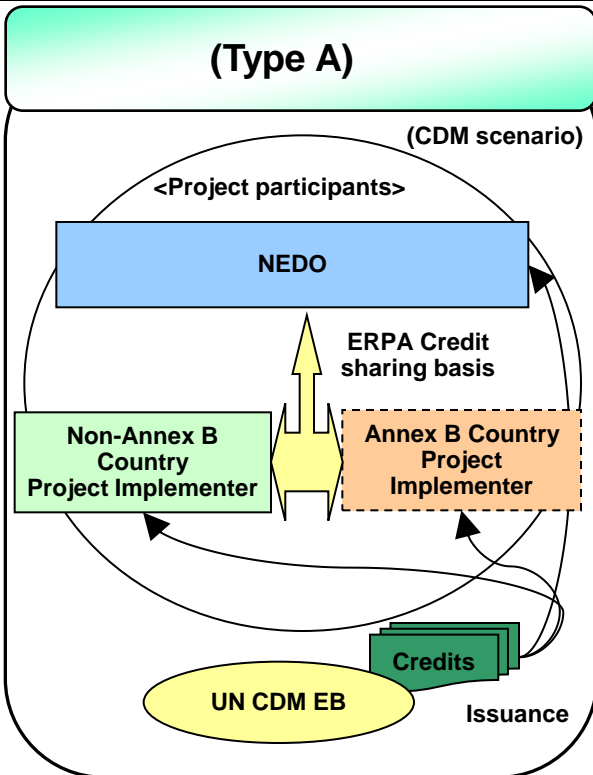
Conclude ERPAs (Transfer Agreements) and other agreements with private businesses and other organizations who have acquired credits through ERPAs (Acquisition Agreements).

- **Acquisition through the GIS**

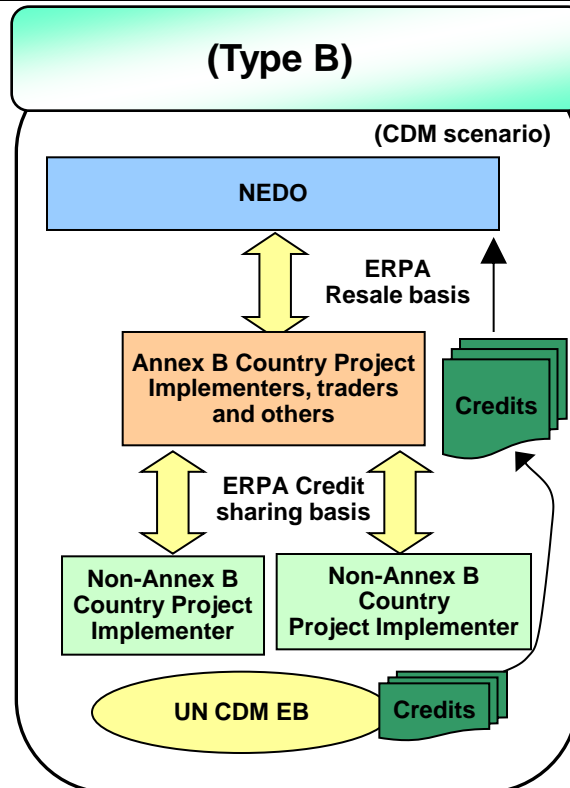
The Japanese Government concludes Assigned Amount Unit (AAU) Purchase Agreements with the governments of Annex B Countries\* under the Kyoto Protocol based on memorandums and other documents exchanged between the governments.

\* Annex B Countries are countries with greenhouse gas emission reduction targets under Annex B of the Kyoto Protocol.

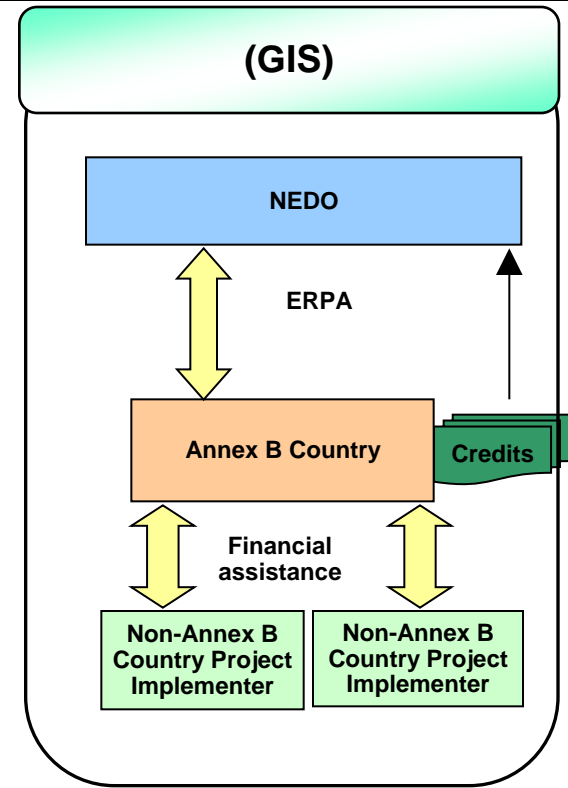
## (Type A)



## (Type B)



## (GIS)

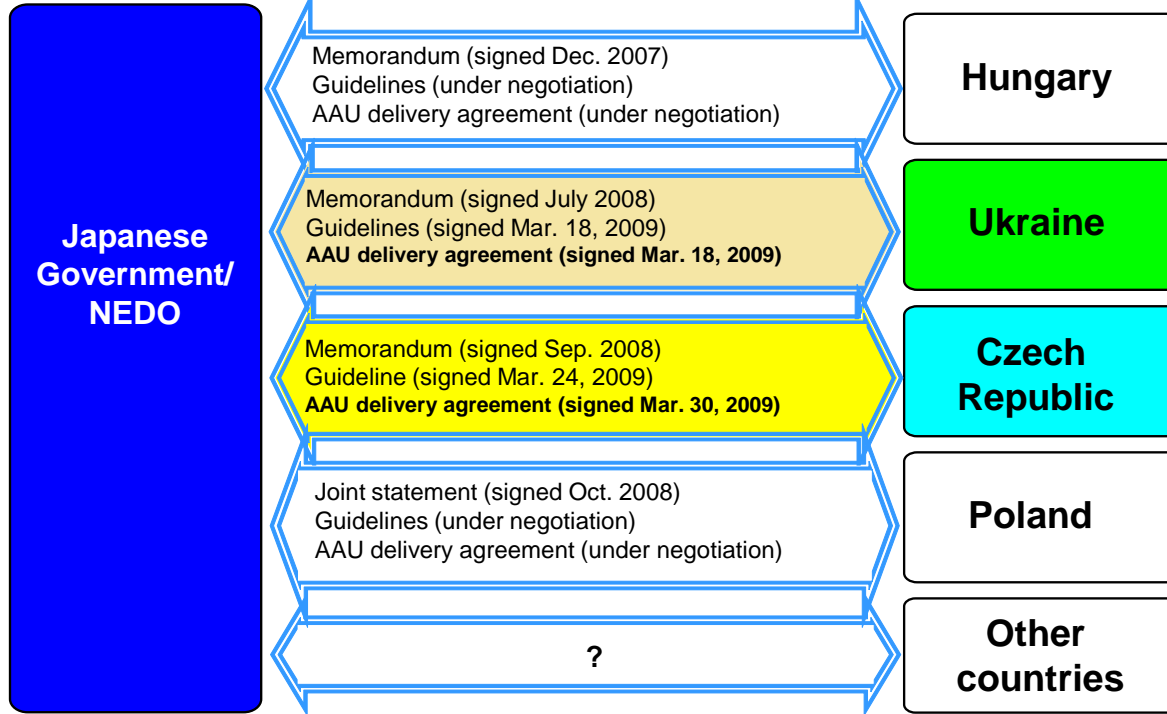


## Mechanisms of Credits Acquisition

### Comparison of Acquisition Methods

Category	Cost		Acquisition amount		Risk	
Type A	Low	Possible to acquire credits at a low cost as a project participant	Small	Shift to small scale projects (less than hundreds of thousands of tons)	High	Multiple: project risks, country risks, CDM EB review risks, and others.
Type B	High	Cost influenced by many factors Depend on market price and evaluation by experts	Varies	If multiple projects are bundled, volume could be significant.	Low	If accompanied by a guarantee from a reputable entity
GIS	Low	Depends on negotiations but potential for low cost	Large	Large-scale potential	Medium	Multiple: greening risks, country risks, and others

# 4. GIS Negotiation Status

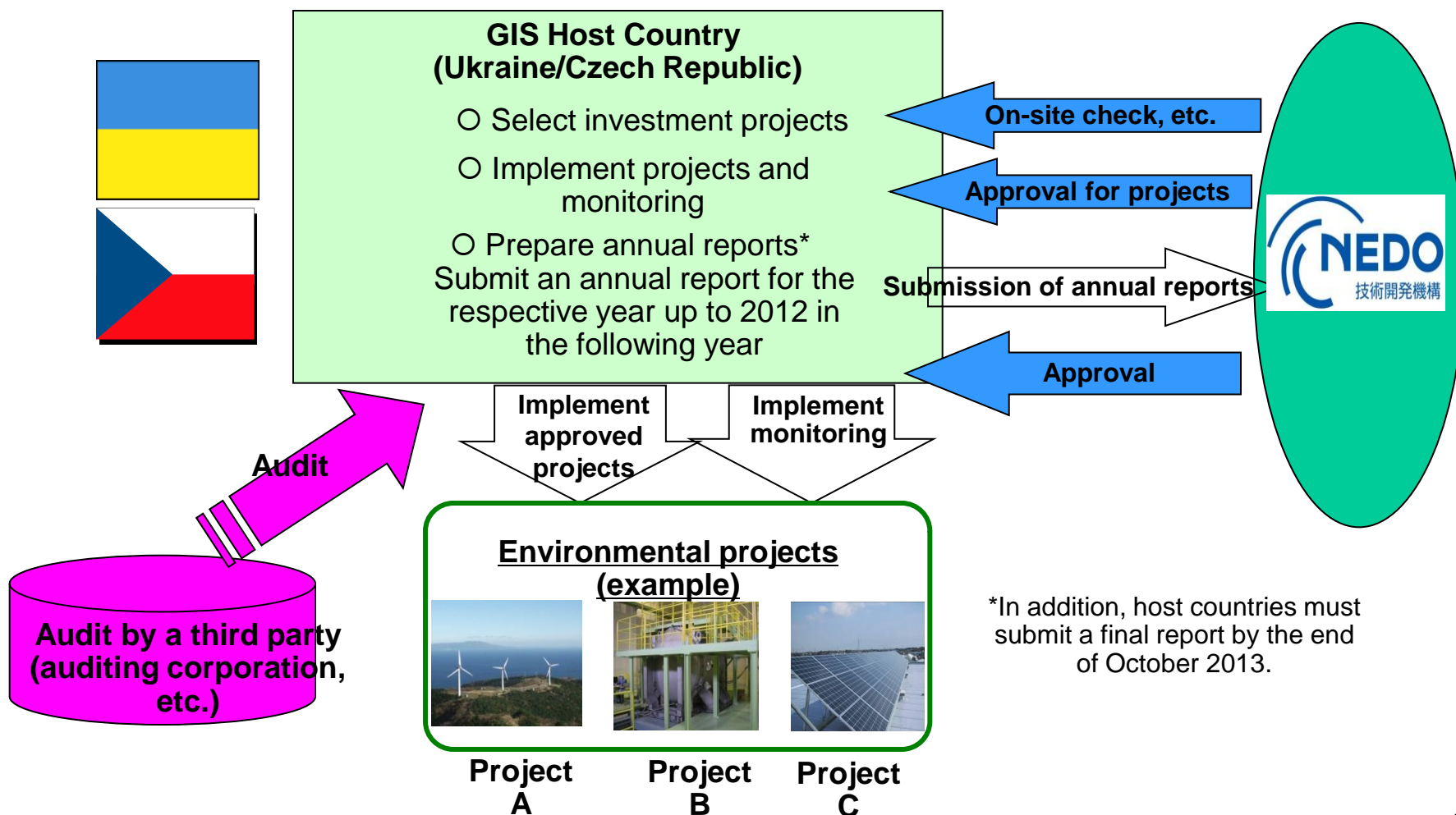


Signing ceremony in Kiev, Ukraine  
 (Prime Minister of Ukraine, Yulia Tymoshenko, and Chairman of NEDO, Seiji Murata)



Signing ceremony in Prague, Czech Republic  
 (Czech Minister of the Environment, Martin Bursík, and Executive Director of NEDO, Yasuhiro Shimizu)

## Contents of work (Acquisition through the GIS : Efforts toward steady implementation of greening in host countries



# Results of Kyoto Mechanisms Credit Acquisition (1/3)



FY	Contractor	Contracted Credit Quantity (1,000t-CO2e)		Host Country	Project Name
2006	Marubeni Corporation (Japan)	2,000	300	India	3MW Poultry Litter based Power generation Project (CDM)
			900	China	Wahei Hydroelectric Project (CDM)
			800	Mexico	Ecatepec - EcoMethane Landfill Gas to Energy Project (CDM)
	Rhodia Japan (Japan)	1,830		Korea	N2O Emission Reduction in Onsan, Republic of Korea (CDM)
	Shangxi Xinglong Cogeneration	1,456		China	Comprehensive utilization of waste coal gas for electricity generation project in Xinglong Cogeneration Co. Ltd. (CDM)
	Carbon Resource Management Ltd. (England)	1,074		China	Shandong Yucheng Xinyuan Biomass Heat & Power (CDM)
	<b>Subtotal</b>	<b>6,360</b>			
2007	Marubeni Corporation (Japan)	1,850	1,060	China	Chuanhua N2O Abatement Project (CDM)
			790	China	Yunnan Jiehua N2O Abatement Project (CDM)
	PT. Pura Bartama (Indonesia)	343		Indonesia	Partial fuel switch from coal to biomass (CDM)
	Marubeni Corporation (Japan)	700	164	Brazil	Embralixo/Arauna-Braganca Landfill Gas Project
			278	China	BBMG Cement WHR for 10.5MW power generation project in Beijing
			158	China	Siliping Hydro Power Project in Sichuan Province
			100	Mexico	Quimobasicos HFC Recovery and Decomposition Project
Rhodia Japan (Japan)	1,800		Brazil	N2O Emission Reduction in Paulinia, SP, Brazil	

 : **Type A projects** (Direct acquisition from credits issuers)

 : **Type B projects** (In-Direct acquisition from credits issuers)

# Results of Kyoto Mechanisms Credit Acquisition (2/3)



FY	Contractor	Contracted Credit Quantity (1,000t-CO <sub>2</sub> e)		Host Country	Project Name
2007	Keshiketeng County Huifeng New Energy Co., Ltd Inner Mongolia Keshiketeng Chuangjian Group Co., Ltd.	596		China	Inner Mongolia Keshiketeng County Wutaohai South Wind Farm 49.5 MW Project
	Energy Initiative Japan Inc.	250		China	73 MW Tinghua Iron & Steel Waste Gas and Heat Power Generation Project
	Jian Gongge Hydropower Co., Ltd.	211		China	Jiangxi Gongge 15MW Hydropower Project, China
	Jinggangshan Longgan Hydropower Development Co., Ltd.	87		China	Jiangxi Luohongkou 8.25MW Hydropower Project, China
	Shandong Conglin Group Co., Ltd.	164		China	Shandong Conglin Group Co., Ltd. Waste Heat recovery and Utilization for Power Generation Project
	Longkou Fanlin Cement Co., Ltd. Shandong Conglin Group Co., Ltd.	97		China	Longkou Fanlin Cement Co., Ltd. Waste Heat recovery and Utilization for Power Generation Project
	INEOS Chemical Co., Ltd.	500		Korea	HFC Decomposition Project in Ulsan
	Marubeni Corporation (Japan)	1,257	275	China	Inner Mongolia Zhuozi 40MW Wind Power Project
			982	China	China Fluoro HFC23 abatement project in China
	Rhodia Japan (Japan)	6,140		Brazil	N <sub>2</sub> O Emission Reduction in Paulinia, SP, Brazil
	Tricorona AB (Sweden), MeitanTradition Co., Ltd.	2,662		China	Waste gases utilization for Combined Cycle Power Plant in Handan Iron & Steel Group Co., Ltd.
	<b>Subtotal</b>	<b>16,657</b>			



# Results of Kyoto Mechanisms Credit Acquisition (3/3)



FY	Contractor	Contracted Credit Quantity (1,000t-CO <sub>2</sub> e)		Host Country	Project Name
2008	Marubeni Corporation (Japan)	1,035	785	China	Chongqing Iron & Steel Co. Ltd. Waste Gas to Electricity Project
			250	China	Inner Mongolia Dali Phase V 49.5 MW Wind Power Project
	Shanxi Xiyang Fenghui Coal Industry Ltd.(China)	794	China	Shanxi Xiyang Mahui Coal Mine Methane Utilization for Power Generation Project	
	Shaanxi Xinglong Cogeneration Co. Ltd(China)	258	China	Shaanxi Xinglong TRT Project	
	National Environmental Investment Agency of Ukraine (Ukraine)	30,000	Ukraine	Green Investment Scheme (GIS)	
	<b>Subtotal</b>	<b>32,087</b>			
2009	Ministry of the Environment of the Czech republic (Czech Republic)	40,000		Czech Republic	Green Investment Scheme (GIS)
	<b>Subtotal</b>	<b>40,000</b>			
<b>Total</b>		<b>95,104</b>			

 : **Type A projects** (Direct acquisition from credits issuers)

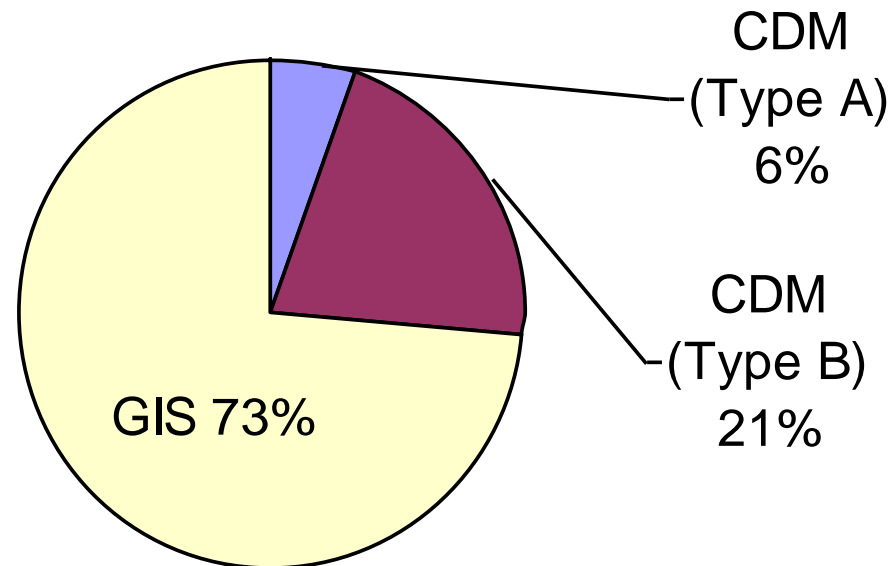
 : **Type B projects** (In-Direct acquisition from credits issuers)

 : **GIS projects**

## Breakdown of Credit Acquisition Amount by Type

Contract type	Amount (ton)
CDM (Type A)	5,329,316
CDM (Type B)	19,774,873
GIS	70,000,000
<b>Total</b>	<b>95,104,189</b>

**Target:**  
100,000,000 ton



## Overseas Offices

### Washington

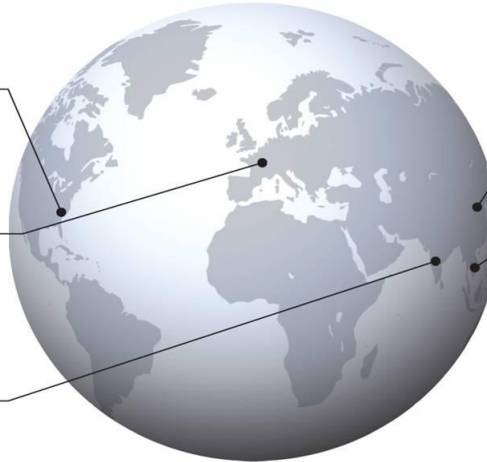
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## Principal activities:

1. **General coordination regarding the promotion of collaborative NEDO projects**
2. **Information exchange and consultation on NEDO projects and Japan's R&D**
3. **Public relations**

***Thank You for your  
attention!***

