

*Reinforcement of  
The Energy Conservation Law*

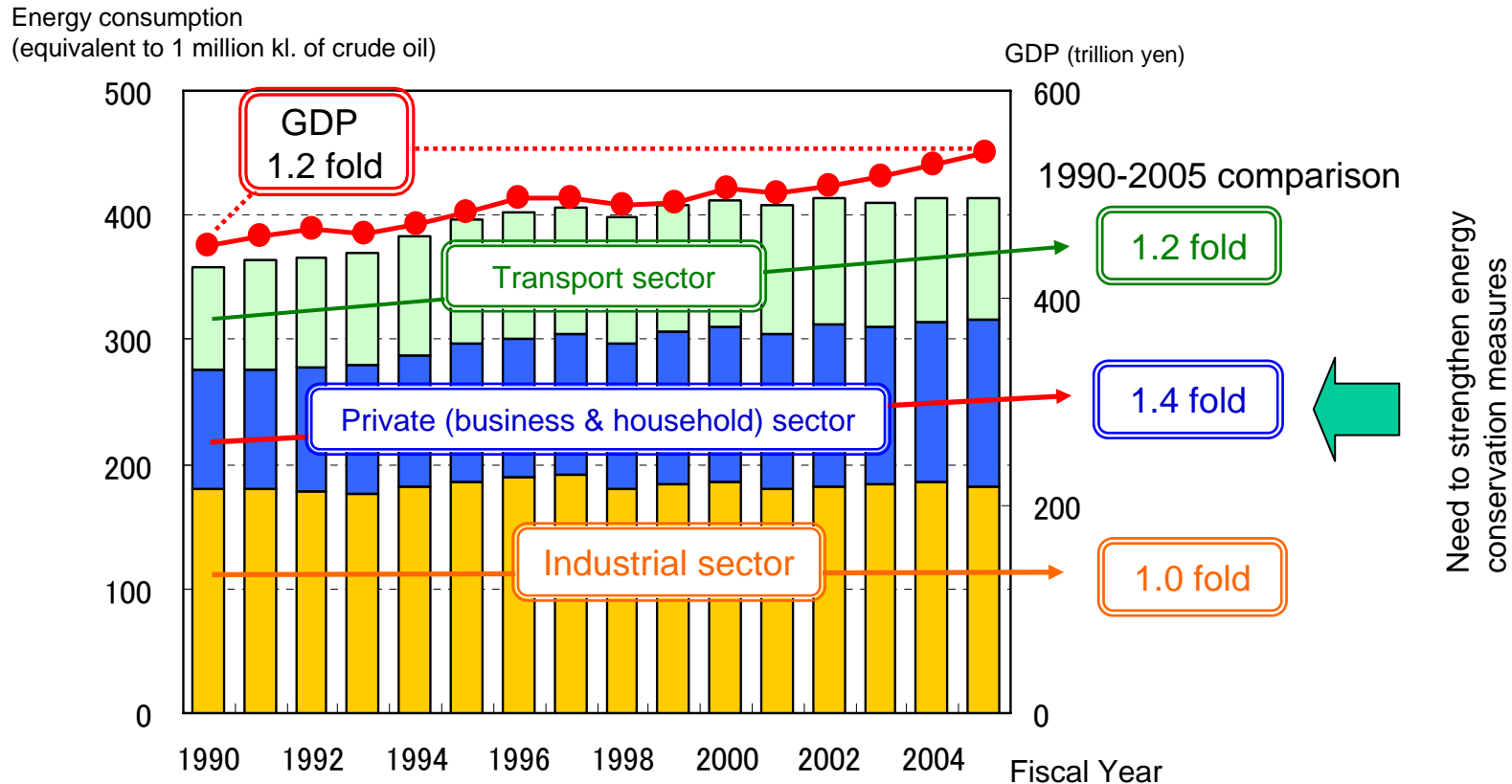
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**Junichi NOKA  
The Energy Conservation Center, Japan**

**Agency of Natural Resources and Energy (ANRE)  
Ministry of Economy, Trade and Industry (METI)**

# Trends of Final Energy Consumption by Sectors

Source : Energy balance tables in Japan, Annual Report on national Accounts



- In order to further promote measures against global warming, it is necessary to strengthen measures for promoting energy conservation in both business and household sectors, where energy consumption is increasing substantially.
- Consequently, the Energy Conservation Law will be revised to strengthen energy conservation measures related to offices, convenience stores, etc. as well as to houses and buildings.

# Recent Reinforcement of Energy Conservation Law

## The 5th Revision in August 2005

### 1. Industrial Sector

- (1) **Expanded the condition of the designated energy management factories** by integrated consumption of heat and electricity into a single amount of energy

### 2. Private Sector (Business and Household)

- (1) Reinforcement energy conservation measures for **buildings sector**.
- (2) **Additional three products of the Top Runner program** were designated. (21 products in total)  
→to include microwave ovens, electric rice cookers, and DVD recorders
- (3) **Energy suppliers and equipment retailers were imposed to make efforts for dissemination** of energy-saving information.

### 3. Transportation Sector

- (1) Reinforcement of energy conservation measures for **consigners and carriers imposed**

## The 6th Revision in May 2008

### 1. Reinforcement of energy conservation measures for **business sectors**

- (1) Reinforcing Energy Conservation Measures for enterprises, convenience stores, etc.
- (2) Introduction of Sector-by-Sector Benchmark

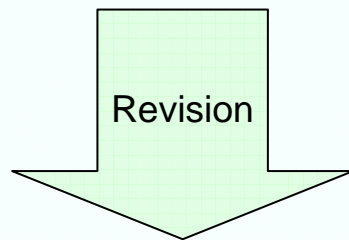
### 2. Reinforcement of energy conservation measures for **houses and buildings**

# Measure 1. Reinforcement of energy conservation measures for business sectors

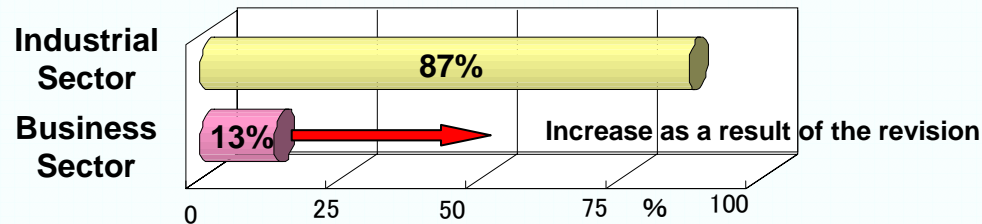
## 1. Reinforcing Energy Conservation Measures per enterprise, convenience store, etc.

<Under the existing law>

Energy management obligation is imposed for **each factory** exceeding a certain energy consumption



Rate of control by the existing Energy Conservation Law  
(Based on amount of energy use)



<After revision>

- (1) Introduction of a system for energy management obligation per **whole enterprise**
- (2) A **franchise chain** such as convenience stores and restaurants will also be treated as a single enterprise, and **the same regulation per enterprise will be applied.**

Through the adoption of these measures, energy conservation measures will be reinforced not only in factories on manufacturing but also in business sectors such as offices of enterprises, convenience stores, etc.

## 2. Introduction of Sector-by-sector Benchmark

<After the revision>

The revised Energy Conservation Law provides for comprehensive assessment of energy conservation efforts made by enterprises by taking into account the following points:

- The level of achievement on an evaluation standards in industrial and business sectors  
(The standards will be established as **sector-by-sector benchmark**)

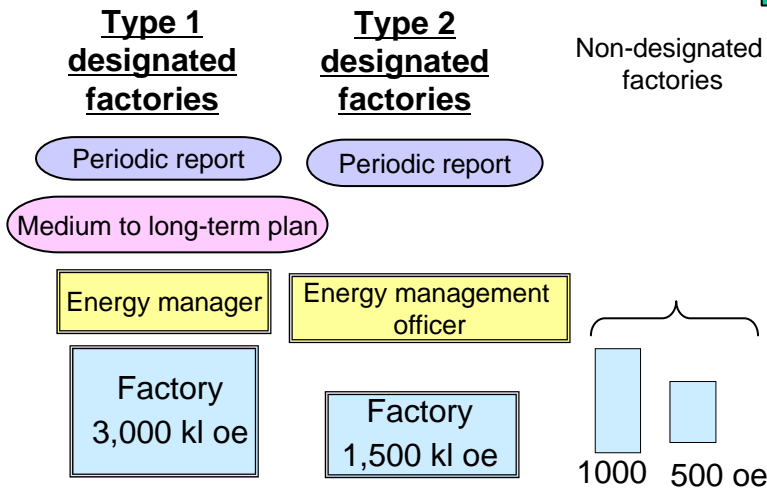
Measure 1. Reinforcement of energy conservation measures for business sectors

1. Introduction of measures to promote comprehensive energy management per enterprise

- For a **specific enterprise** who use more than 1500kl-oe of total energy in all factories in their enterprise, each enterprise has to take necessary steps for energy management (e.g. **formulation of a medium- to long-term plan, periodic report per enterprise, appointment of energy management supervisor**, etc.)
- Regarding designated factories that use more than 1500kl-oe or 3000ki-oe, each factory has to take necessary steps for on-site energy management (e.g. **appointment of energy mangers, periodical report, etc.**) <continued>
- Regarding **franchise chain**, its entirety of all franchisees will be regulated as a single enterprise.

<Currently>

System of Designating Factories under the Existing Energy Conservation Law



[Energy management system]

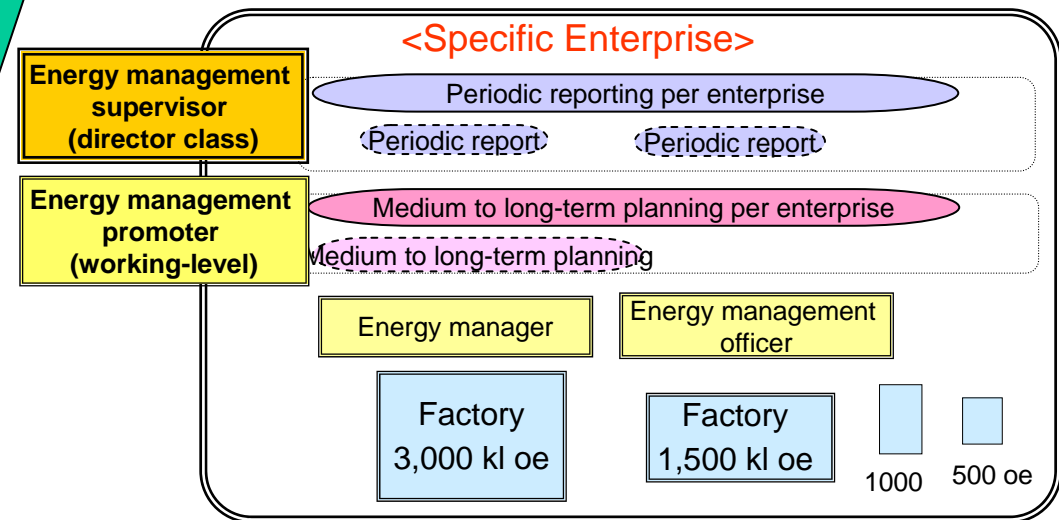
- Appointment of energy manager per designated factory

[Formulation of energy plans and report]

- Obligation to formulate a medium to long-term plan per type 1 factory
- Obligation to report periodically per designated factory

<Revised>

Energy Management System per Enterprise



[ Energy management system ]

- Appointment of an official-class energy management supervisor, etc.
- Appointment of an energy manager per designated factory

[ Formulation of energy plans and reporting ]

- Obligation to formulate a medium to long-term plan per type 1 factory

## 2. Introduction of Sector-by-Sector Benchmark

- Establishment of a common evaluation standard (**benchmark**) for each principal sector (industrial category, field, etc.)
- The Basic ideas of how to establish the benchmark are as follows;

### i ) Energy efficiency indicator for enterprises

- **Energy consumption per 1 ton of crude steel** in the steel industry (blast furnace)
- **Power generation efficiency** in the electricity supply industry
- **Energy consumption per product** in the various processes involved in coating, casting, forging, and manufacturing
- **Energy consumption per floor space** in office buildings
- **Energy consumption per specific unit** in commercial facilities  
(such as multiplying the floor space by business hours)

### ii ) Energy efficiency indicator for equipment

- Introduction rate of top runner equipment such as lighting equipment, air conditioners, copy machines, etc.)

- The way set up the benchmarks will be decided based on deliberation made in deliberation councils.

## Measure 2. Reinforcement of energy conservation measures for houses and buildings

<Under the existing law>

Obligation of those who intend to build large houses or buildings (**more than 2,000 m<sup>2</sup>**) to submit **notification** concerning their energy conservation efforts, etc.

Revision

<After the revision>

- (1) Reinforcement of measures related to large houses and buildings (**more than 2,000 m<sup>2</sup>**)  
(In addition to directives and disclosures, **newly introduced penalties**)
- (2) Additionally small and medium size houses and buildings (**less than 2,000 m<sup>2</sup> and more than 300m<sup>2</sup>**) are targeted to **notification obligation**, etc.
- (3) Introduction of measures to improve the energy conservation performance of houses to enterprises who build and sell houses
- (4) Promotion of the displaying of the energy conservation performance of houses and buildings

Through the adoption of these measures, energy conservation measures will be strengthened in both household and business sectors.