

PRESS RELEASE  
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## **Introduction of mandatory cap & trade system**

— Submitting an amendment bill to the Assembly in June —

Since announcing “Tokyo Climate Change Strategy” in June 2007, Tokyo has been considering the measures which enhance climate change actions. Tokyo, Governor Shintaro Ishihara has publicly declared that he is going to submit an amendment bill to the second regular session of Tokyo Metropolitan Assembly, which will be held from June 10, 2008, in order to introduce mandatory cap and trade system targeting large CO<sub>2</sub>-emitting office buildings and factories. After being passed, the revised ordinance is slated to come into effect in FY2010.

It will be the first mandatory cap and trade system in Japan and also it will be the first system in the world targeting commercial sector such as office buildings, which consume large amount of energy in a city.

This is a mandatory system targeting approx. 1,300 office buildings and factories, which total CO<sub>2</sub> emissions account for about 40% of total emissions from industrial and commercial sectors in Tokyo.

Under the new ordinance, large CO<sub>2</sub>-emitting office buildings and factories must abate CO<sub>2</sub> emissions and limit emissions to a certain level which Tokyo Metropolitan Government sets. Also, it would provide punishments for violations.

Since last year, Tokyo has done several stakeholder meetings and discussed the introduction of cap and trade system with business groups, companies, NGOs etc.

Tokyo Chamber of Commerce and Industry, one of the most important business groups in Tokyo, has signified its approval of the introduction of cap and trade system on May 8. Tokyo’s climate change action has been gaining more and more support from business community.

We are confident that such pioneering climate change action by Tokyo will have much effect on the climate change policy around Japan.

The proposed bill contains variety of advanced measures, such as mandatory energy efficiency standard targeting large-scale new buildings, enhancement of district heating and cooling etc., in addition to the cap and trade system

Tokyo promotes aggressive climate change measures in collaboration with local, state and national governments, companies and NGOs in the world.