Specific Information on the Restriction of Electricity Use under the Electricity Business Act

May 25, 2011
Ministry of Economy, Trade and Industry

1. Subjects to the restriction

(1) Electricity Supply Contract: Electricity Users whose contracts are for 500kW or more

[Ministerial Ordinance and Notice]

* The subjects are recognized by the contract basis (by demand facility basis). If “A” business establishment (electricity using facility, hereinafter referred to as “facility” or “facilities”) and “B” business establishment (facility) which belong to one company conclude an electricity supply contract of 500kW or more respectively, each business establishment shall be subject to the restriction of electricity use.

* Range of contracted electricity: The total of electricity use for regular use, temporary use and agricultural use and private generated electricity. (As for privately generated electricity, only the electricity used during the restriction period shall be added). As for the electricity for temporary and agricultural use, they shall be added only if the contract is concluded.)

(2) The party to a contract [Notice]

i) General Electricity Utilities (Tokyo Electric Power Company and Tohoku EPCO)

ii) Specified-Scale Electricity Utilities that supply electricity within the service areas of TEPCO and Tohoku EPCO.

* As for Specified Electricity Utilities, since they don’t depend on the system of the general electric utilities, they shall be exempt from the application of the restriction. However, utmost efforts are expected from them to restrict electricity use as well as to supply general electric utilities with electricity.

* In addition, as for Specified-Scale Electricity Utilities, utmost efforts are also expected from them to supply general electricity utilities with electricity including electricity under the implementation of the restriction of electricity use.

2. Restriction period and time [Notice]

(1) Tokyo Electric Power Company: July 1 to September 22 (weekdays), 2011, 9:00 to 20:00

* The restriction period and time are set based on the period when the demand exceeded (60 million kW × 85%) last summer and the time when the maximum demand exceeded the (60 million kW × 85%) was recorded on July 23 last summer.
(2) Tohoku Electric Power Company: July 1 to September 9 (weekdays), 2011, 9:00 to 20:00

* The restriction period and time are set based on the period when the demand exceeded (14.8 million kW × 85%) last summer and the time when the demand exceed (14.8 million kW × 85%) on the date when the maximum demand are expected to record by the demand outlook.

<Note>: The Bon holidays except for Saturday and Sunday shall be considered as weekdays.

3. Information on the restriction of electricity use [Notice]

The upper limit of using electricity shall be 85% of the one of following (1)-(5) amount of electricity used (hereinafter referred to the “reference amount of electricity”). (That means the reduction rate is -15%.)

(1) In Principle, “the maximum amount of electricity per hour used in the facilities (amount of the average electricity use per hour when the maximum demand recoded) in the above-mentioned period and time (hereinafter referred as “the reference period and the reference time”) last year” shall be the reference amount of electricity.

* The maximum electricity use that is able to be obtained from the hearing of the report to the electric utilities.

* The average of electricity use per hour shall be the maximum actual electricity use per hour (between A hours to A plus 1 hour) for the reference period and time. (Generally, the amount of electricity use (kWh) for h = 1).

(2) If the maximum electricity use per hour in the reference period and the reference time in the above mentioned (1) is unknown due to a limit to collecting data by electric utilities, “the maximum electricity use per hour in the above-mentioned period (hereinafter referred to the “reference period”) (that means the figure is the maximum amount of electricity use during the reference period but isn’t sure during what time) shall be used.

* The maximum electricity use per hour is obtained by (2): Multiply the maximum electricity use per 30 minutes in the reference period (A hours to A hours plus 30 minutes to A plus 1 hour).

(3) If the maximum electricity use per hour in the reference period and the reference time exceeds the amount of the contracted electricity on the last day (only when there are no changes in the amount of the contracted electricity compared with the last day), the amount of the contacted electricity shall be the reference amount of electricity.

(4) As for the customers whose amount of the contracted electricity increased compared with the amount of the contracted electricity on the last day during the reference period, the amount of the contracted electricity after increased shall be the reference amount of electricity.

(5) “As for the customers who newly conclude supply-demand electricity contracts after the first day of the reference period (contract basis) (including customers who change the contractor after the reference period)”, “the amount of the contracted electricity during the period of the restriction shall be the reference amount of electricity.”

* As for the customers whose contracted electricity decreased compared with the contract electricity on the last day during the reference period, the biggest amount of above (1), (2) or the amount of the contracted electricity after decreases shall be the reference amount of electricity.
Further, if the customers used privately generated electricity during the reference period and time last year but don’t use it this year, corrective measures shall be taken such as deducting the privately generated electricity from (1) or (2), and the amount obtained shall be the reference amount of electricity.

4. Scheme to Jointly Restriction of Electricity Use [Ministerial Ordinance and Notice]

(1) Scheme to jointly restriction among large consumers (electricity supply contract is 500kW or more)

○ As a special measure of the existing method for reducing the maximum electricity use per facility, large customers may introduce schemes that allow “plural facilities run by one company (contract basis)” or “facilities of the same or different businesses (contract basis)” to jointly reduce the amount of the maximum electricity use as a total

○ To apply for the scheme, customers are required to obtain confirmation from the Minister of Economy, Trade and Industry. The main criteria needed to be confirmed are as follows.

In addition, they need to apply to the Tohoku Bureau of Economy, Trade and Industry or Kanto Bureau of Economy, Trade and Industry at least 14 days before the scheme is applied.

1) “The total of the expected electricity use per hour in the restricted period and time (hereinafter referred to individual expected electricity use) among participating customers (contract basis) who join the schemes” should be less than 85% of their total of the reference amount of the electricity use.

* “A total of the reference amount of the electricity of the customers” shall be obtained by:

  i) In principle, after composing the electricity use per hour in the reference period and time among the customers who want to participate in the scheme, the maximum amount in the changes of the composed amount of electricity use.

  ii) If there are customers who want to participate in the scheme who correspond to 3. (2) to (5), only such customers shall total up their “reference amount of electricity use”.

2) All facilities covered by the scheme shall be located in the service areas of TEPCO or Tohoku EPCO.

3) The scheme shall not be applied to the facilities (contract basis) for which are significantly difficult to use electricity due to natural disaster (except for the case of adjustment of production)

4) The scheme shall not be applied to those facilities that adopt the relaxation of the restriction (except for the cases that the scheme is used among one corporation or by same business).

○ Information about the restriction

The customers who participate in the scheme shall use electricity so as to satisfy any of the following requirements:

● They should use electricity with meeting the requirement of 1).

● Each customer shall use electricity below the individual expected electricity use.

(2) Scheme for large customers and small customers (electricity supply contract is 50kW to less than 500kW)
○ Since the subject to the restriction use is large consumers, the scheme to jointly reduction of electricity use should be basically applied to large customers.
○ However, if the total of 15% reduction is achievable by the joint restriction of electricity use among large customers and small customers, it is approvable exceptionally. Since small customers are not subject to the restriction, the special measure should be taken to the case as a type of relaxation of the restriction mentioned in 6., not as the scheme to jointly reduce stipulated in the Ministerial Ordinance.
○ As for the implementation of the joint reduction scheme among large customers and small customers, the following are required. However, joint reduction with a small customer whose contract amount is less than 50 kW shall not be approved.

- Small customers should conclude the contract directly with electric utilities.
- Small customers shall calculate their amount of the maximum electricity use last year in accordance with 3).
  *The amount can be obtained though the confirmation from the electric utility.
- Small customers should obtain the amount of electricity use per hour during the restriction period.
  *It is assumed that measurement is made though a demand controller, for example.
  *It doesn’t matter whether or not small customers and large customers belong to the same corporation (including subsidiaries). However, small customers in a type are able to jointly reduce electricity only with large consumers in a type. (Plural small customers are able to jointly reduce electricity with large consumers in a type). If the plural small consumers and plural large consumers jointly reduce electricity use, they are able to utilize the joint scheme between the group and other large customers, after grouping among the plural small customers and large customers in a type.
  *When utilizing the scheme, it goes without saying that large customers should not abuse their superior position over small customers.

5. Exemption from Application [Ministerial Ordinance and Notice]

In cases of “exemption from Application”, the restriction of electricity use shall not be imposed.
(1) Facilities whose operation is recognized as necessary emergencies.
(Only admitted when the facilities are in operation in cases of emergency)
Examples:
Medical facilities that provide treatment to emergency patients (only when treatment is provided), and water and sewage facilities that are vital to draining rainwater, etc. (only when water draining is carried out).
*As for those facilities, the restriction is usually imposed. In cases of emergency, it is required to mention the situation necessitating the need for an exemption when they report based on 7. (3)
(2) Evacuation areas which are established as accommodation under the Disaster Relief Act.
(3) Facilities which are located in areas on alert, deliberate evacuation areas, and evacuation-prepared area in case of emergency around the Fukushima Dai-ichi Nuclear Power Station
6. Relaxation of Restriction [Ministerial Ordinance and Notice]

○ As for types of relaxations, relaxing the reduction rate and time of the restriction shall be established. If the reduction rate is relaxed to 0%, the customers are able to use electricity up to the maximum amount of electricity during the reference period and time.

○ For the types mentioned in (1) and (2) 2) below, the regulatory measures may be executed uniformly and the reduction rate relaxed, but the possibility to reduce electricity use by facilities are different by a large degree. Therefore, it is not proper to allow large facilities that have big rooms to reduce electricity use, to use the electricity up to the prior level after the relaxation.

Therefore, the “Electricity Supply-Demand Measures in Summer Time” (decided by the Emergency Electricity Supply-Demand Response Headquarters on May 13, 2011) is described as follows:

- As a basic policy for large consumers, “the government will formulate and implement specific measures to reduce demand drastically”
- As for the outline of the Article 27 of Electric Business Act, based on the description that “if the customers are subject to the relaxation of the restriction, they will make utmost efforts to reduce their electricity use, and to achieve a 15% reduction as enterprises and business organizations METI and other ministries will request the electricity customers to implement the restriction deliberately and examine the matter cooperatively.

○ Electricity customers who wish to apply for a the relaxation of the restriction should apply to the Minister of Economy, Trade and Industry (Tohoku Bureau of Economy, Trade and Industry or Kanto Bureau of Economy, Trade and Industry) at least 14 days before the relaxation.

(1) Facilities indispensable for securing peoples’ lives and health

1) Medical care

➢ Medical facilities: Reduction rate of 0%
➢ Manufacturers and sellers of medical/pharmaceutical products and equipment, and wholesalers of medical/pharmaceutical products, the restriction may significant influence on ensuring the safety of peoples’ lives and health: Reduction rate of 0%

2) Welfare and nursing for the elderly

➢ Welfare facilities and nursing facilities, welfare facilities for the handicapped, and other related facilities: Reduction rate of 0%

3) Public health and safety

➢ Mine drainage disposal projects carried out by municipal governments to prevent pollution caused by closed and disused mines: Reduction rate of 0%
➢ Water and sewage, and pumping water stations which supply water to the water and sewerage (no retention basin): Reduction rate of 5%
➢ Industrial waste disposal facilities (includes incineration facilities, when they are the main facilities): Reduction rate of 5%
➢ Crematoria: Reduction rate of 10%
- Slaughter houses: Reduction rate of 10%

(2) Facilities indispensable for stable economic and social activities

1) Facilities which have almost flat fluctuation in the electricity use for 24 hours, 365 days in a year.

- Facilities related to information processing systems (e.g. data centers, financial institutions, airline companies and communication systems): Reduction rate (link with the range of fluctuation)
- Facilities that have clean rooms or electrolytic equipment: Reduction rate (link with the range of fluctuation)

* Fluctuation range of electricity use and reduction rate:
  - Fluctuation range of less than 10%: Reduction rate of 0%
  - Fluctuation range of 10% to less than 15%: Reduction rate of 5%
  - Fluctuation range of 15% to less than 20%: Reduction rate of 10%

2) Facilities which have serious influence on the transportation of people and goods and are impossible to change the time using electricity

i) Railways

- General railways: Reduction rates of 15%, 12:00 to 15:00, and 0% for the other times
- Tohoku, Nagano, Joetsu and Tokaido Shinkansen and Seikan Tunnel: Reduction rate of 0%
- Local railways: Reduction rates of 0% for 3 one-way operations per hour, and 5% for 4 and 5 one-way operations per hour (0% for 9:00 to 12:00 and 15:00 to 20:00)

ii) Airlines

- Aviation security facilities: Reduction rate of 5%
- Airport terminal buildings: Reduction rate of 5%

iii) Logistics

- Constant-temperature warehouses, warehouses with storage tanks, and cold warehouses, and wholesalers of food and drinks with refrigerated rooms: Reduction rate of 5%
- Central and local wholesale markets: Reduction rate of 5%
- Facilities related to transports in harbors and ports: Reduction rate of 5%

iv) Accommodation

- Hotels and Japanese style hotels: Reduction rate of 10%

v) Energy supply

- Facilities which supply gas to generate electricity: Reduction rate of 0%
- Industrial water which supply water to power stations, etc.: Reduction rate of 5%

vi) Others

- Printing of evening editions of papers: Reduction rates of 0%, 12:00 to 15:00, and 15% for other times.
- Printing of the evening papers: Reduction rates of 0%, 10:00 to 12:00, and 15% for other times.
(3) Facilities indispensable for restoration of the affected areas
As for the scope of the affected areas, they shall be municipalities (except adjoining areas) which have been approved for the application of special treatment for electricity bills according to the exception clause of Article 21 (1) of the Electricity Business Act.

1) Public organizations in the affected areas
- Municipality buildings, and prefectural police headquarters, etc.: Reduction rate of 0%
- Railways in the affected areas: Reduction rate of 0%
- Facilities used as the business offices of Japan Post Service Co., Ltd, financial institutions, and telecommunications businesses responding to the request of the affected people: Reduction rate of 0%

2) Waste disposal facilities which dispose waste come from the affected areas: Upper limit to the contract

3) Facilities of business establishments located in the affected areas which employ at least 5 people or more who lost jobs due to the Great East Japan Earthquake responding to the requests of the affected municipalities: Reduction rate of 0%

4) Facilities that conduct analysis of damage caused by the nuclear accident: Reduction rate of 5%

(4) Others
- Apartment houses etc. which conclude lump-sum electricity receiving contracts: Upper limit to the contract
- As for the facilities which moved from the service areas of Tokyo and Tohoku Electric Power Companies to the other areas after March 11, 2011 due to the restriction of electricity use this summer, the reduction amount of other facilities belonging to the corporation shall be taken into consideration.
- Relaxing measures in regard of the reference amount of electricity use as contract electricity when the amount of maximum electricity use during the reference period and time is remarkably small compared with the contract electricity due to inspection of the facilities

7. Others
(1) Penalties
○ The intentional breach of the restriction of electricity use shall be subjected to the penalty of 1 million yen or less.
* Since the restriction of electricity use shall be imposed on electricity use per hour, if the electricity use per hour exceeds the restricted amount, it is regarded as a breach of the restriction.

(2) Measures for tenanted buildings [Ministerial Ordinance]
○ Owners of tenanted buildings are required to make efforts to obtain the status of electricity use
and collect information on their tenants.
○ Tenants of buildings are required to make efforts to reduce the electricity use of their tenants by utilizing the above-mentioned information.

* As for tenanted buildings, the restriction of electricity use is imposed on the owners who have concluded supply-demand contracts directly with electric utilities. In cases when the owners breach the restriction because the sufficient reductions are not carried out in parts of the buildings where the electricity use is not controllable by the owners (except for the common spaces), such cases, in general, are not understood to be intentionally in violation.

(3) Report on the state of electricity use [Ministerial Ordinance and Notice]
○ During the period of restriction of electricity use, customers should report the state of their daily electricity use per hour to the Minister of Economy, Trade and Industry (Tohoku Bureau of Economy, Trade and Industry or Kanto Bureau of Economy, Trade and Industry) within 15 days from the date of meters reading (or by the 16th every month, if they introduce the scheme to jointly restrict electricity use).

* Customers’ electricity using status is obtained thorough confirmation from the electric utilities.