



October 25, 2022

## **Summary of Remarks by JGA Chair HONJO Takehiro**

### **1. Introduction**

At the present time, the government is considering comprehensive economic measures. We are aware that the government is also considering the possibility of reducing the burden of city gas rates, since the burden on customers is increasing due to the rising cost of city gas. We understand that a reduction in the burden on customers would be desirable, and the city gas industry would like to take a firm response to the study of the system.

### **2. 150th anniversary the city gas business**

On October 31, the city gas business will celebrate 150 years since its start. The city gas business began on October 31, 1872, with the lighting of a gas lamp in Bashamichi, Yokohama.

Subsequently, demand for gas expanded as its use expanded from gas lamps to cooking, hot water heating, and other heat applications. City gas feedstock has also changed over time, shifting from coal-based gas to petroleum-based gas in the 1950s.

The conversion to clean, high-calorie natural gas through the introduction of LNG, which began half a century ago, was a major undertaking that required much time, from the construction of a new base to the calorific value adjustment work for all gas appliances. To promote

the shift to higher calorie gas at all gas utilities nationwide, the gas utilities mutually supported each other in the calorific value change work under the "IGF21 Plan" formulated by the Japan Gas Association, and the entire industry worked together to complete the project. This can be called a "second founding" of the city gas business.

The introduction of LNG greatly increased demand for natural gas, which has a lower environmental impact than other fossil fuels, and its applications expanded to include cogeneration systems, gas air conditioning, and residential fuel cells.

At the same time, based on the experience of large-scale disasters and other events, the company has been working to ensure a stable gas supply and security by strengthening resilience through the introduction of intelligent gas meters and polyethylene pipes. Currently, the company is working to become carbon neutral as a response to global environmental issues.

To further develop our city gas business, we will further accelerate our efforts to become carbon neutral, strengthen our resilience, and reinforce our management foundation. Among them, the realization of carbon neutrality, which focuses on the social implementation of methanation, is a major challenge for the city gas industry. The city gas industry has positioned this as its "third founding" and will work as one to realize this goal.

### **3. Regional revitalization efforts**

Community-based city gas utilities are playing an increasingly important role in addressing regional issues such as going carbon neutral and population decline.

A "Regional Revitalization Forum" will be held on November 21 to introduce advanced case studies that address these issues. We hope that many people will attend.