

Launch of New Hydrogen Utilization Council in Kobe/Kansai area

Kobe/Kansai area, Japan – 4<sup>th</sup> September 2020: 11 Japanese various industries and energy companies involved in hydrogen projects launched a new council named “Kobe/Kansai Hydrogen Utilization Council” (hereinafter, “Council”) with the goal of developing hydrogen utilization methods and to establish a hydrogen supply chain in the Kobe/Kansai area.

The Council will strive for promoting the establishment of a concrete structure of a demonstration project utilizing hydrogen for commercialization by around 2025. The Council will also draw a pathway to realize large-scale commercialization of hydrogen utilization by 2030.

The companies currently involved are: Electric Power Development Co., Ltd., ENEOS Corporation, Iwatani Corporation (Lead), The Kansai Electric Power Company, Incorporated, Kawasaki Heavy Industries, Ltd., Kawasaki Kisen Kaisha, Ltd., Kobe Steel, Ltd., Marubeni Corporation (Lead), Mitsubishi Power, Ltd., Obayashi Corporation, and Shell Japan Limited.

The Kansai area is one of the most advanced regions in the world with regards to hydrogen-related projects. Namely, in addition to the existing hydrogen related facilities in private sector, as New Energy and Industrial Technology Development Organization (hereinafter, “NEDO”) grant projects, several projects are currently underway in the area, including the hydrogen energy supply chain pilot project (Liquefied Hydrogen Receiving Terminal in Kobe Airport Island) implemented by CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association (“HySTRA”), the demonstration project at Kobe Port Island namely Hydrogen Co-Generation System (hereinafter “Hydrogen CGS”) and investigations on the possibilities for the introduction of hydrogen power generation.

In order to accelerate the concrete actions and to ensure the achievement of the national “Basic Hydrogen Strategy” and “Strategic Roadmap for Hydrogen and Fuel Cells”, the companies promoting hydrogen-related projects in the Kansai area have joined together and founded the Council. By uniting experiences from the existing projects with the knowledge and experience possessed by the companies, the Council will implement a study of the business model for large-scale commercialization of hydrogen utilization by 2030.

Additionally, the Agency for Natural Resources and Energy at the Ministry of Economy, Trade and Industry, NEDO and Kobe City which is participating in Hydrogen CGS, will join the Council as observers.

The following 3 tasks are considered “Priority Actions” for the Council:

- To implement a study of the business models of utilizing hydrogen in the Kansai area by combining the supply and demand sides in order to establish a large-scale hydrogen supply chain
- To build a roadmap for the implementation of hydrogen utilization business models in the Kansai area
- To identify potential implementation issues and make policy recommendations to national and/or local governments

Lastly, in order to realize a hydrogen-based society, it is essential to create regulatory framework and to implement regulatory reform, in addition to the establishment of technology and the reduction of hydrogen production costs on the business side. Therefore, the Council will engage with both the public and private sectors and study business models to identify issues, accelerate necessary actions and make policy recommendations for the large-scale commercialization of hydrogen utilization by 2030.

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