

Key Points of Outlook for 2009

Developments Involving Energy Conservation

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Preparation of medium-term goals for a low-carbon society will be on Japan's domestic policy agenda for 2009. Energy conservation has great potential to reduce greenhouse gas emissions by utilizing existing technologies for producing immediate GHG reduction effects. Therefore, energy conservation tops the list of global warming prevention measures. Particularly, transfers of environmental and energy efficiency improvement technologies to and human resources development in developing countries are viewed important. In industrialized countries, energy conservation in the basic materials industry has run its course, with large energy efficiency improvement potentials left in the transportation and consumer sectors. But many institutional problems for these sectors are left unsolved, including energy consumption data and information shortages, variety of business types, and development of laws and regulations.

Under such circumstances, Japan decided on details of systems under the energy conservation law amended in May 2008 to pave the way for the amended version's effectuation in April 2009. Under the amended energy conservation law, enterprises (employers) will replace plants (business establishments) as regulation targets and reflect joint energy conservation projects by multiple enterprises in assessment of energy conservation efforts. It will also set up standards for top runner technologies for housing insulation and other energy conservation performance. Tougher standards will be worked out for lighting, routers, televisions, industrial refrigerators and other machines. The amended law will also introduce sectoral energy conservation benchmarks for electricity, steel and cement sectors to make the degrees of energy conservation progress transparent and will set high goals for enterprises with great improvement potentials. Benchmark discussions are carefully designed referring to sectoral efficiency indicators under consideration at the International Energy Agency and international industrial groups. Japan's efforts to make the energy conservation effort transparent are attracting attention. In 2009, the government will continue to

discuss energy conservation benchmarks for other manufacturers and office buildings. European and North American countries have recently grown more interested in energy conservation in buildings through refurbishment of existing buildings, which will contribute to expanding employment. Attracting attention in Japan are the Tokyo Metropolitan Government's emissions trading system, model cities for environmental conservation, and other energy conservation projects led by local governments. Tokyo plans to begin this spring to calculate emissions for a base year in a bid to launch the emissions trading system in fiscal 2010.

While any agreement at U.N. negotiations remains uncertain amid the North-South confrontation, bilateral and multilateral cooperation has been going on in environmental protection and energy efficiency improvement in developing countries. As for the Asia-Pacific Partnership on Clean Development and Climate, launched in the summer of 2005, developments after the inauguration of the new U.S. administration will attract attention, including creation of a road transportation task force toward a ministerial meeting in China. Japan has expanded private-government cooperation with China, India and South Korea in energy and environmental conservation. In this respect, effective efforts will have to be continued. The year 2009 is important for Japan as an energy conservation leader to take advantage of its past experiences and technologies for promoting energy efficiency improvement in developing countries and promote domestic energy conservation further.

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