

FEPC Comments on Discussions on RPS

On November 17, Chairman Tsunehisa Katsumata of the Federation of Electric Power Companies (FEPC) spoke at a press conference about a possible revision to the mandatory Renewables Portfolio Standard (RPS) program, which is a flexible, market-driven policy to ensure that the public benefits of renewable energy sources – wind, solar, biomass, hydropower and geothermal energy – continue to be recognized in the midst of growing competition in electricity markets. He said that his organization's position was that RPS should be discussed as one of a broad range of options, including nuclear power, taking into account the purported purpose of introducing new energies, as well as combating global warming and improving energy self-sufficiency.

In November, the New Energy Subcommittee's Working Committee on the RPS Law, under the Advisory Committee for Natural Resources and Energy, began deliberations on mandatory RPS in FY2007-2014. It was against that backdrop that Katsumata indicated FEPC's position.

Saying that Japan has introduced new energies at a level comparable to other countries, Katsumata urged discussion about RPS in light of a wide range of options. He said such discussions should consider whether the introduction of renewable energy sources has satisfied the initial purposes of those introductions, rather than treating RPS as a foregone conclusion. He referred to a breakdown of targets for introducing new energies.

In the area of power generation, RPS requirements will apply to the total volume of the target. In the area of thermal cracking, however, which accounts for 60% of the introduction target, RPS does not apply. Instead, the introduction of new energies is encouraged through the use of subsidies. The chairman called for fairness in the policy.

Solar power, wind power, biomass, hydropower and geothermal energies are all parts of RPS, and the working committee will discuss them from various angles, including cost-effectiveness, after which a report will be released by February 2007 or so. The current target for FY2010, which begins on April 1, 2010, is to use RPS for 12.2 TWh, for a usage rate of 1.35%.

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