



February 15, 2024

Summary of Remarks by JGA Chair HONJO Takehiro

1. Introduction

I would like to express our deepest sympathies to all those affected by the 2024 Noto Peninsula Earthquake that occurred on January 1st.

The lifelines in the region have been seriously affected, and while we hope for the earliest possible restoration and recovery, we in the city gas industry realize the need to further build a disaster-resistant gas supply system and strengthen gas supply resilience.

2. Trends in e-methane

At the January 23rd meeting of the Working Group to Study the Gas Utility System, three main issues were discussed regarding the future direction for social implementation of e-methane.

In terms of regulatory and institutional measures, it was noted that it is necessary to consider a mechanism to support price differentials with existing fuels, divided into short-, medium-, and long-term time frames. For the short-term system, the importance of proceeding with the study as soon as possible was also indicated.

Committee members in attendance also commented on the importance of developing international CO2 counting rules and the need to promote bilateral discussions as soon as possible.

We expect to make concrete progress in discussions in 2024 toward a 1% e-methane pipeline injection in 2030.

3. Trends in Carbon Recycled Fuel in Europe

While the use of hydrogen is being studied in Europe, the use of carbon-recycled fuels such as methanol and SAF, which are relatively easy to handle, is being studied as "hydrogen carriers" for transporting.

Last November, staffs of the Japan Gas Association visited Germany and exchanged views with European industry. They confirmed that the technological development and expansion of carbon-recycled fuel is being promoted as one of the "realistic solutions" to realize a decarbonized society.

The use of e-methane is expected to grow in Europe in the future due to its advantage of utilizing existing infrastructure, and in fact, an e-methane subscription agreement was announced in January between operators in Scandinavia. We will continue to pay close attention to developments in Europe.

4. Regional Revitalization Forum

The Regional Revitalization Forum is a JGA's event to promote the introduction and horizontal deployment of case studies among regional gas utilities in Japan, with the aim of gaining new methods and insights for local gas utilities in their efforts to solve issues such as regional revitalization. This is the fifth time the forum has been held.

The theme of this year's session was "Seize local needs and work with local governments to solve problems," and various examples of such efforts were introduced.

In addition to direct gas supply businesses, as a gas utility, we will properly respond to social needs such as solving regional issues, decarbonization, and regional revitalization.