Japan's New 2030 Emissions Reduction Target

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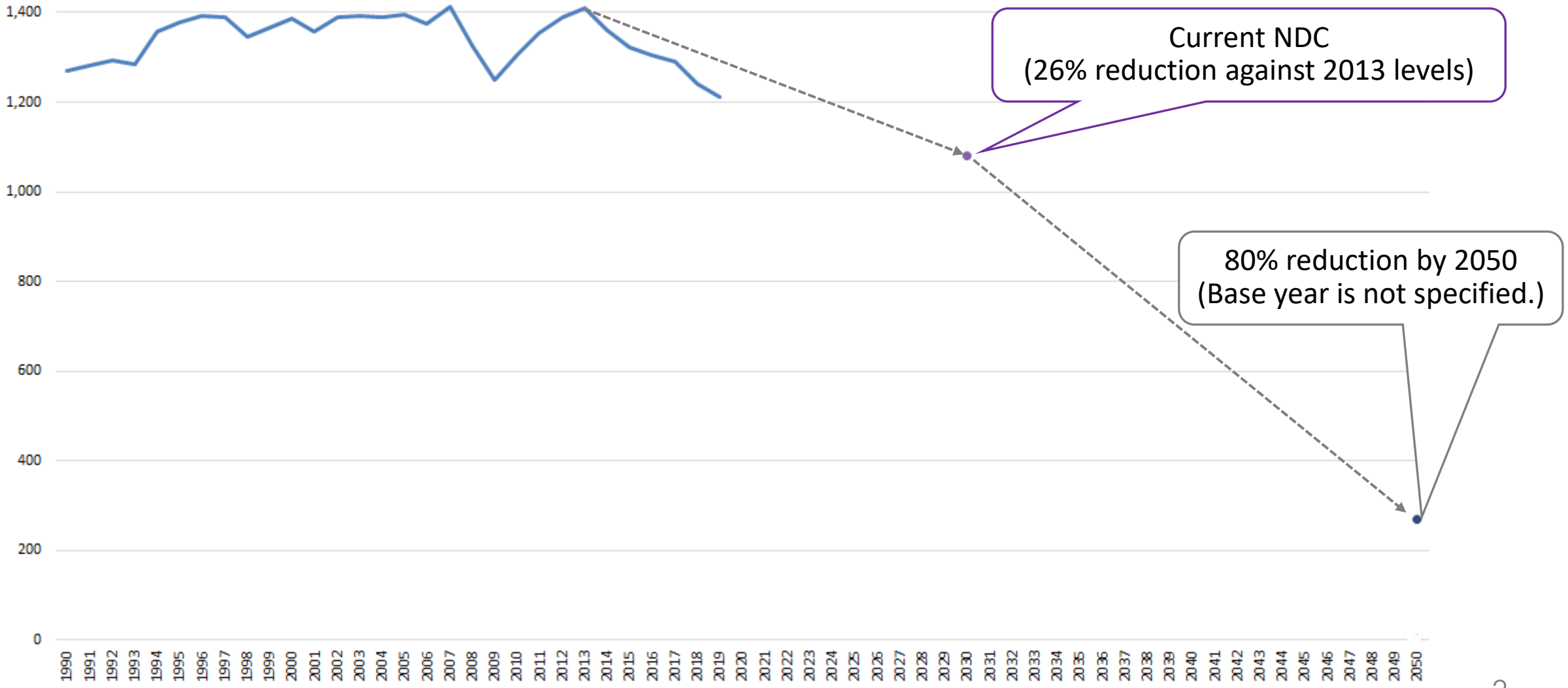
Japan's GHG Emissions: Historical Trends and Reduction Targets



Source: Based on Greenhouse Inventory Office of Japan (2021)

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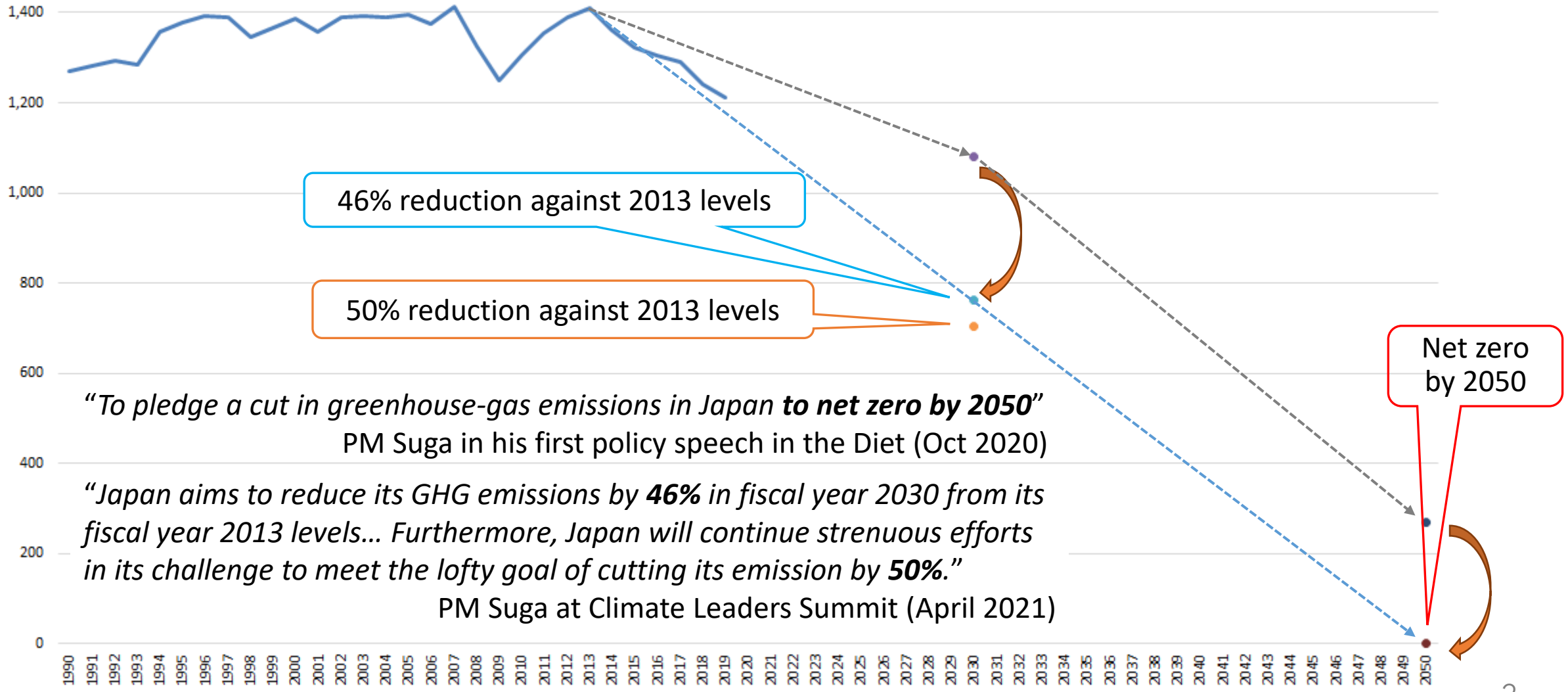

"*To pledge a cut in greenhouse-gas emissions in Japan* ***to net zero by 2050***"
PM Suga in his first policy speech in the Diet (Oct 2020)

"*Japan aims to reduce its GHG emissions by* ***46%*** *in fiscal year 2030 from its fiscal year 2013 levels… Furthermore, Japan will continue strenuous efforts in its challenge to meet the lofty goal of cutting its emission by* ***50%****.*"
PM Suga at Climate Leaders Summit (April 2021)

Source: Based on Greenhouse Inventory Office of Japan (2021)

Acceleration and Change in Policy Process

Shift from an "energy target first" approach to a "climate target first" approach

- "Energy target first " approach
  - Energy policy targets set a framework within which NDC (climate target) was set.
    - The current NDC (26% reduction target) was based upon "macroeconomic-framework" and "energy mix" stipulated by the Long-term Energy Demand and Supply Outlook and the Strategic Energy Plan.
  - New climate target was expected to be set after the revision of the Strategic Energy Plan.
    - Revision of the Strategicc Energy Plan in Summer 2021
    - New emissions reduction target in Autumn of 2021 (before COP26)

But

- "Climate target first" approach
  - PM Suga declared for achieving carbon neutrality by 2050, as well as the 46% reduction by 2030, before the revision of the Strategic Energy Plan.
  - Next Strategic Energy Plan is expected to provide a policy basis for 46% reduction target, as well as a roadmap toward the 2050 carbon neutrality.

Driving Forces Behind the Acceleration and Change: International and Domestic Pressures

- International pressures, esp. from the US and the UK
  - ➢ Japan-U.S. Foreign Ministers' Meeting (16 March 2021)
    - ☐ "do more on decarbonization"
  - ➢ Japan-U.S. Summit Meeting (16 April 2021)
    - ☐ Both committed to the 1.5℃ target and achieve 2030 targets that are compatible with 2050 net zero emissions.
  - ➢ COP26 President visited Japan. (19-20 April 2021)
    - ☐ "Around 50%"
- Domestic pressures, esp. from business
  - ➢ Japan Climate Leaders' Partnership (JCLP) (31 March 2021)
    - ☐ "to set an emissions reduction target of 50% and above by 2030"
  - ➢ Japan Climate Initiative (JCI) (22 April 2021)
    - ☐ "to set a target of 45% and seek for 50% by 2030"

    (291 members endorsed this position paper.)

Photo: AFP Jiji

A coalition of 189 companies with total electricity consumption of 60TWh

A network of 483 companies, 37 local authorities and 139 organizations

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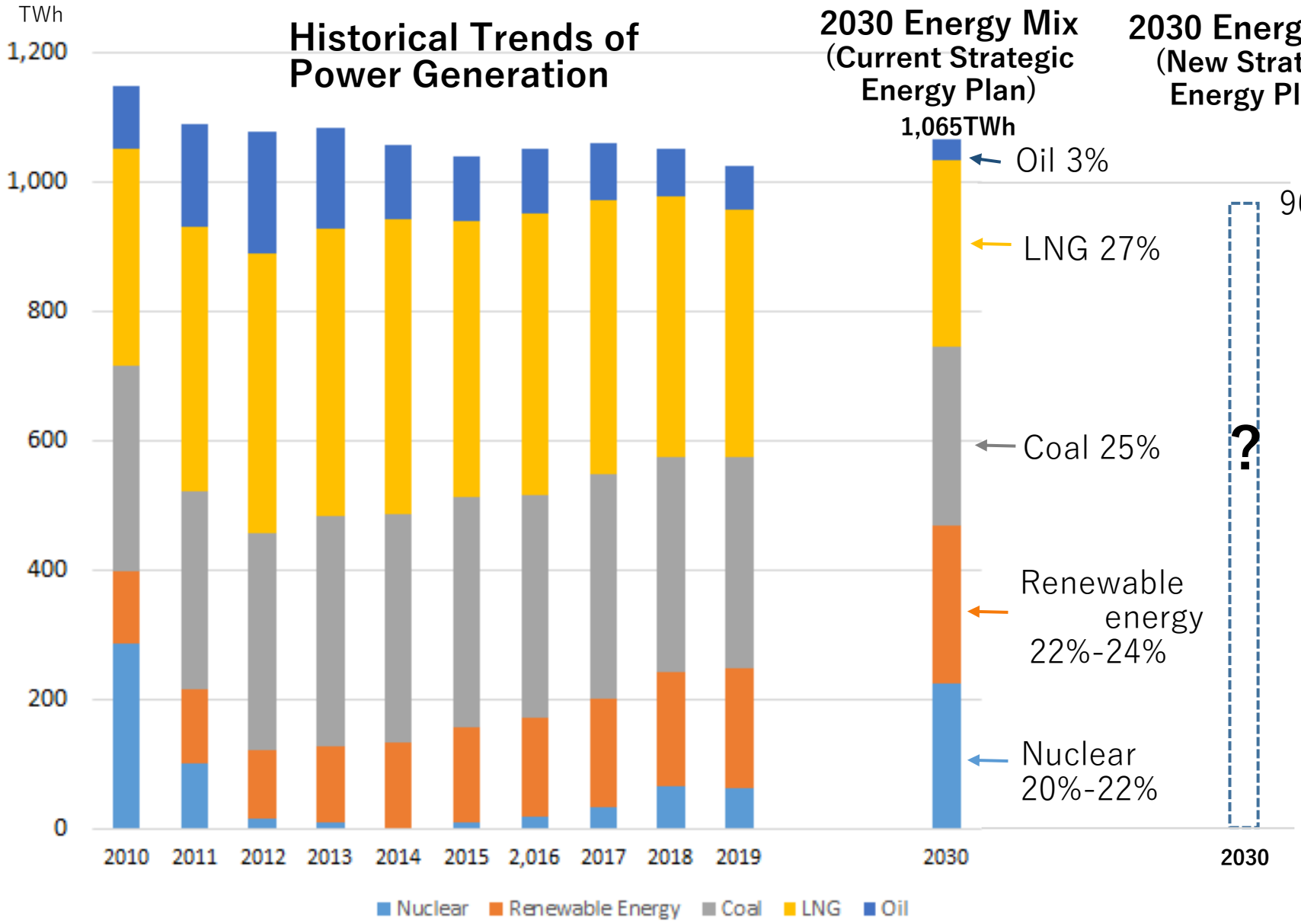
291 Non-State Actors Calling for an Ambitious 2030 Target for Japan to Realize the Paris Agreement Goal

JCI's news paper ad

Pending Issues: Strategic Energy Plan



- To what extent will energy efficiency improve? Final energy consumption in 2030?
- What is power generation in 2030?

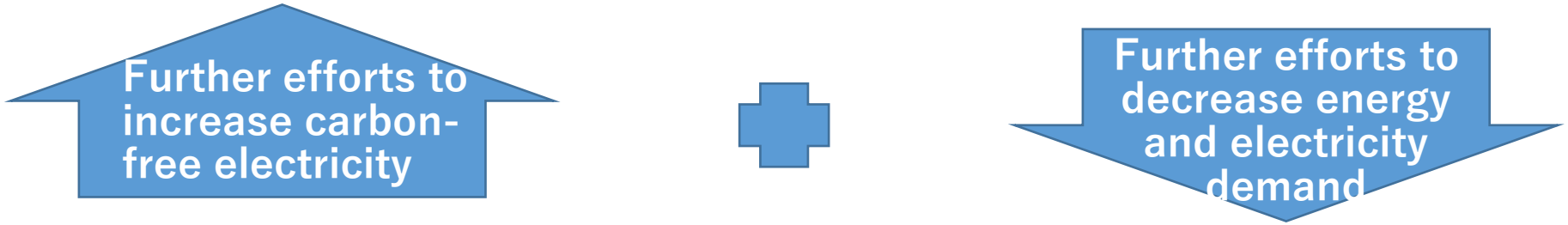
How much will the share of thermal power reduce?

Renewable energy 312TWh? = 33%?

Does the share of nuclear remain same?

A draft will be released on 21 June 2021(?).

Way Forward



- **Further efforts to increase carbon-free electricity, but some constrains**
  - ➢ Limited lead time for RE projects
    → But, some room for increasing solar PV and wind further (incentives and deregulation)
  - ➢ Public sentiment against nuclear

- **Room for improving energy efficiency** (Myth of Japan's High Energy Efficiency)

  = Lots of economically valid options in next 9 years!

  → 30% reduction in final energy consumption and 20% reduction in electricity demand by 2030 against 2013 levels.
- **But, policy measures are still required to realise these options.**

  → Carbon pricing!