

Basic Act on Energy Policy

(Act No. 71 of June 14, 2002)

(Purpose)

Article 1 The purpose of this Act is, given that energy is essential for improving the stability of citizens' lives and for maintaining and developing the national economy and that its use has a major impact on the local and global environment, to promote measures on energy supply and demand on a long-term, comprehensive and systematic basis by laying down the basic policy and clarifying the responsibilities of the State and local public entities with respect to measures on energy supply and demand and by prescribing matters that form the basis of measures on energy supply and demand, thereby contributing to the preservation of the local and global environment and to the sustainable development of the Japanese and global economy and society.

(Securing of stable supply)

Article 2 (1) With regard to the matter of securing a stable supply of energy, given that the international situation regarding world energy involves unstable factors and for other reasons, measures shall be taken with the basic aim of diversifying energy supply sources, increasing energy self-sufficiency and achieving stability in the energy sector by undertaking such measures as reducing excessive dependence on specific geographic regions for the import of primary energy sources such as oil, promoting the development of energy resources that are important to Japan, providing for energy transportation systems, promoting the stockpiling of energy and energy use efficiency, and implementing appropriate crisis management concerning energy.

(2) With regard to the matter of supplying an energy source that is extremely difficult to either substitute with other energy resources or to store, measures shall be taken to specially secure its reliability and stability.

(Environmental suitability)

Article 3 With regard to energy supply and demand, measures shall be promoted to realize energy supply and demand that allow for the prevention of global warming and the preservation of the local environment, as well as to contribute to the formation of a recycling society by improving energy consumption efficiency, by such measures as promoting the conversion to non-fossil-fuel energy use such as solar and wind power and the efficient use of fossil fuels.

(Utilization of market mechanisms)

Article 4 With regard to economic structural reforms concerning energy supply and demand such as the liberalization of energy markets, deregulation and other similar measures shall be promoted in a manner such that business operators can fully demonstrate their initiative and such that creativity and the interests of energy consumers are sufficiently secured, while giving due consideration to the policy objectives prescribed in the preceding two Articles.

(Responsibilities of the State)

Article 5 (1) The State shall be responsible for comprehensively formulating and implementing measures on energy supply and demand in conformance with the basic policy on measures on energy supply and demand prescribed in Article 2 to the preceding Article inclusive (hereinafter referred to as the "Basic Policy").
(2) When using energy, the State shall endeavor to reduce the environmental load by using goods that contribute to reducing the environmental load associated with energy use and taking other relevant measures.

(Responsibilities of local public entities)

Article 6 (1) The local public entities shall be responsible for taking measures complying with the measures of the State as well as formulating and implementing measures that suit the actual situation of their districts with regard to energy supply and demand, in conformance to the Basic Policy.
(2) When using energy, the local public entities shall endeavor to reduce the environmental load by using goods that contribute to reducing the environmental load associated with energy use and taking other relevant measures.

(Responsibilities of business operators)

Article 7 When conducting their business activities, business operators shall be responsible for endeavoring to use energy efficiently and to use energy in a manner that gives consideration to stable supply of energy and preservation of the local and global environment, by demonstrating their initiative and creativity, and for cooperating with the measures on energy supply and demand implemented by the State and local public entities.

(Role of citizens)

Article 8 When using energy, citizens shall endeavor to make rational use of such energy and to utilize new energy resources.

(Mutual cooperation)

Article 9 The State, local public entities, as well as business operators, citizens

and private organizations set up by business operators or citizens shall understand each other's respective roles concerning energy supply and demand and cooperate with each other.

(Legislative arrangements, etc.)

Article 10 The government shall make legislative, fiscal or financial arrangements or other arrangements that are necessary for implementing measures on energy supply and demand.

(Report to the Diet)

Article 11 Every year, the government shall submit to the Diet a report on the general situation regarding the measures it has taken in relation to energy supply and demand.

(Basic Energy Plan)

Article 12 (1) The government shall formulate a basic plan on energy supply and demand (hereinafter referred to as the "Basic Energy Plan") in order to promote measures on energy supply and demand on a long-term, comprehensive and systematic basis.

(2) The Basic Energy Plan shall prescribe the following matters:

- (i) Basic policy on measures on energy supply and demand
- (ii) Measures that should be taken in relation to energy supply and demand on a long-term, comprehensive and systematic basis
- (iii) Technologies related to energy where intensive measures should be taken for their research and development in order to promote measures on energy supply and demand on a long-term, comprehensive and systematic basis, and measures that should be taken in connection with such technologies
- (iv) In addition to what are listed in the preceding three items, any matters necessary for promoting measures on energy supply and demand on a long-term, comprehensive and systematic basis

(3) By hearing the opinions of the heads of the relevant administrative organs and hearing the opinions of the Advisory Committee for Natural Resources and Energy, the Minister of Economy, Trade and Industry shall formulate a draft of the Basic Energy Plan and seek a cabinet decision thereon.

(4) When the cabinet decision prescribed in the preceding paragraph has been made, the Minister of Economy, Trade and Industry shall promptly report the Basic Energy Plan to the Diet and publicize the plan.

(5) The government shall review the Basic Energy Plan at least once every three years by taking into consideration the changes in the situation concerning energy and based on an evaluation of the effects of measures concerning energy, and if it finds necessary, make changes to the plan.

- (6) The provisions of paragraph (3) and paragraph (4) shall apply mutatis mutandis to making changes to the Basic Energy Plan.
- (7) The government shall endeavor to make necessary arrangements for the smooth implementation of the Basic Energy Plan by, for example, appropriating in its budget each fiscal year, to the extent permitted within the limits of the nation's finances, funds necessary to ensure payment of the expenses required for implementation of the plan.

(Promotion of international cooperation)

Article 13 In order to contribute to stability of world energy supply and demand and to preservation of the global environment such as prevention of global warming associated with energy use, the State shall endeavor to make the necessary arrangements for promoting cooperation with international energy organizations and environmental preservation organizations, international interchanges of researchers and other relevant persons, participation in international research and development activities, proposal of international joint actions, bilateral and multilateral cooperation in energy development and other international cooperation.

(Dissemination of knowledge regarding energy)

Article 14 The State shall endeavor to actively disclose information on energy for allowing citizens to increase their understanding of and interest in energy through all kinds of opportunities, and shall endeavor to make the necessary arrangements for raising public awareness of appropriate energy use and disseminating knowledge of energy, while considering utilization of nonprofit organizations.

Supplementary Provisions [Extract]

(Effective date)

Article 1 This Act shall come into force as from the day of promulgation.