

[Tokyo Cap-and-Trade Program]

Significant Emissions Reductions in the First Year of the Third Compliance Period

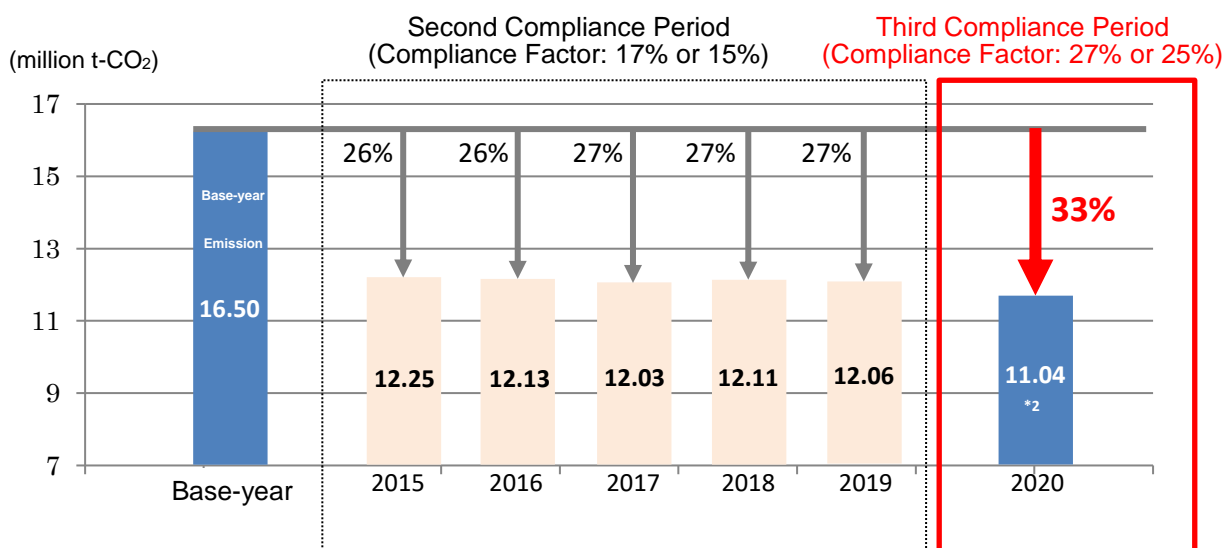
We are pleased to announce that we have compiled the reduction results for the first year of the third compliance period (FY2020) for covered facilities in the Cap-and-Trade program.

In FY 2020, emissions from covered facilities totaled 11.04 million tons, a **33% reduction** from the base-year emission*1, due to progress in energy-saving measures and the use of low-carbon electricity and heat (see reference material), as well as shortened operating hours and closures at some covered facilities due to the pandemic.

The Tokyo Metropolitan Government will continue to encourage CO₂ reductions in the third compliance period (FY2020 to FY2024) to enable all covered facilities to meet their obligations.

*1 Base-year emission is the average emissions of three consecutive fiscal years selected by facilities between FY2002-2007.

Changes in Total CO₂ Emissions of Covered Facilities



*2 Aggregated value as of February 9, 2022 resulting from emission factors for electricity, etc. in the third compliance period

Example of Factors Contributing to Increase/Decrease in CO₂ Emissions

- Upgrading to high-efficiency equipment, LED lighting, etc., use of renewable energy
- Reduced operating hours, store closures, and increased telecommuting
- Increased ventilation measures, increased demand for telecommunications infrastructure

○ About the Tokyo Cap-and-Trade Program

In FY2010, 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 FY2010 to FY2014
17% or 15% in the second compliance period from FY2015 to FY2019
27% or 25% in the third compliance period from FY2020 to FY2024

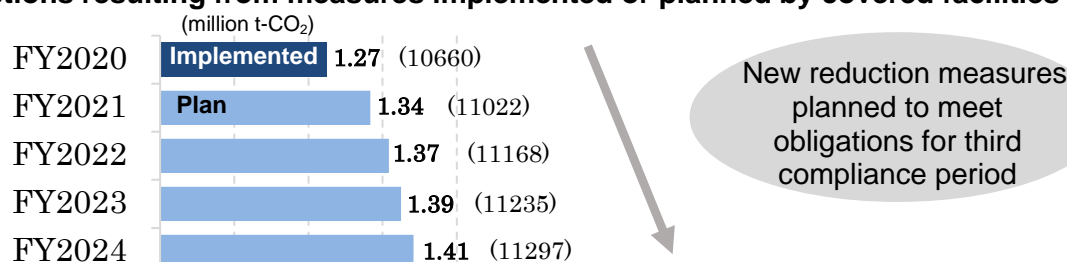
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➤ Analysis of Implementation and Planning of Measures

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	390	145,687
Installation of high-efficiency pumps for air conditioning and energy-saving control	329	29,250
Installation of high-efficiency air conditioning equipment	418	38,531
Installation of high-efficiency packaged air conditioning equipment	95	6,175
Installation of variable-air-volume systems for air conditioning equipment	34	5,271
Installation of systems for cooling using outside air	238	23,962
Installation of external air volume control based on CO ₂ concentration	116	13,295
Installation of total heat exchangers	37	3,928
Installation of high-efficiency fans	236	12,729
“Cool Biz” and appropriate room temperatures during summer	106	19,822
Implementation of warming-up control	25	532
More careful timing of starting up air-conditioning before using rooms	125	13,519
Installation of building energy management systems	35	6,940
Visualization of energy consumption included in above	7	427
Demand control systems	7	6,199
Installation of high-efficiency lighting and energy saving control	2,187	168,658
LED lights included in above	1,939	150,871
Hf lights included in above	126	12,818
Sensors included in above	86	2,711
Relaxing illumination conditions	202	15,107
Total or partial lights-out during lunch break and outside business hours	21	594
Installation of energy saving control for elevators	116	2,702
Total (above measures and others)	11,297	1,413,582

➤ Status of Low-Carbon Electricity and Heat Use

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

- A mechanism is utilized to accept equivalence to CO₂ reductions when covered facilities procure electricity or heating from TMG-certified suppliers with lower emission factors.*

<Facilities that opted for low-carbon electricity and heat in FY2020>

Categories	Low-carbon suppliers	Facilities utilized this mechanism	
		Number of facilities	Total reductions
Low-Carbon Electricity	12	19	Approx. 67,312 t-CO ₂
Low-Carbon Heat	42 (ward area)	159	Approx. 37,183 t-CO ₂

* Certification requirements of suppliers in the third compliance period

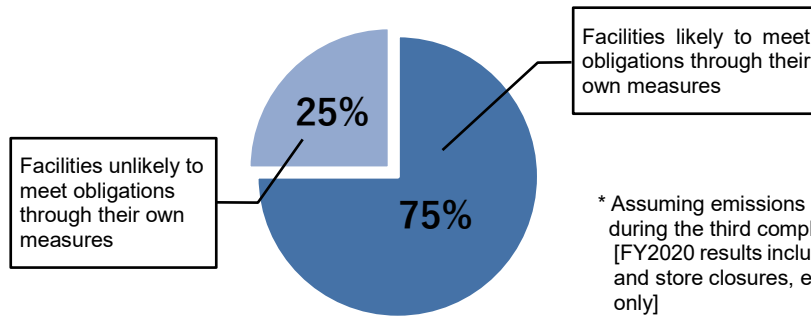
[Low-Carbon Electricity] CO₂ emission factor less than 0.37 t-CO₂/thousand kWh
(base emission factor or adjusted emission factor, whichever is lower)

[Low-Carbon Heat] Energy efficiency (COP) of heat is equal to or more than following values, and CO₂ emission factor is less than 0.060 t-CO₂/CJ

① When steam is included: 0.85 ② When steam is not included: 0.90

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

<Estimated Percentage of Facilities Meeting Obligations Based on Actual Results for FY2020>



* Assuming emissions remain constant from FY2020 results during the third compliance period (FY2020-FY2024) [FY2020 results include impact of shortened operating hours and store closures, etc., so these figures are for reference only]