

Summary of electricity retailers' responses about electricity emission factor in conformance with Scope 2 Guidance

In November and December 2021, Greenhouse Gas (GHG) Scope 2 Study Group (hereinafter referred to as “Study Group”) made an inquiry to electricity retailers in Japan about calculation of electricity emissions factor based on the market-based method of GHG Protocol Scope 2 Guidance¹ (hereinafter referred to as “Scope 2 Electricity Emission Factor”) and received responses from 16 companies of electricity retailer.

Note 1:

Summary of steps which electricity retailer in Japan should take for calculation of electricity emission factor based on the market-based method of GHG Protocol Scope 2 Guidance is mentioned in Appendix D of “the Guidance for Encouraging Japanese Companies to Address International Initiatives on Climate Change Formulated” published by Ministry of Economy, Trade and Industry and Ministry of the Environment of Japan. See following websites:

1. Japanese website
https://www.meti.go.jp/policy/energy_environment/kankyoku_keizai/international_climatechange_initiatives.html
2. English website
https://www.meti.go.jp/english/press/2019/0329_007.html

We appreciate corporation of electricity retailers very much. We would like to take this opportunity to thank electricity retailers for their response. We are intending to make a similar inquire every year.

Summary of responses

1. Breakdown of electricity retailers from which we received responses.

(electricity retailers)

Survey Year	2021	2020
Former General Electricity Utilities ²	8	8
New Power Suppliers	8	7
Total	16	15

Note 2:

Ten General Electricity Utilities had dominated the generation, transmission, distribution and sale of power in Japan before deregulation of electric utilities. Ten Former General Electricity Utilities are still supplying the majority of the electricity needed in Japan after the liberalization of electricity retail sales.

2. Scope 2 Electricity Emission Factor Calculation

(electricity retailers)

Survey Yea	2021	2020
Conducted the calculation (but not published the result of it)	1	2
Have a plan to conduct the calculation	1	1
Not conducted the calculation	14	12

3. The reasons why electricity retailers did not calculate Scope 2 Electricity Emission Factor and, matters which electricity retailers which conducted the calculation feel about. (multiple answers allowed)

(electricity retailers)

Survey Yea	2021	2020
A) Since calculation of emissions based on GHG Protocol is not common for customers of electricity, calculation and providing of Scope 2 Electricity Emission Factor is meaningless.	9	8
B) Calculation method is unclear.	6	3
C) Calculation is burdensome.	1	1
D) Others	7	6

Main Contents of D) Others

1	Our company has deferred the decision about calculation and publishment of emission factor based on GHG Protocol. However, we will study it considering movement of the several information disclosure standards and hearing opinions of various stakeholders.
2	Since interpretation and assertion of initiatives are different, it is difficult to decide which rule should be followed. We think that the fairness between entities will be secured and figure of emissions will become transparent by unifying the rules and interpretations.
3	(reason for not calculating) There is not guideline of government, etc. which stipulates the detailed calculation method of Scope 2 Emission Factor.
4	Please establish the guideline stipulating the detailed calculation method of Scope 2 Emission Factor under the leadership of the government.
5	We think that since calculation method is not consistent with Japanese domestic system and calculation method is not institutionalized clearly, there is a possibility that calculation results may apart from the actual situation. Therefore, our company think that it is difficult to publish uncertain figure and calculation and also think that the publishment will be made after consistency with domestic system and calculation method are clearly established.