

Considering the New Energy introduction target

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New energy group



Hako

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Naraken

Akio

What we are going to say . . .

CO₂ reduction by new energy in 2010 (annual)

34million t-CO₂

New energy target



No !!

What we are going to say . . .

Because of . . .

- excessive CO2 reduction
- not cost effective

Our proposal

**lower target than the original
consider cost factor**

structure

Chapter 1 ***What new energy is***

Chapter 2 ***Current situation in Japan***

Chapter 3 ***Our trial calculation***

Chapter 4 ***Our proposal***

What is new energy ?

Definition

Energy that are...

1. technically available
2. not marketable
3. the alternative energy resource to oil



What is new energy ? ~Kinds of new energy ~

marketable

- Solar energy

- Wind-power

- Solar thermal

- Cryogenic power by snow ice

- Temperature differences

- Biomass energy

- generation

- thermal

- fuel

- Waste combustion

- generation

- thermal

- fuel

not technically available

Classification of new energy

Power generation field

solar energy

wind-power

waste combustion energy

biomass energy

Thermal utilization field

solar thermal utilization

unutilized energy

waste combustion utilization

biomass thermal utilization

Merits and Demerits

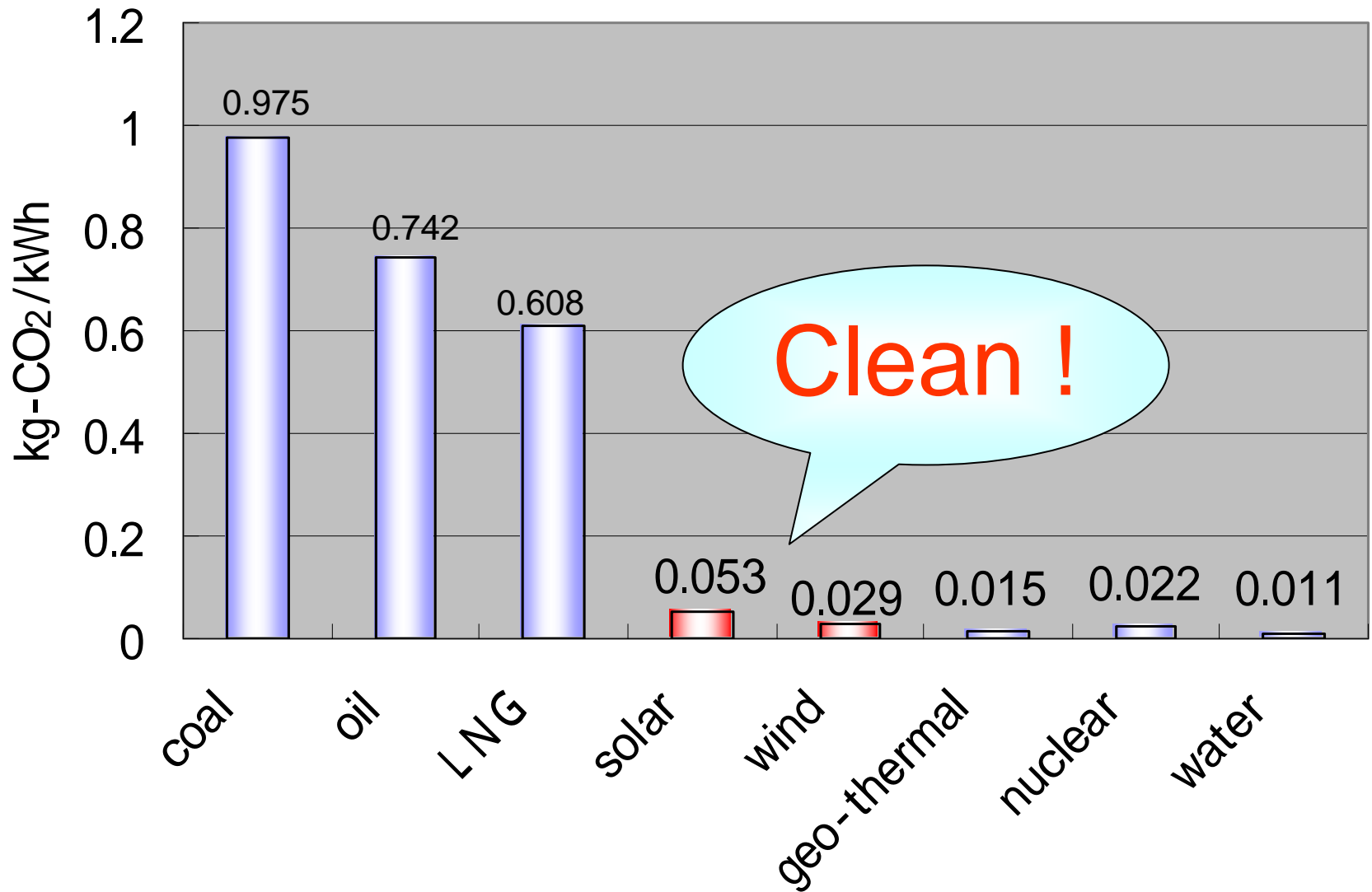
Merits

domestically produced
no exhaustible resource
less CO₂ emissions

Demerits

- Unstable electrical output
- energy conversion efficiency is low
- cost is high

The amount of CO₂ emissions of every resource



Merits and Demerits

Merits

domestically produced
no exhaustible resource
less CO₂ emissions

Demerits

- Unstable electrical output
- energy conversion efficiency is low
- cost is high

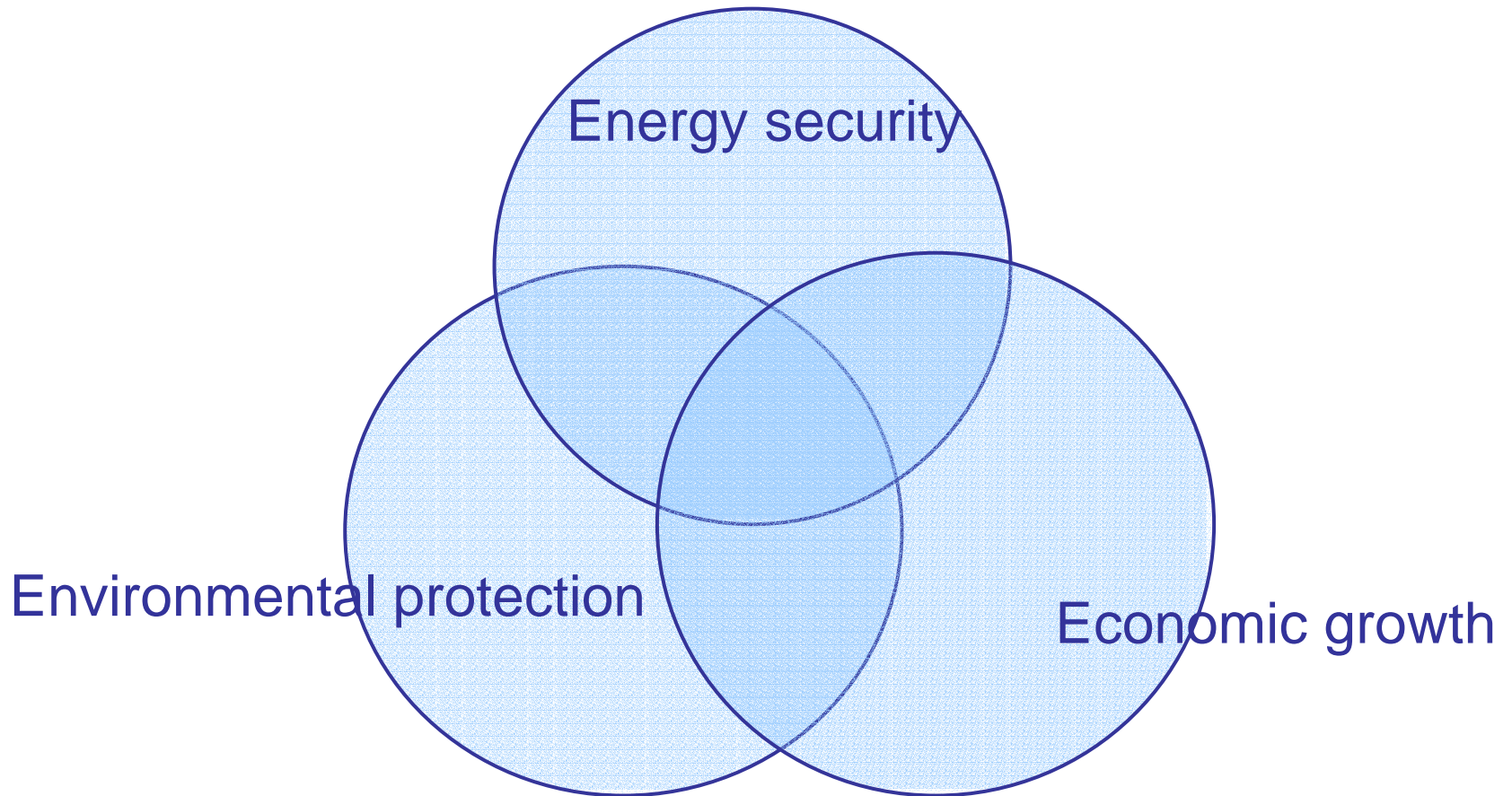
cost comparison

US\$/kWh)

cost of new energy is high!

The necessities of new energy

the image of accomplishing 3 targets of energy policy

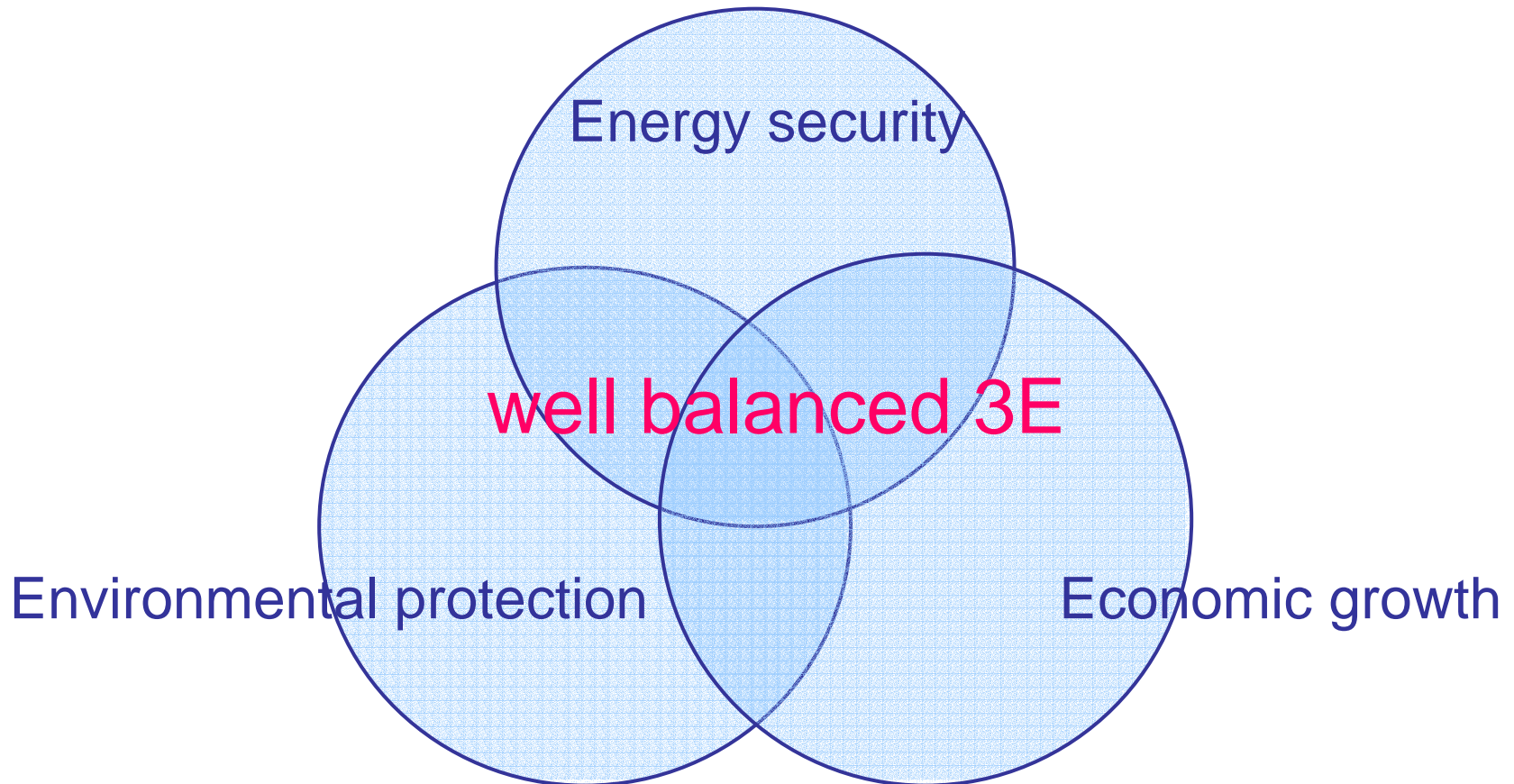


Current situation of primary energy in Japan

energy security problem!

The necessities of new energy

the image of accomplishing 3 targets of energy policy



New energy & 3E

1. diversification of energy supply



Energy security

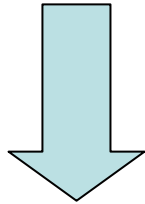
2. clean energy



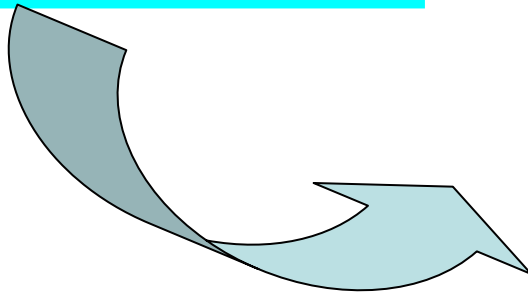
Environmental protection

3. competitiveness in future

preventing C O 2 emission



Unless additional
measures are taken...
exceeds about
7 4 million t-CO₂



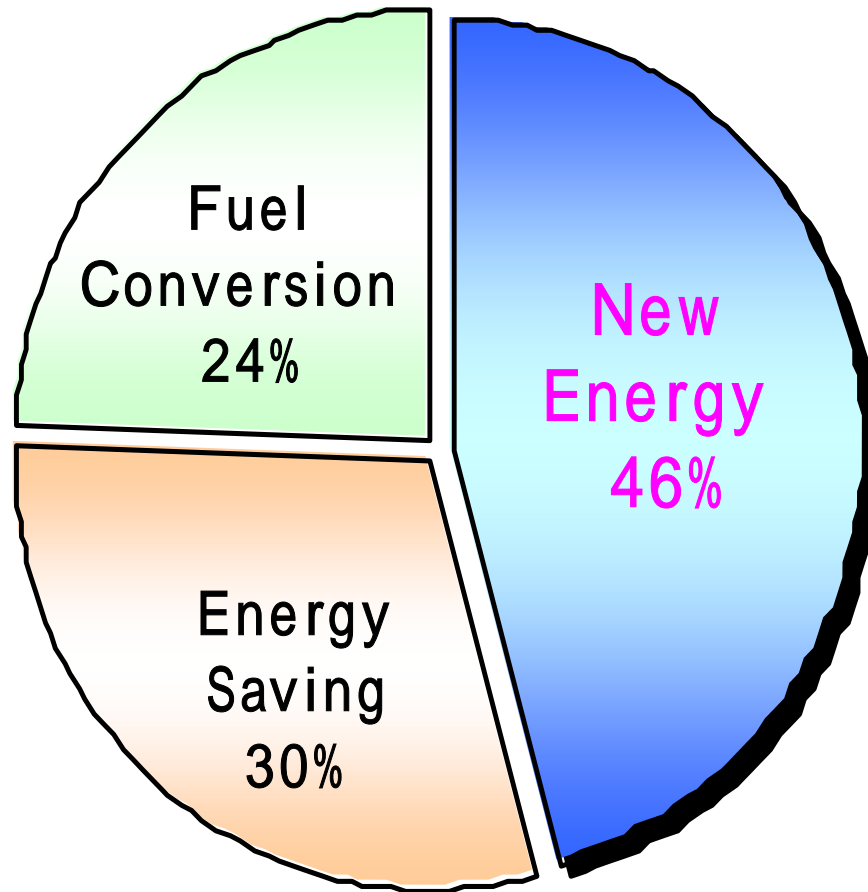
additional measures

Energy saving
2 2 million t-CO₂

New energy
3 4 million t-CO₂

Fuel conversion
1 8 million t-CO₂

The CO2 reduction target of each Energy sector



Made by presenter,

based on the data by Ministry of the Environment (2002)

New energy & 3E

New energy matches 3E !!

structure

Chapter 1

What renewable energy is
Finished!!

Chapter 2

Current situation in Japan

Chapter 3

Our trial calculation

Chapter 4

Our proposal

Classification of new energy

Power generation field

solar energy

wind-power

waste combustion energy

biomass energy

Thermal utilization field

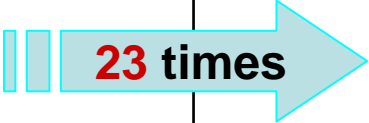
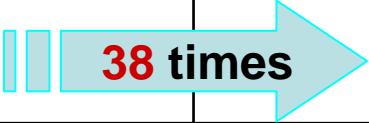
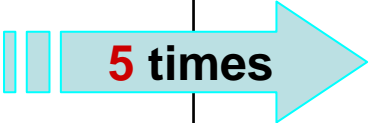

solar thermal utilization

unutilized energy

waste combustion utilization

biomass thermal utilization

Actual figure and Target power generation field

	Actual figure of 1999	target case of 2010
	Convert into oil	Convert into oil
	1000kl	1000kl
Solar energy	53 	1180
Wind power	35 	1340
Waste combustion energy	1150 	5520
Biomass energy	54 	340

RPS (Renewables Portfolio Standard) in Japan

What is RPS system ?

The system to introduce new energy certainly and cost-effectively

Issued in June 2002

Put into force in April 2003

Eligible energy sources of RPS

- Wind-power generation
- Solar energy generation
- Geo-thermal generation
- hydraulic power generation (small and medium)
 - (× hydroelectric dam)
 - (hydraulic turbine)
- Biomass
- waste combustion energy generation
 - (only the biomass incineration)

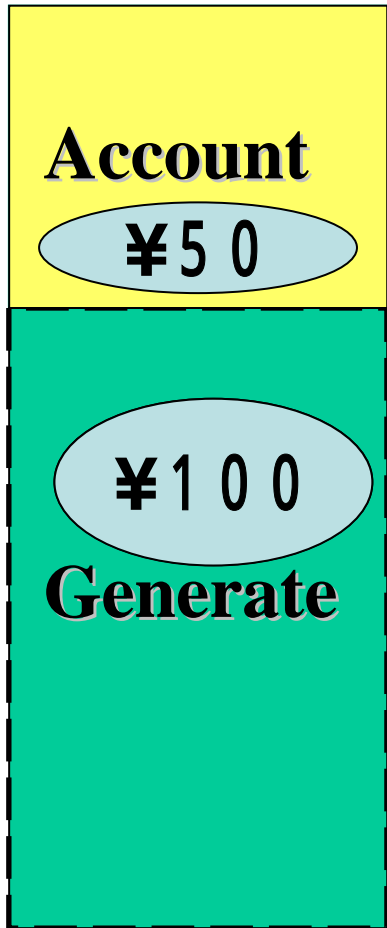
RPS system

RPS is a way to
attain the obligation cost-effectively



Image of the account trade

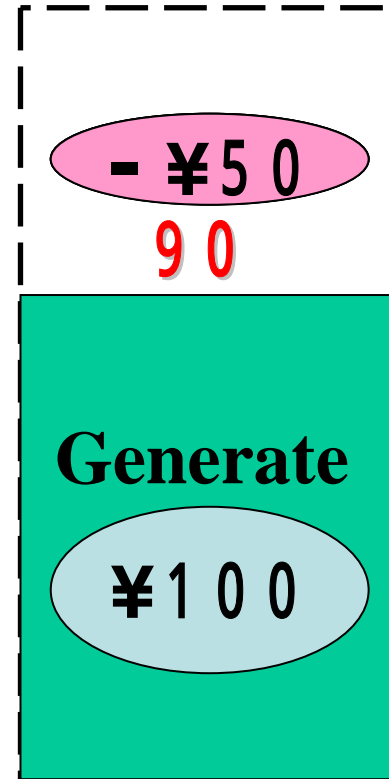
130



Energy supplier

A

120

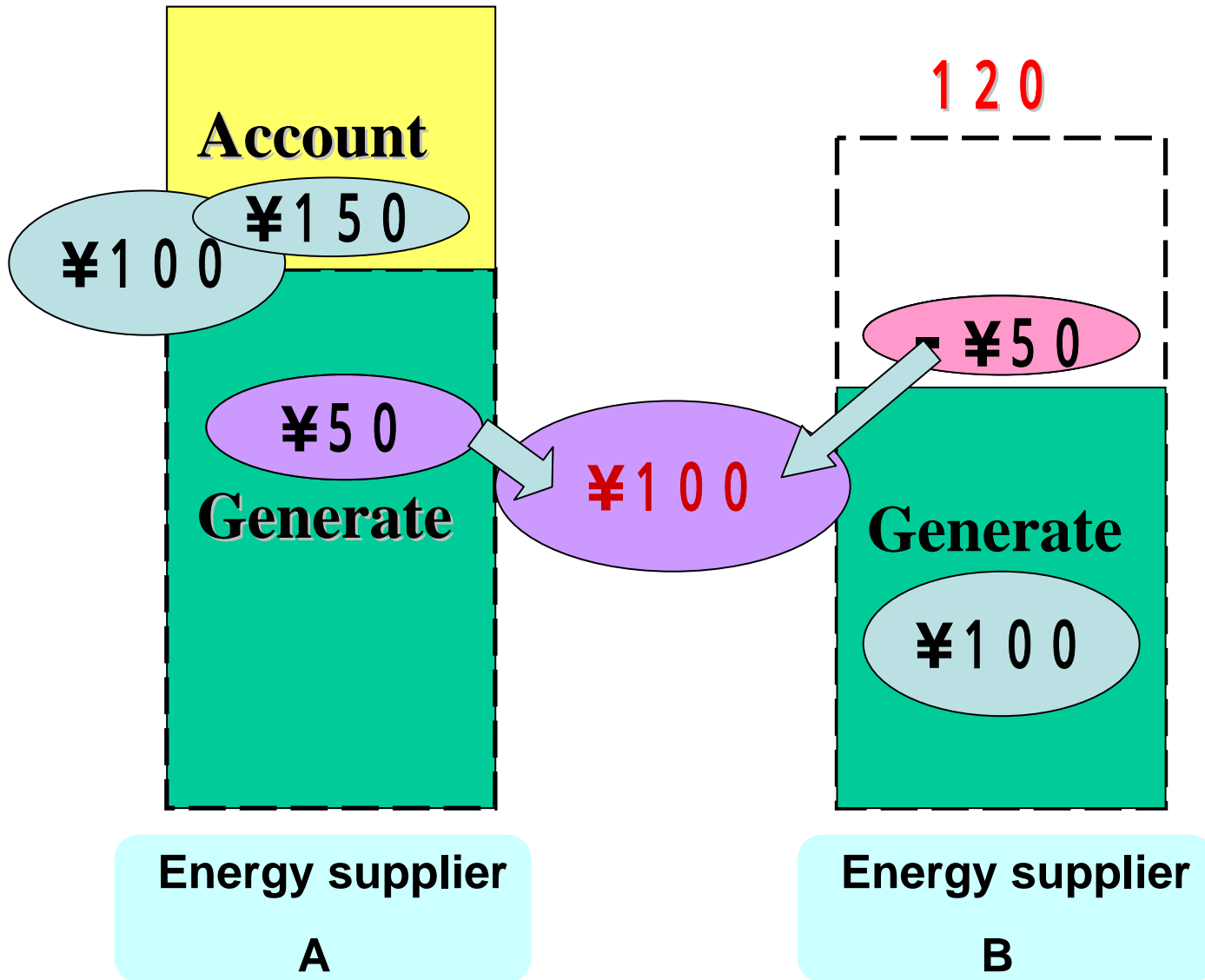


Energy supplier

B

Image of the account trade

130



Classification of new energy

Power generation field

solar energy

wind-power

waste combustion energy

biomass energy

Thermal utilization field

solar thermal utilization

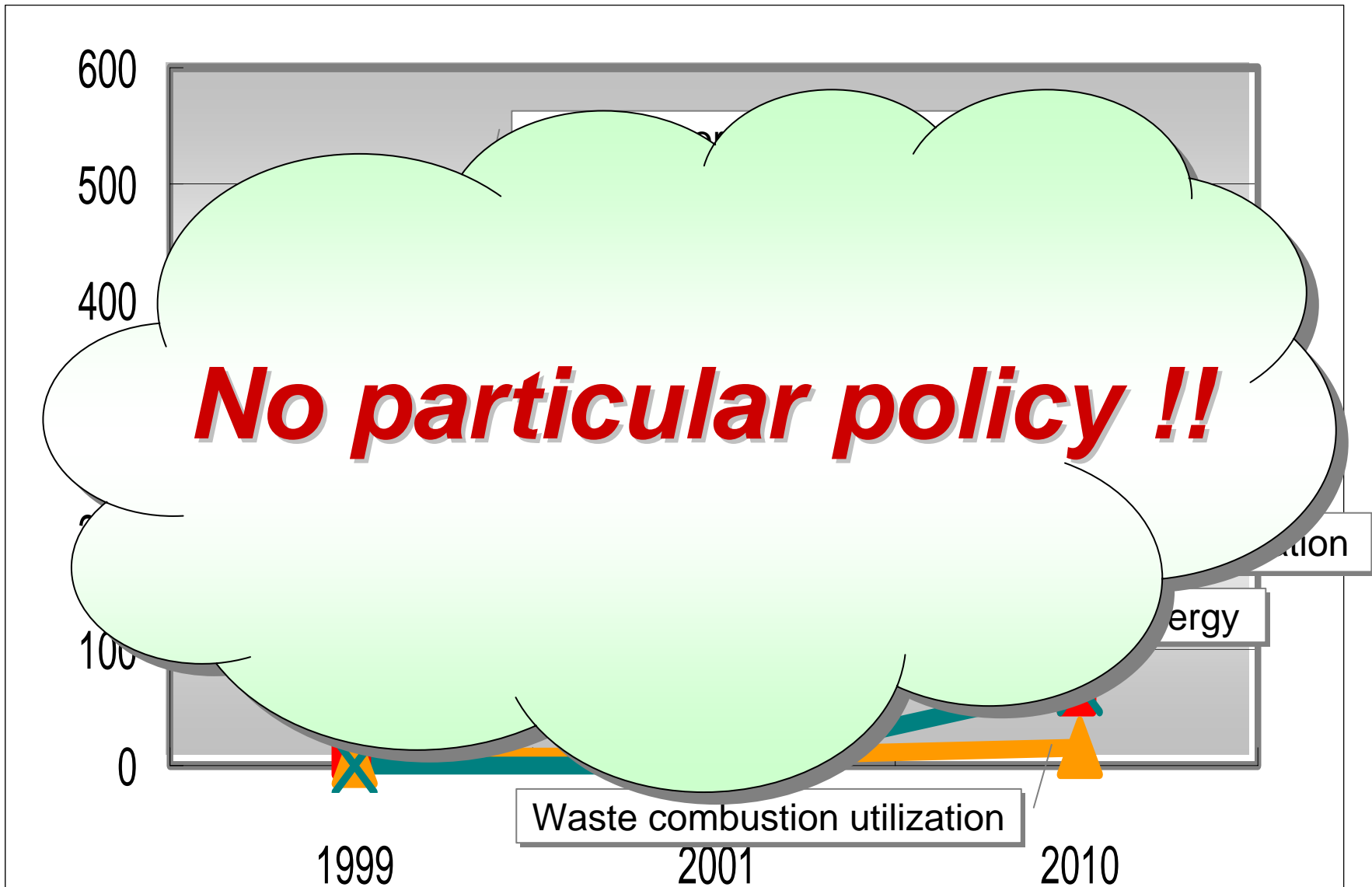
unutilized energy

waste combustion utilization

biomass thermal utilization

Actual result and Target

Thermal utilization field



Summary of current situation

Is this new energy target appropriate ?

the utilization field difficult to attain

structure

Chapter 1

What new energy is
Finished!!

Chapter 2

Cultural adaptation in Japan
Finished!!

Chapter 3

Our trial calculation

Chapter 4

Our proposal

Point of our trial calculation

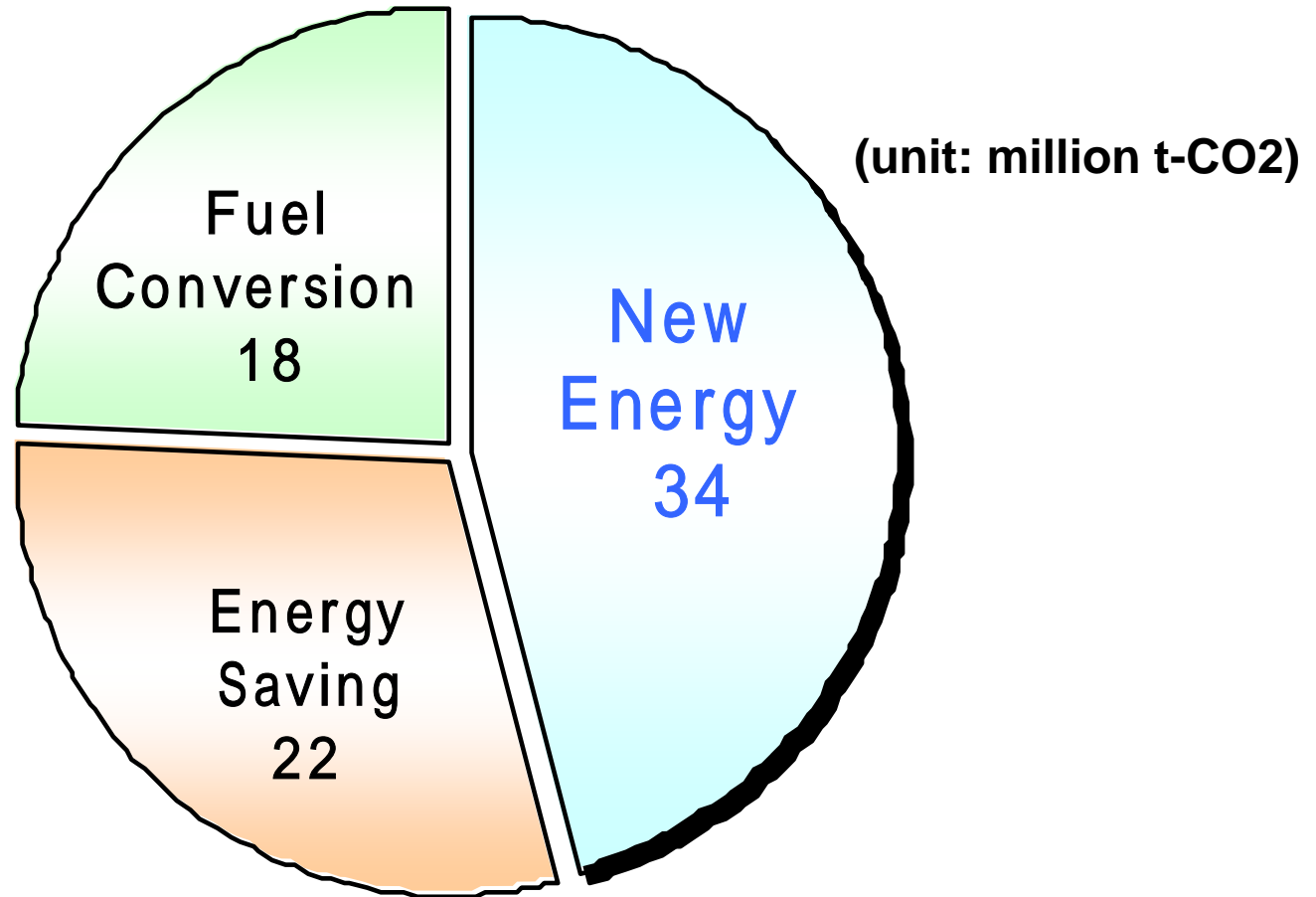
1. Consistent ?

CO2 reduction...

2. Cost-effective?

the cost...

Reduction target of New energy



Made by presenter,

based on the data by Ministry of the Environment (2002)

Alternative of...

* Power generation field...

Oil case 0.742kg-CO₂/kwh

All power sources case 0.419kg-CO₂/kwh

* Thermal utilization field...

Kerosene case 68.5g-CO₂/MJ

City gas case 58.6g-CO₂/MJ

What is new energy ?

Definition

Energy that are...

1. technically available
2. not marketable
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Alternative of...

* Power generation field...

Oil case 0.742kg-CO₂/kwh

All power sources case 0.419kg-CO₂/kwh

* Thermal utilization field...

Kerosene case 68.5g-CO₂/MJ

City gas case 58.6g-CO₂/MJ

Amount of C O2 reduction

* Power generation field...

23.95 million t-CO2

* Thermal utilization field...

28.07 million t-CO2

Amount of CO₂ reduction

Total reduction of New energy...

- **Excessive reduction!!**

Not consistent!

Point of our trial calculation

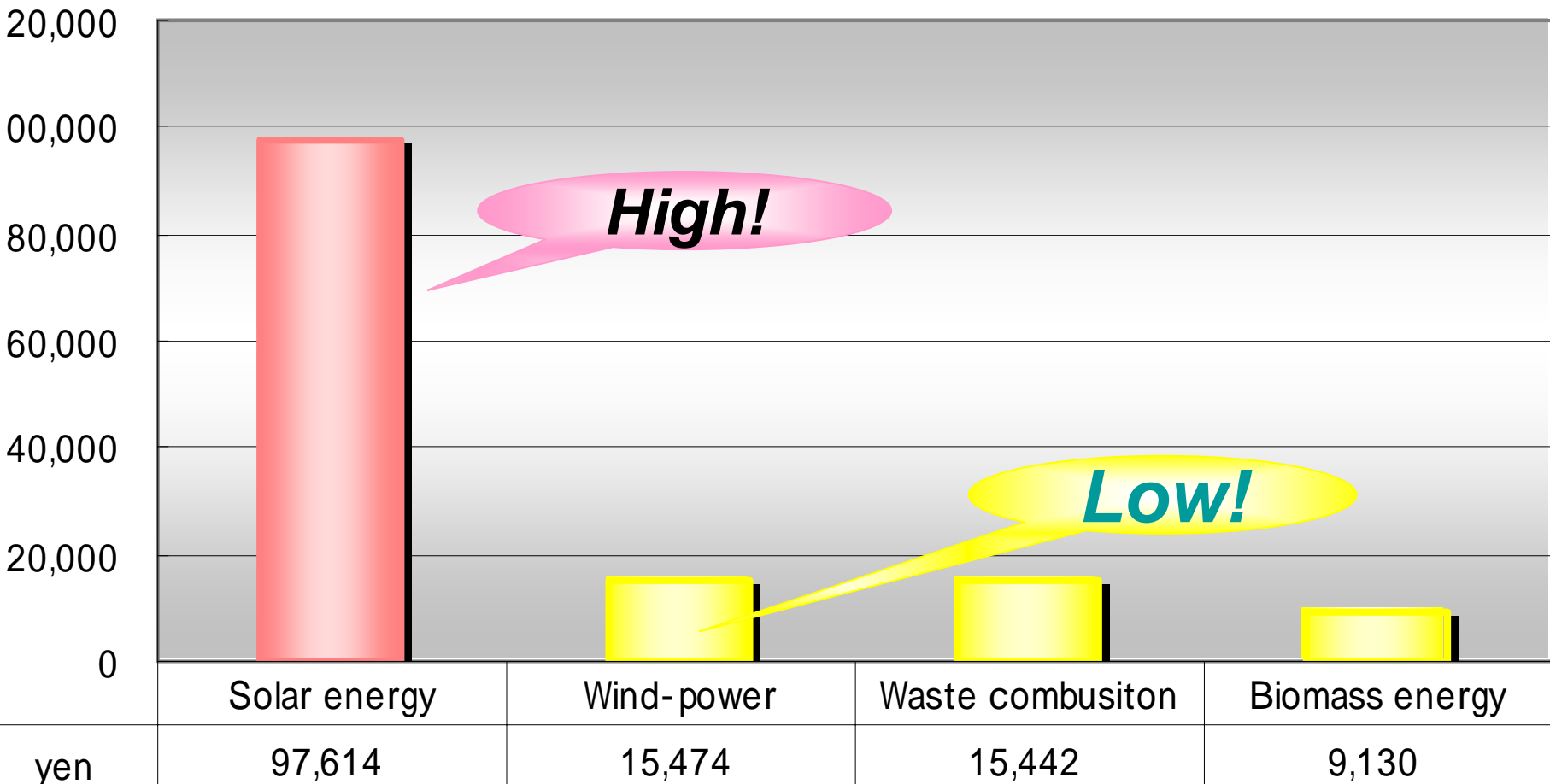
1. Consistent ?

CO2 reduction... **No!!**

2. Cost-effective?

The cost...

Cost of CO₂ reduction/t-CO₂ power generation field



Unit: yen 1yuan = about 15 yen

The viewpoint of the target

	Actual figure of 1999	Target case of 2010
	Convert into oil	Convert into oil
	1000kl	1000kl
Solar energy <i>High!</i>	53	1180
Wind power <i>Low!</i>	35	1340
Waste combustion energy <i>Low!</i>	1150	5520
Biomass energy	54	340

High!

Solar energy

53

23 times

1180

Wind power

Low!

35

38 times

1340

Waste combustion energy

1150

5 times

5520

Biomass energy

54

6 times

340

Cost of CO₂ reduction/t-CO₂ thermal utilization field

**High cost
&
difficult target**



Link

***not
cost-effective !***

easy target

Point of our trial calculation

1. Consistent ?

CO2 reduction... **No!!!**

2. Cost-effective?

The cost... **No!!!**

structure

Chapter 1

What research energy is
Finished!!

Chapter 2

Cultural education in Japan
Finished!!

Chapter 3

Our formulation
Finished!!

Chapter 4

Our proposal

Considerations

Not appropriate!

Set lower new energy target
with taking cost into consideration!!

If considered only about cost

Reduced about

170 billion yuan !!



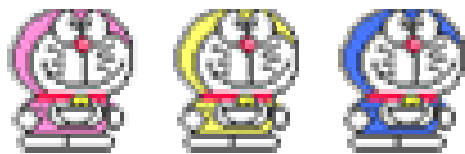
The factor of cost is very important !

Our proposal

**The Japanese government should...
set lower target than the original
consider cost factor**



謝謝！



Special Thanks

- The Institute of Energy Economics, Japan Mr. Tsutomu Toichi
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- Agency for Natural Resources and Energy, Energy Conservation and Renewable Energy Department Mr. Yasuhiro Nagami
- Agency for Natural Resources and Energy, Energy Conservation and Renewable Energy Department Ms. Eri Nakajima

Internet Resources

- Ministry of Environment <http://www.env.go.jp/index.html>
- Ministry of economy, trade and industry <http://www.meti.go.jp/>
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- Central Research Institute of Electric Power Industry <http://criepi.denken.or.jp/jpn/>
- The Institute of Energy Economics, Japan <http://eneken.ieej.or.jp/>
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- Hokkaido Electric Power Co.,Inc. <http://www.hepco.co.jp/>
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- Hokuriku Electric Power Co.,Inc. <http://www.rikuden.co.jp/>
- Tokyo Electric Power Co.,Inc. <http://www.tepco.co.jp/>
- Tyu-bu Electric Power Co.,Inc. <http://www.chuden.co.jp/>
- Kansai Electric Power Co.,Inc. <http://www.kepco.co.jp/>
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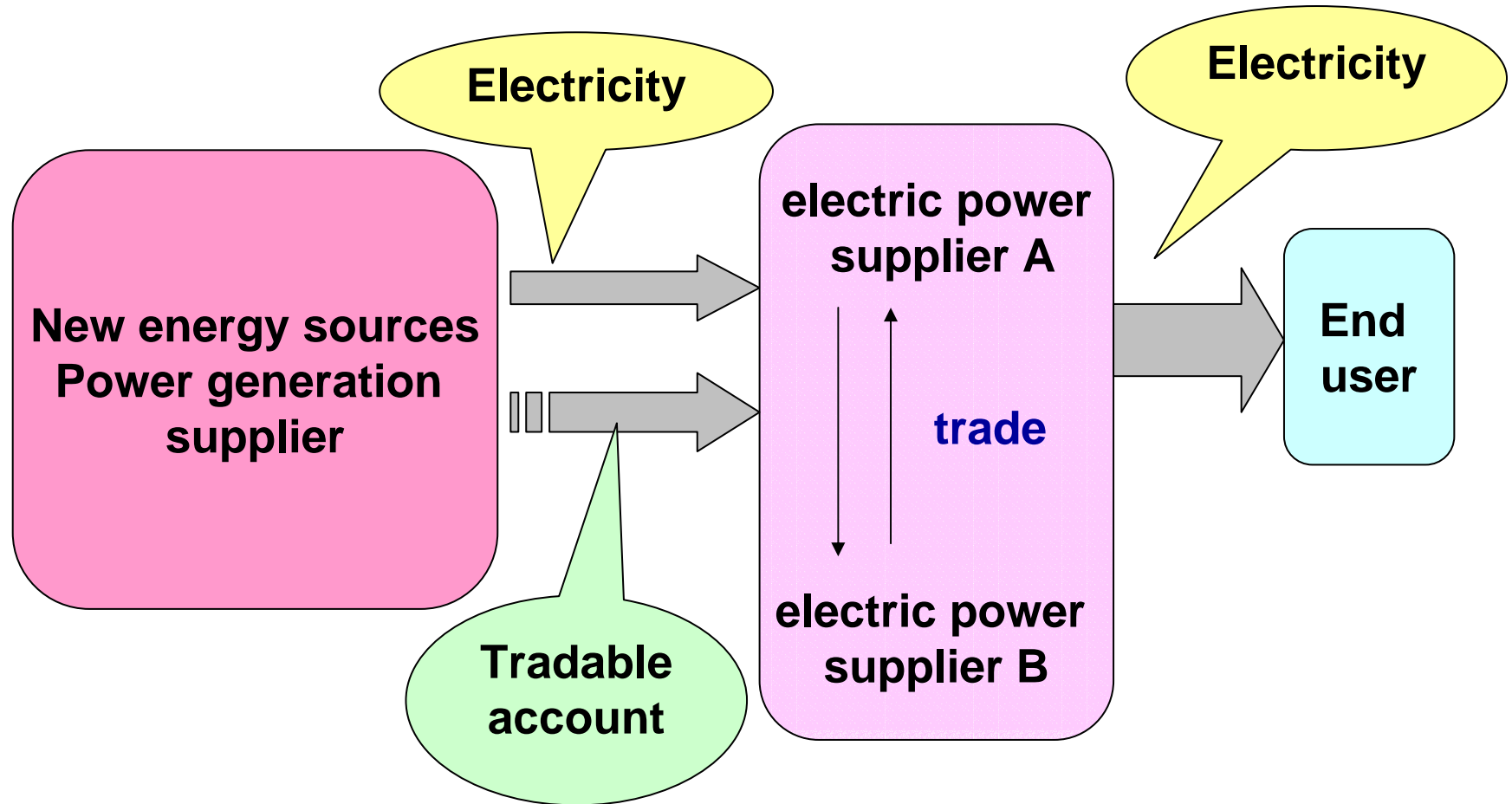
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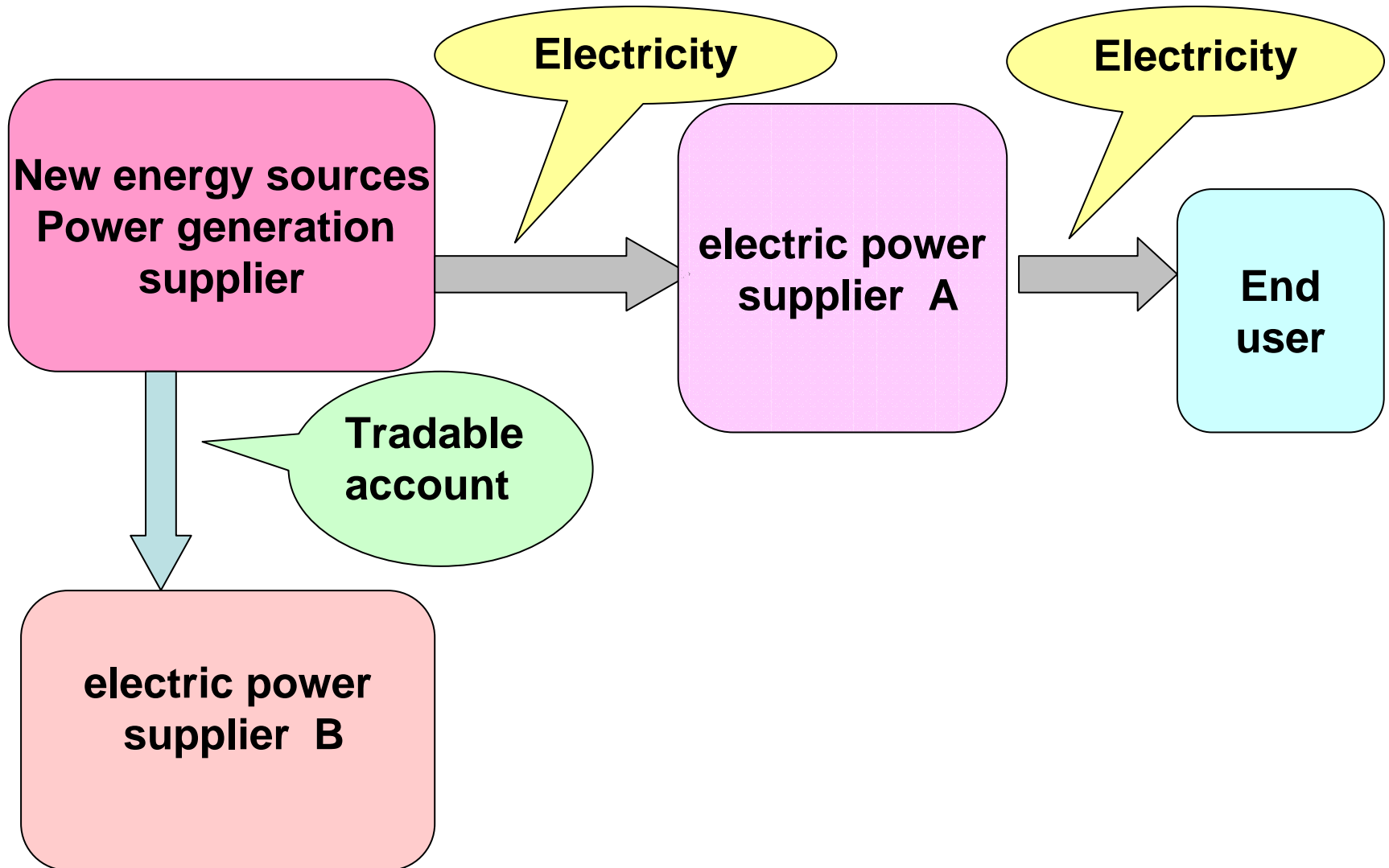
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The image of Japanese RPS system (1)



The image of Japanese RPS system (2)



The cost of each new energy

Solar energy generation	Residential	average : 66 yen/kWh
	Non-residential	average : 73 yen/kWh
Wind power generation	Large scale	10 ~ 14 yen/kWh
	Smaller scale	18 ~ 24 yen/kWh
Waste combustion energy generation*	Industry	9 ~ 11 yen/kWh
	General	11 ~ 12 yen/kWh
Solar thermal utilization		28 yen/Mcal
Unutilized energy		10 yen/MJ

*including biomass energy generation

(source: report of new energy subcommittee

Cost of power generation

Solar energy generation	Residential	270.6
	Non-residential	73
Wind power generation	Large scale	51 ~ 71.4
	Smaller scale	12.6 ~ 16.8
Waste combustion energy generation	Industry	108 ~ 132
	General	129.8 ~ 141.6
Biomass energy generation		12.6~16.8

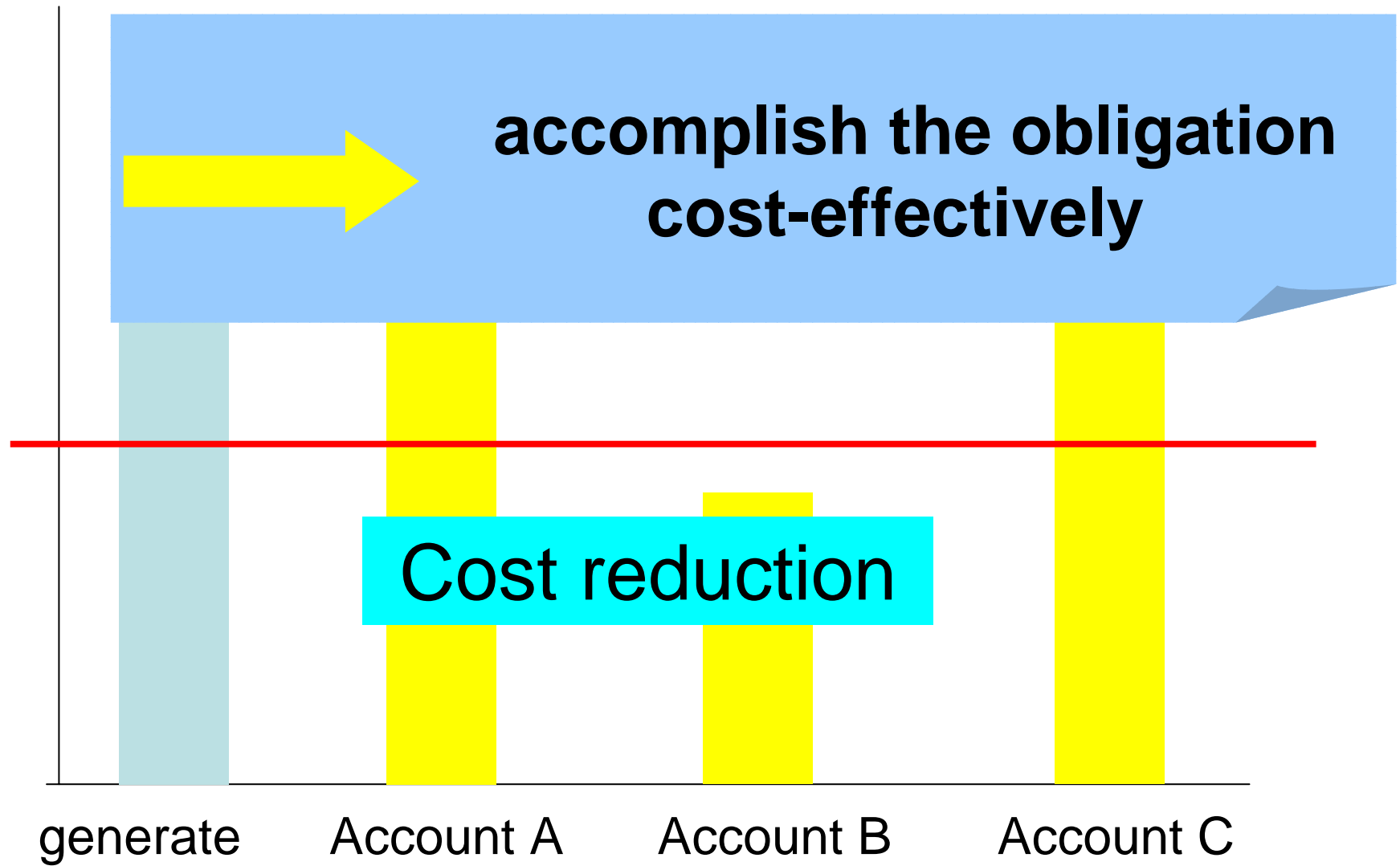
unit: billion yen 1元 = about 15 yen

Cost of thermal utilization

Solar thermal utilization	1,122.2
Unutilized energy	221.6
Waste combustion utilization	53.5
Biomass thermal utilization	255.9
Black liquor/scrap wood etc.	1,887.1

unit: billion yen 1元 = about 15 yen

COST

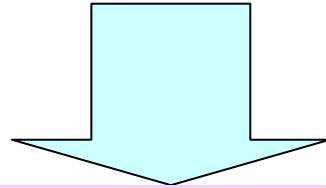


**Equalize the marginal
generation cost**

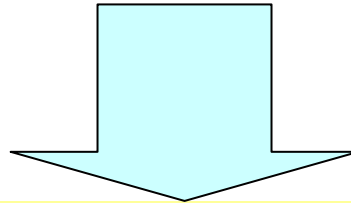
Minimize the social cost

Thermal utilization field

decreasing demand



No particular policy



difficult to attain target amount in 2010

Cost of CO₂ reduction per t-CO₂ power generation field


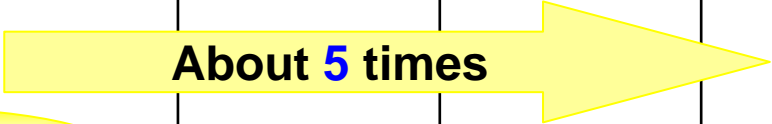

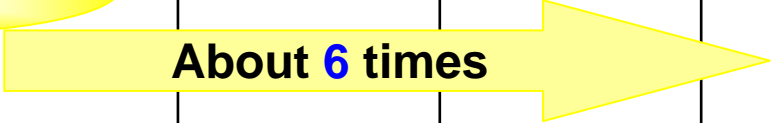

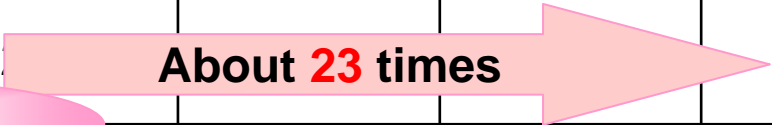

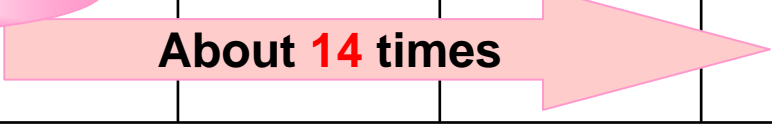

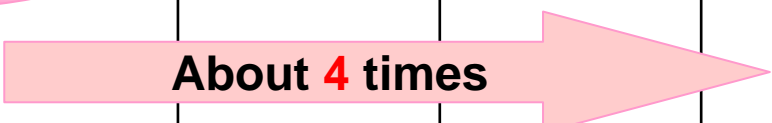
	alternative for oil	alternative for average of all power sources
Solar energy generation	<p><i>High!</i></p> <p>97,614</p>	<p><i>High!</i></p> <p>183,743</p>
Wind-power generation	<p>15,474~21,460</p> <p><i>Low!</i></p>	<p>28,018~38,855</p> <p><i>Low!</i></p>
Waste combustion energy generation	<p>15,442~17,766</p> <p><i>Low!</i></p>	<p>30,724~35,349</p> <p><i>Low!</i></p>
Biomass energy generation	<p>13,696~18,261</p> <p><i>Low!</i></p>	<p>26,250~35,000</p> <p><i>Low!</i></p>

Cost of CO₂ reduction per t-CO₂ thermal utilization field

	alternative for kerosene	alternative for city gas
Solar thermal utilization	130,448	130,448
Waste	194,932	194,932
Biomass thermal utilization	194,932	194,932
Black liquor/scrap wood etc.	140,985	194,932

High Cost!

Unit: yen 1円 = about 15 yen

	Actual result of 1999		Prospect /target of 2010			
			Case of keeping the current measure		Target case	
	Convert into oil	Capacity of plant	Convert into oil	Capacity of plant	Convert into oil	Capacity of plant
	10000kl	10000kW	10000kl	10000kW	10000kl	10000kW
Waste combustion energy	115		About 5 times 		552	417
Biomass energy	5.4		About 6 times 		34	33
Solar energy	5.3		About 23 times 		118	482
Unutilized energy	4.1		About 14 times 		58	-
Solar thermal	98		About 4 times 		439	-

Low!

High!

High!

new energy renewable energy

- hydraulic power generation
- geo-thermal generation

are renewable energy, but are not new energy.
because they are not economically inefficient.

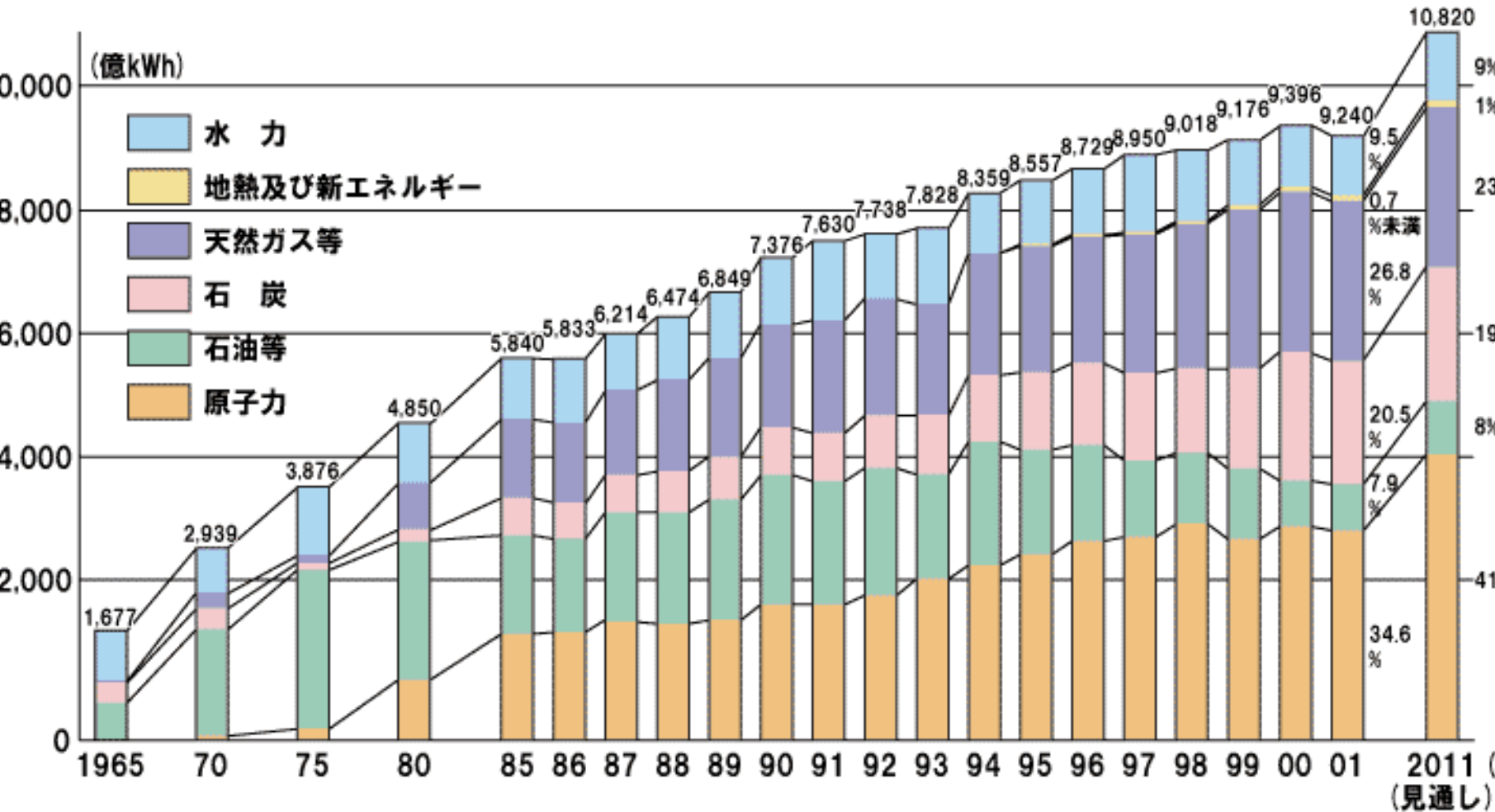
renewable energy

= natural energy + recycled energy

new energy

= renewable energy - hydraulic power generation - geo-thermal generation

排出原単位の話

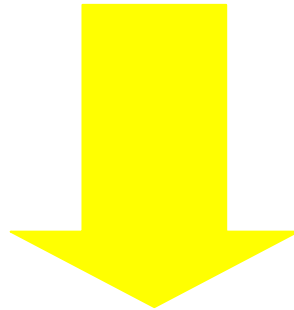


図表 電源別発電電力量の実績および見通し(出典:「エネルギー2003」「総合資源エネルギー調査会総合部会/需給部会報告書2001.7」)

No!

“The target should include the maximum amount of new energy available.”

source: report of new energy subcommittee



Government doesn't consider COST!