Achieving Net Zero GHG Emissions by 2050 in Japan

Policies and Measures Update (as of February 2021)

Ministry of the Environment, Japan



- Rapid but steady movement on declaration on GHG net zero by 2050
- Medium/Long-term Plan and Strategy
- Legal framework for Carbon Neutrality
- Budget
- Support for decarbonization of subnationals
 - Zero Carbon Cities



■ Rapid but steady movement on declaration on GHG net zero by 2050

□ Government

GHG net zero by 2050 declaration by PM SUGA, who instructed all ministers to pursue their efforts (October 2020)

□ Congress

Climate Crisis Declaration adopted by all parties in both **House of Representatives and House of Councilors** (November 2020)

□ Local governments

More than 281 cities/local governments declared net zero by 2050 (They cover more than 101 millions, about 80% of Japan's population)



- Medium/Long-term Plan and Strategy
- ✓ Review of the Plan for Global Warming Countermeasures (cabinet decision) and Strategic Energy Plan started in autumn 2020.
- ✓ PM SUGA expressed that he will announce 'an aspiring 2030 target' by COP26 in his policy address to the Parliament (Jan. 18, 2021).
- ✓ The Long-Term Strategy under the Paris Agreement, decided in 2019, will also be revised



■ Legal Framework for Carbon Neutrality

The government decided the draft of amendment of the Act on Promotion of Global Warming Countermeasures:

- ✓ Establishment of the fundamental principles in light of the Paris Agreement and the declaration to realize carbon neutrality by 2050
- ✓ Establish a plan/accreditation system to promote businesses that contribute to decarbonization utilizing regional renewable resources
- ✓ Encourage digitization and open data regarding companies' GHG emissions information to promote decarbonization in corporate management



Budget

- ✓ Economic package for recovery from COVID19 pandemic
 - e.g., subsidies for EV, insulation of houses, 2 trillion yen fund to promote ecological businesses and innovation
- ✓ Budget plan for FY 2021
 - e.g., support for the decarbonization of local governments in developing projects, building capacity and introducing renewable energy equipment



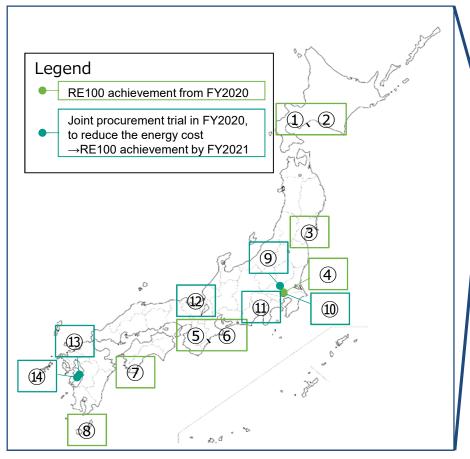
- Support for decarbonization of subnational
 - Zero Carbon Cities
- ✓ 281 local governments including Tokyo, Kyoto, and Yokohama announced their commitment to net zero carbon emissions by 2050.
- √ These local governments represent 101 million people (79.9% of Japan's population), and 4.2 trillion USD in GDP.
- ✓ New Committee of Ministers and Mayors (Council for National and Local Decarbonization) launched in Dec. 2020
- ✓ Roadmap will be developed by this summer for decarbonization of all local governments by 2050

Ministry of the Environment's efforts to achieve Renewable Energy 100% (RE100)



- MOE is committed to achieve the "Ministry of the Environment RE100" Initiative to meet 100% of its own power supply with renewable energy by the year 2030.
- Nine facilities are powered by 100% renewable energy in FY 2020.

MOE plans to take on the challenge of switching to 100% renewable energy at energy-intensive facilities such as National Institute for Minamata Disease in FY 2021.



	Milestone for achieving MOE RE100		
\setminus	Fiscal Year	Facilities achieving RE100	RE Achievement (Estimate)
	2020	 Shikotsu-Toya National Park Lake Shikotsu Visitor Center Shikotsu-Toya National Park Office Michinoku Coastal Trail, Natori Trail Center. Shinjuku Gyoen National Garden Yoshino Ranger Station Ise-Shima National Park Yokoyama Visitor Center Tosashimizu Ranger Office Yakushima Ranger Office (incl. World Heritage Conservation Center) Ise-Shima National Park Office 	10~15%
	2021	 Mational Environmental Research and Training Institute Kokyo Gaien National Garden Biodiversity Center of Japan Kyoto Gyoen National Garden National Institute for Minamata Disease Minamata Disease Archives 	35~40%
	\sim 2025 (Estimate)	Main building of MOE, Nuclear Regulation Authority Other Facilities under the MOE direct control *Considering joint procurement by each block	85~90%
	\sim 2030 (Estimate)	Facilities outside the MOE direct control	100%





Japan's NDC and revision of the Plan for Global Warming Countermeasures

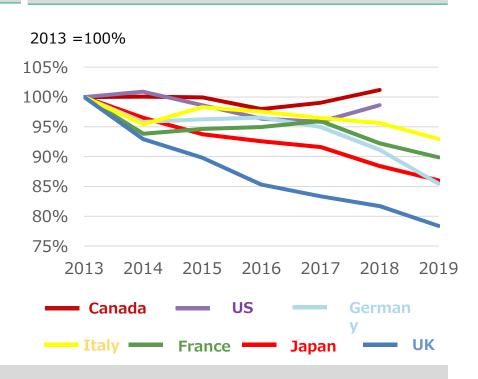


- Japan has started to revise the Plan for Global Warming Countermeasures with the submission of the NDC to the UNFCCC in March 2020 as a turning point.
- The review of reduction target will be carried out consistently with the revision of the energy mix so as not to be held up until the next deadline for quinquennial submission pursuant to the Paris Agreement, and will aim at aspiring figures to reflect further ambitious efforts.

Summary of Japan's NDC (March, 2020)

- Confirmed to continue to aim at <u>resolutely achieving</u> the level of a reduction of 26.0% by FY 2030 compared to FY 2013.
 - → will pursue further efforts to reduce GHG emissions beyond this level.
- Carries out a review on the Plan for Global Warming Countermeasures.
 - → will submit the information necessary to UNFCCC after its revision
- The review of reduction target will be carried out consistently with the revision of the energy mix, and will aim at aspiring figures to reflect.
 - → make sure not to be held up until the next deadline for quinquennial submission pursuant to the Paris Agreement

GHG reduction level of G7 since 2013



Procedure from now on

Japan will continue the discussion on the review of the Plan for Global Warming Countermeasures at the
joint meetings of Central Environment Council and Industrial Structure Council, while considering the impact
of the COVID-19 pandemic and the prolonged schedule of COP26.

Implementation of measures



- For 2050 carbon neutrality, the decade from 2021 to 2030 is decisive.
- We will trigger a regional decarbonization domino effect by implementing measures such as doubling the share of renewable energy consumption in regions.

"Zero carbon cities": More than 250 local governments (representing more than 95 million people)

Shift from "Declaration" to "Realization" (Budgeting)

- ➤ Integrated support, including support to the establishment of information infrastructure, planning, and to the introduction of renewable energy equipment
- Decarbonization measures will foster a circular economy and increase the resilience of regions

Council for National and Local Decarbonization

- ✓ Roadmap for decabonization of all local governments by 2050
- ✓ Aim to realize model decarbonized regions by 2025

Carbon pricing

✓ Resume the examination of carbon pricing to promote the growth strategy in cooperation with the Ministry of Economy, Trade and Industry

Act on Promotion of Global Warming Countermeasures

✓ Examine the positioning of "2050 carbon neutrality" and the establishment of a system to foster the regional use of renewable energy

Plan for Global Warming Countermeasures and Long-Term Strategy

- ✓ Foster discussions to enhance measures to achieve the 2030 target
- Discuss the direction toward achieving the 2050 target

Facilitation of decarbonization of subnationals



- a new council for national and local decarbonization, consists of Ministers and Mayors, launched in December 2020.
- Expected outcome: Roadmap for 2050 carbon neutrality of all local governments by 2050

Participants in the meeting: [National government]

(Chair) Chief Cabinet Secretary (Vice Chairs)

Minister of the Environment

Minister of Internal Affairs and Communications

- Minister of State for Regional Revitalization
- Minister of Agriculture, Forestry and Fisheries,
- Minister of Economy, Trade and Industry,
- Minister of Land, Infrastructure, Transport and Tourism

[Local governments]

Governor of Nagano Prefecture, Mayor of Yokohama City, Mayor of Ono City (Fukui), Mayor of Iki City (Nagasaki), Mayor of Karumai Town (Iwate) and Mayor of Tsunan Town (Niigata)

Make immediately implement without waiting existing technologies innovations possible measures and

Roadmap for decarbonization of subnationals



regions

also

pursue

"carbon

negative"

2020 — First decade: key period — **2030** ……… **2050**

Mobilize efforts during the first five years

Continuous enhancement

(1) Implement priority measures with technologies existing in market

- A) Make use of unused renewable energy by implementing measures such as "renting rooftops"
- B) Enhance energy conservation in households and public facilities
- C) Promote the sharing of renewable energy-powered EVs among residents and tourists

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(2) Provide a model case to generate a domino effect

Implemented in various levels and sectors:

- A) Public facilities powered by 100% renewable energy
- B) Zero-emission public transportation facilities
- C) Optimize management through energy
- conservation & storage and IoT in a small district

Combined to decarbonize an entire area

Incorporate measures to foster voluntary regional activities as well as indicators and systems to ensure effectiveness

arbonizati <u>across</u> the country

Domino effect

throughout

the country

Realization of decarbonized ustainable local communitie

Make use of innovative technologies

Decarbonizing both housing and transportation with Moving Batteries



- 1 RE100 power+EVs+ charging stations
- 2 Free parking spots and charging stations made available in national parks (in respectively 13 and 10 locations)

Target: Individuals, SMEs, local governments, and more

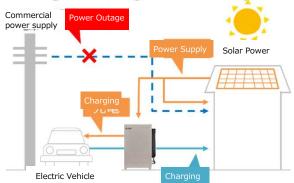


100% renewable energy supply*1 Introduction of EVs*2

Originally set to 400,000 yen → Doubled to 800,000 yen

- **%1** Conditioned to 100% renewable energy supply and participation in monitoring surveys
- ***2** Incentives for purchasing EVs (electric vehicle), PHEV (plug-in hybrid vehicle), and FCV (fuel cell vehicle)

Strenghtening disaster prevention



Introducing charging stations

Total incentive of up to 1.95

million yen upon the introduction of charging stations

*3

*3 Subsidizing 1/2 of charging station + installation costs (limited), totaling 1.15 million yen, details under consideration

Budget plan for the path to decarbonization especially to support local governments committing to zero carbon emissions



■ Information on infrastructure development

Mapping local governments' current situation, planning tools (regional climate change countermeasures applied toward the realization of Zero carbon cities) 0.8 billion yen (new)

→Assessing the situation toward the realization of zero carbon cities, mapping, developing scenarios, and building consensus

■ Supporting project development

Mainstream the introduction of renewable energy in project planning, capacity building toward the realization of sustainable and resilient communities. 1.2 billion yen (new) [Amended in March 2020]2.5 billion yen

→Support the formulation of targets for the introduction of renewable energy, build support for renewable energy zoning, and the formulation of schemes and systems to introduce renewable energy, toward achieving zero emissions by 2050.

■ Supporting the introduction of equipment

Support the joint introduction of resilient an decarbonized equipment for self-reliant and decentralized energy in evacuation facilities [Energy Special Account]5 billion yen (new)[Amended in March 2020]5.5 billion yen

→This is "hard" incentive to provide renewable energy equipment to evacuation centers.

Overview of the proposed partial amendments to the **Act on Promotion of Global Warming Countermeasures**



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Major revisions

- 1. Establishment of the fundamental principles in light of the Paris Agreement and the declaration to realize carbon neutrality by 2050
 - In light of the goals set in the Paris Agreement, incorporate realization of a decarbonized society by 2050, comprehensive improvement of the environment, economy and society, and close cooperation of stakeholders including citizens into the law as the fundamental principles for promoting global warming countermeasures
 - Clarifying the direction and assuring continuation of policy measures in this way will foster predictability among all players (citizens, local government, business operators, etc.) and thus promote initiatives and innovation.
- 2. Establish a plan/accreditation system to promote businesses that contribute to decarbonization utilizing regional renewable resources
 - The revised act requires municipalities to include targets for the implementation of initiatives in the action plan for global warming countermeasures prescribed by each local government. Municipalities will also work to establish a promotion zone for businesses to achieve decarbonization utilizing regional renewable resources (regional decarbonization promotion business), as well as policies on environmental friendliness and regional contribution.
 - Businesses stated in a regional decarbonization promotion business plan certified by the municipality as meeting the action plan will be
 eligible for the one-stop special exemption system* with regard to procedures of related laws and regulations.
 - * One-stop service for procedures under the Natural Parks Act, Hot Springs Act, Waste Management and Public Cleansing Act, Cropland Act, Forest Act and River Act
 - * Omission of a procedure under the Environmental Impact Assessment Act (Document on Primary Environmental Impact Consideration) in the drafting phase of a business plan
 - This will facilitate the smooth conclusion of a regional agreement and promote decarbonization initiatives that utilize regional renewable resources, which will also contribute to resolving regional issues.
- 3. Encourage digitization and open data regarding companies' GHG emissions information to promote decarbonization in corporate management
 - Concerning the calculation/reporting/announcement system regarding companies' GHG emissions disclosure, electronic reporting
 will be made compulsory in principle, and the information will be made public without a disclosure request.
 - * Development of a user-friendly system both for reporter and information user will be promoted together with the law revision.
 - Awareness campaigns and public relations activities for business operators will be added as tasks to be performed by the Japan Center for Climate Change Action.
 - Through this, information on companies' GHG emissions will be visualized promptly with greater transparency. It will also help to support regional businesses and further promote efforts by Japanese companies.