



February 19, 2015
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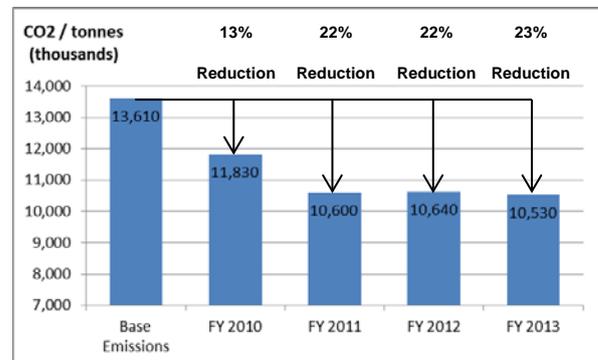
Tokyo Metropolitan Government
Bureau of Environment

Tokyo Cap-and-Trade Program achieves 23% reduction after 4th year

A flash report published by the Tokyo Metropolitan Government (TMG) announced that the Tokyo Cap-and-Trade Program has achieved a 23% reduction in emissions after the 4th year of the program compared to base-year emissions.

The flash report for fiscal year 2013 comprises GHG Emissions Reports from covered facilities.¹

Total emissions of the covered facilities for fiscal year 2013 were reduced by 23% from base-year emissions,² the same level of reductions seen since fiscal year 2011, in which significant energy savings were necessary after the power crisis following the Great East Japan Earthquake.



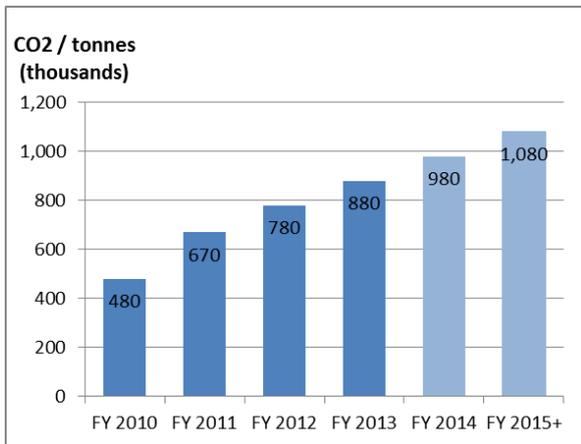
Covered facilities in the Tokyo Cap-and-Trade Program are required to reduce energy-related CO₂ emissions—for example, 8% reductions are required for business facilities such as office buildings, and 6% for industrial facilities such as factories—during a five-year compliance period from fiscal year 2010 through 2014. During the second period from fiscal year 2015 through 2019, the reduction obligations increase to 17% for businesses and 15% for industrial facilities. Owners of covered facilities must report the previous fiscal year's emissions to TMG by the end of November every year.

This achievement is down to companies continuing with measures taken during the power crisis of 2011, even though such severe reductions are no longer as necessary. In some cases, measures that were implemented immediately after the earthquake and subsequent power crisis, such as setting higher than usual temperatures for air conditioning systems during the summer, have been steadily relaxed since 2012 because they were seen as overburdening and an immediate response to the crisis. Additional measures, such as LED installations, the introduction of high-efficiency air conditioning, high-efficiency energy pumps for air conditioning and energy-saving controls, have compensated for this relaxation of measures and continued the reductions, and reports submitted by covered facilities show a continual planned take up of more measures in the coming years. From the feedback resulting from a survey conducted by TMG, one owner of a commercial building mentioned

¹ Covered facilities of the program are facilities with 1,500 kL in crude oil equivalent or more annual energy usage. As of January 9th 2015, 1,232 facilities are obliged to report under this program. This flash report is based on data collected from 1,221 of these facilities, with the remaining facilities' data still to be reviewed.

² Base-year emissions are the average emissions of three consecutive fiscal years selected between FY2002-FY2007.

that they could reduce energy use by introducing high-efficiency heat sources and inverter systems in spite of growing energy demand from tenants, caused by the relaxing of strict energy saving measures. A factory owner also mentioned that installation of high-efficiency production systems, high-efficiency air conditioning, and a revision to exhaust system operations enabled them to achieve the same level of reduction even though production had increased. A school said the number of students grew and hours of operation became longer; however, they succeeded in maintaining the reduction level by introducing ESCO and operation management.



Measures: heat resource, air conditioning	# of Measures	Reduction (t-CO ₂)
Introduction of high-efficiency heat source equipment	312	133,100
Introduction of high-efficiency pumps for air conditioning and energy-saving control	349	28,100
Introduction of high-efficiency air conditioning	286	27,900
Introduction of high-efficiency packaged air conditioning	51	1,700
Variable-air-volume air conditioning system	39	5,900
Cooling with outside air	288	19,900
Carbon dioxide density-based external air quantity control system	97	12,500
Introduction of total enthalpy heat exchanger	44	3,100
Introduction of high-efficiency fans	234	12,000
Optimization of air conditioning temperature setting in summer	82	10,000
Introduction of warming up control	35	600
Optimization of air conditioning operation hours at during 'turn-on' stage	128	10,500

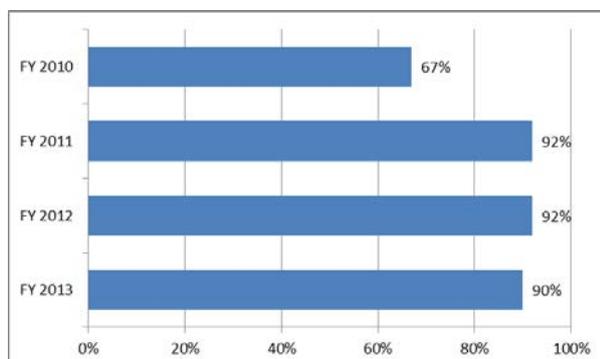
Measures: lighting, others	# of Measures	Reduction (t-CO ₂)
Building energy management system	40	4,400
—Energy consumption visualization	15	1,200
Demand control system	7	600
Introduction of high-efficiency lighting equipment and illumination control	1,154	71,700
—LED lights	889	49,400
—HF lights	140	7,900
—Sensors	98	2,700
Relaxing illumination standards	259	17,300
Partial light-out and shorter lighting hours	20	900
Introduction of elevator energy saving control	135	3,200
Others	6,651	713,100
Total	10,211	1,076,400

Accumulated Reductions (Implemented/Planned)

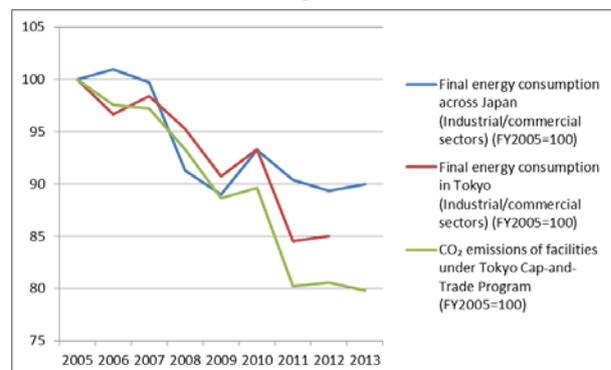
Introduced Measures

To date, over 90% of targeted facilities have surpassed their reduction targets of 6% or 8% for the first compliance period. What's even better is that already 69% of facilities have surpassed the second period targets of 15% or 17%. It seems clear that facility owners in Tokyo can see the long term benefits of reducing energy usage and have already taken steps to realize those goals. The percentage of covered facilities surpassing their obligated targets dropped by 2% compared to FY2012. This is because more than 100 facilities reduced their emissions below 1,500 kL in crude oil equivalent annual energy usage, thus becoming non-covered facilities.

Percentage of all facilities surpassing their obligations



Trends in CO₂ emissions



Mr. Masahiro Kimura, Director of the Emission Cap and Trade section at the TMG Bureau of Environment, said, "the 23% reduction, which is comparable to the previous two years, was the result of continuous efforts by the covered facilities. The drastic energy-saving measures after the 2011 earthquake were discontinued, but an equivalent reduction was maintained in 2012 and 2013 thanks to the initiative of business leaders and their strengthening commitment resulting from the Tokyo Cap-and-Trade Program. According to the survey, 90% of the covered facilities plan to continue reduction measures, of which 80% mentioned that this is in large part due to the reduction measures becoming a part of their everyday business environment.

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