



February 6, 2023

Summary of Remarks by JGA Chair HONJO Takehiro

1. Introduction

Last year, the city gas industry celebrated 150 years since its start, and 2023 will be the start of the next half century.

While uncertainty is expected to continue, the gas industry as a whole will firmly respond to demands of society for a stable supply and security.

In addition, the gas industry will work to make city gas carbon neutral and contribute to the low-carbon, decarbonization, and revitalization of local communities.

2. "Basic Policy (draft) for Realization of GX" by the Government of Japan

At the 5th GX (Green Transformation) Executive Committee meeting held 2022 December, the "Basic Policy (draft) for Realization of GX" was compiled.

With regard to e-methane, the report stated that it will bring in 2 trillion yen in public and private investment over the next 10 years and the "future roadmap".

In the "future roadmap" of e-methane, it was stated that following items will be considered by 2025.

- Establishment of a mechanism for certification and environmental value transfer
- Various forms of support, including support for the price difference between e-methane and existing LNG

- Development of bilateral CO₂ counting rules, etc.

We recognize that the usefulness of e-methane has been reevaluated due to its advantages, such as the fact that it does not require new infrastructure construction.

3. Efforts and Issues for Social Implementation of e-methane

The stepwise enlargement of demonstration projects for the establishment of methanation technology, mainly by gas utilities, is underway. In addition, the study of overseas projects is progressing, and the development of CO₂ counting rules between the two countries is an issue for the future.

In developing international CO₂ counting rules, it will be necessary to coordinate and negotiate with e-methane producing and exporting countries, and it will be necessary for the public and private sectors to work together to advance these inter-state negotiations.

We expect that the G7 summit, ministerial meetings, and other state-level meetings will also discuss trends toward GX realization and social implementation of e-methane, along with energy security issues, which will contribute to social implementation.

4. Progress of measures to reduce gas price burden.

Under the government-supported program to reduce customers' gas bills from 2023 January use onward, the standard households of the three major city gas companies (Tokyo Gas, Osaka Gas and Toho Gas) saw a decrease in gas bills for January use compared to the previous month.

We will continue to take action to ensure that assistance to eligible customers is delivered in an easy-to-understand and appropriate manner.