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Global Agenda for G7 Hiroshima Summit

Energy Security, Environment and Economic Efficiency

The 9th IEEJ Webinar for the World

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Emerging energy landscapes

- **Instability in the global energy markets**
- **Energy security and the role of government**
- **Challenges for climate change policy**
- **Geopolitical tensions and the importance of Asia**
- **Toward the G7 Hiroshima Summit**
- **Japan's "S+3E" challenges in 2023 and beyond**

Instability in the global energy markets

- **Uncertainty over Ukraine crisis and Russian energy**
- **Concerns over gas/LNG crisis?**
- **Supply disruptions in major global energy supply chain**
- **Challenges for power market stability**
- **Negative impacts of higher energy prices**
- **Slowdown in global economy and China factor**
- **Importance of OPEC plus, US Shale, response measures taken by major suppliers**
- **2023 global energy market continues to be volatile**

Energy security and the role of government

- **EU struggles to phase-out Russian energy dependence**
- **Impacts on developing countries and their strategy**
- **US energy policy after the mid-term election**
- **How things are moving by energy source**
 - **Promotion of nuclear power**
 - **Acceleration of RE and EE**
 - **Stable procurement of fossil fuels and gas/LNG investment**
 - **Speed up for hydrogen and innovation**
- **Government involvement increased**
 - **Energy subsidies**
 - **Investment, long-term commitment, nationalization, etc.**
 - **Government hands needed to deal with externalities**
- **Energy security continued to be highlighted**

Challenges for climate change policy

- **Decarbonization remains strategically important**
- **Emerging short-term backlash to decarbonization**
- **Impact of high energy price on lower income societies**
- **Complications for global climate negotiation**
- **Simultaneous pursuit of energy security & climate policy**
- **Pragmatic approach based on the reality as the key**
- **2023 may turns out to be a crossroad**

Geopolitical tensions and the importance of Asia

- **Ukraine crisis and the worsened divide of the world**
- **West vs China-Russia tension & North-South problem**
- **Uncertainties in the Middle East**
- **China after “zero-corona” policy**
- **Rising importance of India and ASEAN**
- **Integration of energy and economic security?**
- **Global geopolitics and the divide as key issue in 2023**

Toward G7 Hiroshima Summit

- **G7 needs to contribute to global interests/stability**
- **Highlight on Japan's leadership**
- **G7 needs to enhance global energy market stability and global energy security**
 - **Secure needed investment in LNG and others for market stabilization**
 - **Prevent "zero-sum game resource competition"**
 - **Cooperation in nuclear, hydrogen, RE and others**
- **To reflect the voice of Asia and producers**
 - **Role of gas/LNG, multi-step transition, Transition Finance, Avoided emission**
 - **Inclusive approach with producers and consumer-producer dialogue**
- **Japan's role to lead G7 to contribute to global interests**
- **G7 Summit, critical occasion to address global agenda**

Japan's "S+3E" challenges in 2023 and beyond

■ Toward achievement of 2030 energy mix target

- Nuclear re-start, life-time extension and new build/replacement
- LNG and fossil fuel security of supply
- Challenges for maximum introduction of RE and EE
- Promotion of innovation: hydrogen, ammonia, CCS/CCUS, etc.
- Realization of GX (Green Transformation) plan

■ Discussion for the next Strategic Energy Plan

- Strategic consideration needed to enhance energy security under the new situation
- Energy policy with due consideration of "limitation of market mechanism"
- Roadmap needed to realize decarbonization and energy security
- Energy policy needs to address innovation and long-term economic growth

■ Japan stands at a crossroads for energy policy in 2023