March 2, 2023
Tokyo Metropolitan Government
Bureau of Environment

[Tokyo Cap-and-Trade Program]

Significant Emission Reductions Continue at Covered Facilities in the Second Fiscal Year of the Third Compliance Period

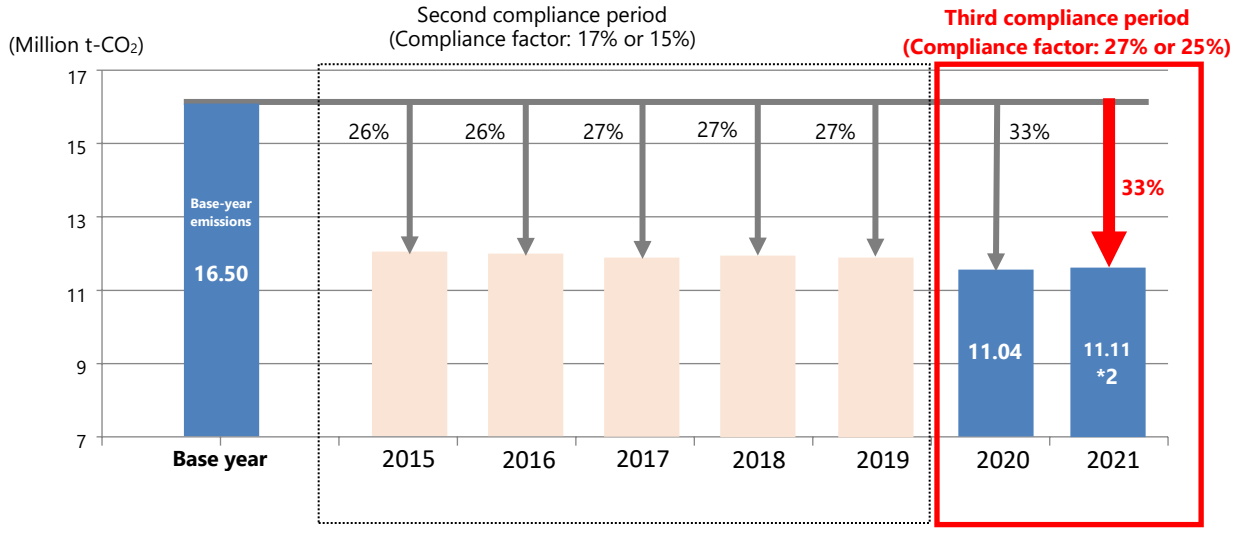
We are pleased to announce that we have compiled the reduction results for the second fiscal year of the third compliance period (FY 2021) at facilities covered by the Tokyo Cap-and-Trade Program.

In FY 2021, emissions from covered facilities totaled 11.11 million tonnes, a **33% reduction** from the base-year emissions*1 again, due to progress in energy efficiency measures and the use of low-carbon electricity and heat (see reference material), in spite of operating hours being restored to normal conditions at some covered facilities.

The Tokyo Metropolitan Government (TMG) will continue to encourage CO_2 reductions in the third compliance period from FY 2020 to FY 2024 to enable all covered facilities to meet their obligations.

*1 The base-year emissions are the average emissions of three consecutive fiscal years selected by the facilities between FY 2002 and FY 2007. (Emission factors for electricity etc. are calculated using the values in the third compliance period)

■ Changes in Total CO_2 Emissions of Covered Facilities



*2 Aggregated value as of February 6, 2023 resulting from emission factors for electricity etc. in the third compliance period.

■ Examples of Factors Contributing to Increase/Decrease in CO_2 Emissions

Factors that contribute to a decrease include upgrading to high-efficiency equipment and LED lighting and the use of renewable energy.

Factors that contribute to an increase include restored operating hours at some covered facilities and increased demand for telecommunications infrastructure.

○ About the Tokyo Cap-and-Trade Program

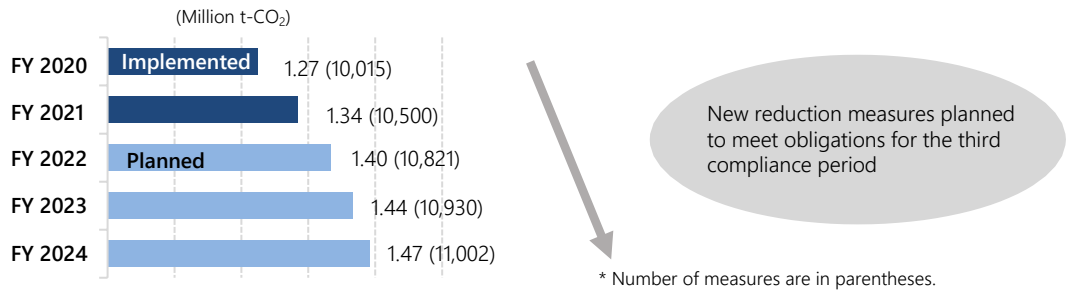
In FY 2010, TMG started the Tokyo Cap-and-Trade Program for large facilities according to the Tokyo Metropolitan Environmental Security Ordinance.

- Compliance factors: 8% or 6% in the first compliance period from FY 2010 to FY 2014
  17% or 15% in the second compliance period from FY 2015 to FY 2019
  27% or 25% in the third compliance period from FY 2020 to FY 2024
- Covered facilities: Approximately 1,200 facilities which annually use 1,500 kL or more of energy in terms of crude oil equivalent

Reference

➢ Analysis of Implementation and Planning of Measures

Reductions resulting from measures implemented or planned by covered facilities



* Number of measures are in parentheses.

Reduction measures indicated in GHG Emission Reduction Plans

Measures for heat sources, air conditioning, and lighting	Quantity	Reductions (tonnes)
Installation of high-efficiency heat source equipment	380	152,858
Installation of high-efficiency pumps for air conditioning and energy-saving control	326	27,589
Installation of high-efficiency air conditioning equipment	387	38,651
Installation of high-efficiency packaged air conditioning equipment	85	7,503
Installation of variable-air-volume systems for air conditioning equipment	31	5,444
Installation of systems for cooling using outside air	228	23,232
Installation of external air volume control based on CO_2 concentration	116	17,573
Installation of total heat exchangers	39	3,842
Installation of high-efficiency fans	222	9,698
Installation of high-efficiency lighting and energy saving control	2,258	177,390

Measures for heat sources, air conditioning, and lighting	Quantity	Reductions (tonnes)
"Cool Biz" and appropriate room temperatures during summer	98	19,117
Implementation of warming-up control	27	599
More careful timing of starting up air-conditioning before using rooms	111	10,080
Installation of building energy management systems	42	7,584
Demand control systems	5	5,889
Relaxing illumination conditions	211	14,242
Total or partial lights-out during lunch break and outside business hours	17	502
Installation of energy saving control for elevators	121	2,850
Total (above measures and others)	11,002	1,465,343

➢ Status of the Use of Low-Carbon Electricity and Heat

Selection of low-carbon electricity or heat as a means to meet obligations

- A mechanism is utilized to accept electricity or heat procured from TMG-certified suppliers with lower emission factors* as equivalent to CO_2 reductions.
- The percentage of facilities using low-carbon electricity increased from about 1.5% in FY 2020 to about 14.0%.

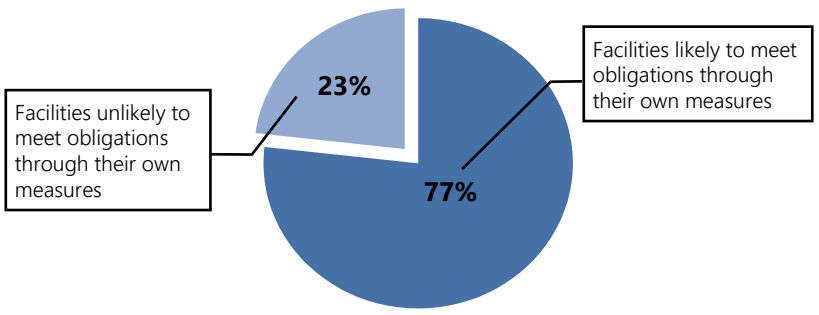
Facilities that opted for low-carbon electricity and heat in FY 2021

Categories	Certified low-carbon suppliers	Facilities using this mechanism	
		Number of facilities	Total reductions
Low-carbon electricity	19	175	Approx. 305,891 t-CO_2
Low-carbon heat	44 (ward area)	178	Approx. 41,145 t-CO_2

* Certification requirements for suppliers in the third compliance period:
For low-carbon electricity, the CO_2 emission factor is less than 0.37 t-CO_2/MWh (base emission factor or adjusted emission factor, whichever is lower).
For low-carbon heat, the energy efficiency (COP) of heat is equal to or more than either of the following, and the CO_2 emission factor is less than 0.060 t-CO_2/GJ.
① 0.85 when steam is included or ② 0.90 when steam is not included.

➢ Projected Obligation Fulfillment for the Third Compliance Period (reference)*

Estimated percentage of facilities meeting obligations based on actual results in FY 2021



* Based on the assumption that emissions will not change from FY 2021 results during the third compliance period from FY 2020 to FY 2024.
These figures are for reference only as FY 2021 results include the impacts of shortened operating hours and store closures.