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# **Japan Energy Newsletter**

**Japan Electric Power  
Information Center, U.S.A.**

## 1 METI Announces Plans to Submit CCS Business Bill in 2024

On September 14, 2023, the Ministry of Economy, Trade and Industry (METI) held the first meeting of the Carbon Management Subcommittee under its Comprehensive Resources and Energy Committee. At this meeting, it was announced that the Japanese government will submit a new draft “CCS (Carbon Capture and Storage) Business Law” to next year's ordinary session of the Diet. Prompt enactment of the legislation will be required to meet the government’s goals of beginning CCS business operations by 2030. Meanwhile, to comprehensively examine these issues from a security perspective, future subcommittee meetings will be held jointly with the Industrial Structure Council Security & Consumer Product Safety Committee’s Industrial Security Basic System Subcommittee.

### Background

To achieve Japan’s Green Transformation (GX) goals, in February 2023, the Cabinet approved the “Basic Policy for the Realization of GX.” As part of the policy, the government is now planning the steps necessary for establishing a business environment that supports the start of CCS operations by 2030.<sup>1</sup> Since January 2022, METI has regularly held meetings of the CCS Long-term Roadmap Study Group and released the study group’s final report in March 2022.

The report states that a carbon management subcommittee, mainly comprised of academic experts and researchers, will be established under METI’s Resources and Energy Committee. The subcommittee will consider the nature of government support for CCS, the development of a “CCS Business Law” (tentative name), and various issues and government initiatives regarding Carbon Capture and Utilization/carbon recycling activities, such as prompting carbon management by companies utilizing Carbon Capture, Utilization, and Storage technologies. To comprehensively consider the commercialization of CCS from a safety regulatory perspective, the Carbon Management Subcommittee is conducting meetings jointly with the Industrial Safety Basic System Subcommittee and held their first joint meeting on September 14, 2023.<sup>2</sup>

### Main Meeting Agenda Items

During the first meeting of the Carbon Management Subcommittee, the participants discussed the following items related to the CCS Business Law:

- It is necessary to design a streamlined system that avoids duplicating the existing rules in other legislation.
- The Law must contribute to establishing an environment in which private businesses can invest. It is also necessary to specify the rights, obligations, and scope of responsibilities of the government and the private sector so that business operators can make informed investment decisions.

<sup>1</sup> [https://www.meti.go.jp/press/2022/02/20230210002/20230210002\\_1.pdf](https://www.meti.go.jp/press/2022/02/20230210002/20230210002_1.pdf)  
<https://www.meti.go.jp/press/2022/02/20230210002/20230210002.html>

<sup>2</sup> [https://www.meti.go.jp/shingikai/enecho/shigen\\_nenryo/carbon\\_management/pdf/001\\_03\\_00.pdf](https://www.meti.go.jp/shingikai/enecho/shigen_nenryo/carbon_management/pdf/001_03_00.pdf)

- Prompt passage of legislation is needed in anticipation of CCS commercialization by 2030.
- Since safety and effectiveness can vary depending on the implementation location, it is critical to determine how these factors are assessed.
- After CO<sub>2</sub> is injected and stored, it will be necessary to consider finalizing the most suitable monitoring methods over specific periods to monitor the behavior of the CO<sub>2</sub>.
- Sufficient consideration must be provided to ensure workers' safety.
- Safety and economy should not be contradictory, as businesses cannot survive without safety. It is important to be mindful that security greatly impacts CCS business profitability.

In addition, during the meeting, the members discussed the safety of storing CO<sub>2</sub> underground, the importance of gaining public understanding, and the need for detailed explanations to move forward with the commercialization of CCS. Further, in order to increase public understanding, the committee members agreed that it is important to provide the appropriate information to stakeholders, including local residents, regarding matters such as ensuring safety when proceeding with the CCS projects.<sup>3</sup>

The need for the early development of the CCS Business Law is also mentioned in the final report of the CCS Long-term Roadmap. The following are some examples of the key points that should be included in the new law:

- 1) Covering each CO<sub>2</sub> business segment, such as separation and collection, transportation, and storage
- 2) Establishing a new "storage business right" with a permission system to obtain rights
- 3) Stipulating the regulations for the development of a security system and clarifying the rules for no-fault liability and compensation
- 4) Limiting monitoring responsibility

Furthermore, the meeting participants agreed that there is a need for a legal framework for exporting CO<sub>2</sub> to promote CCS overseas, and it was recommended that captured CO<sub>2</sub> should be made available for sale to promote CCU/carbon recycling. Based on these discussions, the "CCS Business Law" is expected to be submitted at next year's ordinary Diet session.

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<sup>3</sup> [https://www.meti.go.jp/shingikai/enecho/shigen\\_nenryo/carbon\\_management/pdf/001\\_qijiyoshi.pdf](https://www.meti.go.jp/shingikai/enecho/shigen_nenryo/carbon_management/pdf/001_qijiyoshi.pdf)

## 2 METI Launches a Specialized Website to Strengthen Support for the Nuclear Supply Chain<sup>4</sup>

On September 29, 2023, the Agency for Natural Resources and Energy (ANRE) under the Ministry of Economy, Trade and Industry (METI) launched the Nuclear Supply Chain Platform (NSCP) website.<sup>5</sup> The website was jointly established with the Japan Atomic Industrial Forum, Inc. (JAIF) to strengthen the domestic nuclear power supply chain. It will feature content related to the nuclear supply chain, such as case studies of nuclear companies' efforts to maintain and strengthen their human resources and technology and information on Japanese organizations' participation in overseas construction projects.

### Background and Purpose

In Japan, nuclear technology is concentrated within domestic companies, as evidenced by the domestic production rate of nuclear power technology, which is about 90%. This has contributed to the stable use of domestic power plants, the economy, and employment. However, since the Great East Japan Earthquake in 2011, the restart of operations at most nuclear plants has been delayed and new construction projects have been on hold, making it impossible for many domestic business operators to predict their future business. This has led to a series of withdrawals of core suppliers of fundamental nuclear technologies from the Japanese market. In response to this serious situation, METI's ANRE and JAIF jointly held a nuclear power supply chain symposium on March 6, 2023. They established the "Nuclear Supply Chain Platform (NSCP)" in collaboration with regional Bureaus of Economy, Trade and Industry and JAIF-related organizations nationwide to strengthen the domestic nuclear supply chains.

The purpose of the NSCP is to 1) strategically enhance human resources development and securing workers, 2) promote countermeasures to supply chain disruptions and support business continuity, and 3) provide support for the entire supply chain, including Japanese organizations' participation in overseas projects. In addition, the NSCP will also continue to provide active support tailored to the individual circumstances of approximately 400 nuclear power-related companies nationwide.

Moreover, the "Basic Policy for the Realization of GX," approved by the Cabinet on February 10, 2023, sets out new policies for building next-generation innovative reactors. The key pillars of the Basic Policy include promoting human resource development and strengthening and maintaining the domestic nuclear supply chain. METI will guide the implementation of the Policy, which aims to provide support for every aspect of the supply chain.<sup>6</sup>

### General Overview of the NSCP

The NSCP aims to support nuclear power-related businesses in Japan and to help maintain and strengthen the nuclear power supply chain through the collaborative efforts of industry, academic and research institutions, and government agencies. The

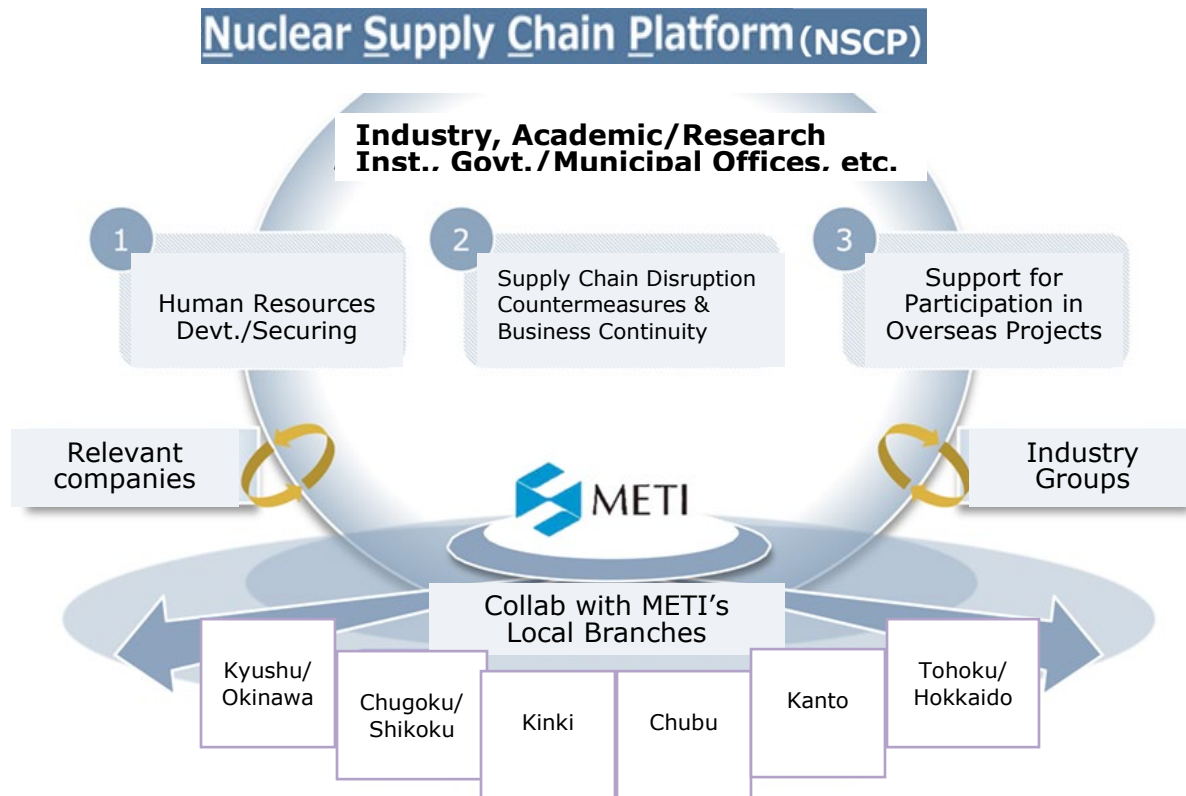
<sup>4</sup> <https://www.meti.go.jp/press/2023/09/20230929001/20230929001.html>

<sup>5</sup> [https://www.meti.go.jp/english/press/2023/0929\\_001.html](https://www.meti.go.jp/english/press/2023/0929_001.html)

<sup>6</sup> <https://jaif-bg.jp/nscp-outline/>

NSCP website focuses on the three points described above. It also presents several case studies of initiatives conducted by the government and related companies, a list of government subsidies provided to certain projects, and examples of Japanese companies' participation in overseas projects. The website will continue to enhance its content in the future.

**Figure 1 Organization Structure of the Nuclear Supply Chain Platform**



Source: Nuclear Supply Chain Platform <sup>7</sup>

<sup>7</sup> <https://jaif-bq.jp/https://jaif-bq.jp/nscp-oversea/>

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