

## Enactment of “Act on Improvement of Energy Consumption Performance of Buildings”

Naoko Doi, Senior Economist, Manager

Energy Efficiency Group

Global Environment and Sustainable Development Unit

The Long-term Energy Supply and Demand Outlook, decided by the government on July 16, 2015, envisages that Japan will introduce highly efficient technologies and take operational measures for improving energy efficiency to save energy demand by 50.3 million kiloliters per year compared with the reference scenario by 2030. As a result, final energy demand per gross domestic product is expected to improve by 35% from the present level by 2030. The improvement would be as substantial as that achieved between 1970 and 1990.

Energy savings by sector in the outlook indicate that the building (residential and commercial) sector will account for 49% of the energy savings, the largest share among all sectors. This means that bold energy-saving measures should be implemented with consumers changing behaviors.

On July 1, 2015, Japan enacted an act regarding compliance with building energy conservation standards<sup>1</sup> as a major pillar of energy-saving campaigns (the Act on Improvement of Energy Consumption Performance of Buildings). So far, those who build commercial buildings with a floor space of 300 square meters or more have been required to report energy consumption. However, they have not been required to comply with energy conservation standards. The new act will require new large buildings with a floor space of 2,000 m<sup>2</sup> or more to comply with the energy conservation standards and will gradually expand the coverage of the requirement to include small and medium-sized commercial buildings and housing by 2020. It will thus seek to promote energy conservation in the building sector featuring remarkable energy demand growth and reduce carbon dioxide emissions.

Key points of the act include not only the requirement for new large commercial buildings with a floor space of 2,000 m<sup>2</sup> or more to comply with the energy conservation standards but also the obligation for plans for building or refurbishing buildings with a floor space of 300 m<sup>2</sup> or more to be reported to prefectural or other competent administrative agencies. These buildings cover both commercial and residential buildings. Prefectural and other authorities may instruct and order the owners of these buildings to improve energy conservation performance as necessary if they fail to conform to the energy conservation standards<sup>2</sup>.

In addition, measures for existing residential and commercial buildings can be cited as another key point of this act. Buildings that have been refurbished to have high energy-saving performance

---

<sup>1</sup> The energy conservation standards comprehensively assess primary energy consumption of residential and commercial buildings by checking thermal insulation performance and equipment.

<sup>2</sup> While the owners of new or refurbished commercial buildings with a floor space of 300 m<sup>2</sup> or more have been required to report construction plans to competent administrative agencies, these agencies have so far issued recommendations, instead of instructions or orders, for improving energy-saving performance, if these buildings fail to meet the standards.

meeting energy conservation standards for new buildings may be certified by prefectural or other authorities and labelled as conforming to the standards. If new or refurbished buildings have higher energy efficiency levels than the standards, they could be certified by prefectural or other authorities the relaxed floor-area ratio. The labelling and relaxed (or higher) floor-ratio regulations for existing residential and commercial buildings can improve their asset value, becoming an incentive for energy conservation.

The requirement for non-residential buildings to comply with the energy conservation standards will take effect in April 2017. Energy performance labelling and relaxed (higher) floor-area ratio regulations will be implemented as an incentive in April 2016. As prefectural or other competent administrative agencies or private sector organizations are set to assess the energy-saving performance of buildings, the government will decide guidelines including assessment methods and items within the current fiscal year.

(Sources)

- [1] Ministry of Land, Infrastructure, Transport and Tourism, Press Release on Bill on Improvement of Energy Consumption Performance of Building, March 24, 2015  
<http://www.mlit.go.jp/common/001084044.pdf>
- [2] Ministry of Land, Infrastructure, Transport and Tourism, “Future Energy Conservation Measures for Housing and Other Buildings” (draft 1st report)  
<http://www.mlit.go.jp/common/001066468.pdf>

Contact: report@tky.ieej.or.jp