

[Tokyo Cap-and-Trade Program]

**All Covered Facilities Achieved Reduction Obligations in the Second Compliance Period
~ Significant CO₂ Reductions through their Own Measures ~**

Since FY2010, the Tokyo Metropolitan Government has steadily reduced greenhouse gas emissions in Tokyo, in accordance with the Cap-and-Trade Program for large facilities based on the Tokyo Metropolitan Environmental Security Ordinance.

The deadline of emission reduction obligation for the second compliance period was reached at the end of January 2022, and we are pleased to announce that all covered facilities have achieved their reduction obligations.

■ Program Overview

- Covered facilities under the program are obligated to reduce their total CO₂ emissions.
(Covered facilities: Approximately 1,200 facilities which have an annual energy usage equivalent to 1,500 kL or more of crude oil equivalent)
- In addition to their own energy efficiency measures, covered facilities can reduce their emissions through emissions trading to fulfill their obligations by acquiring emissions reductions (credits) from other facilities.

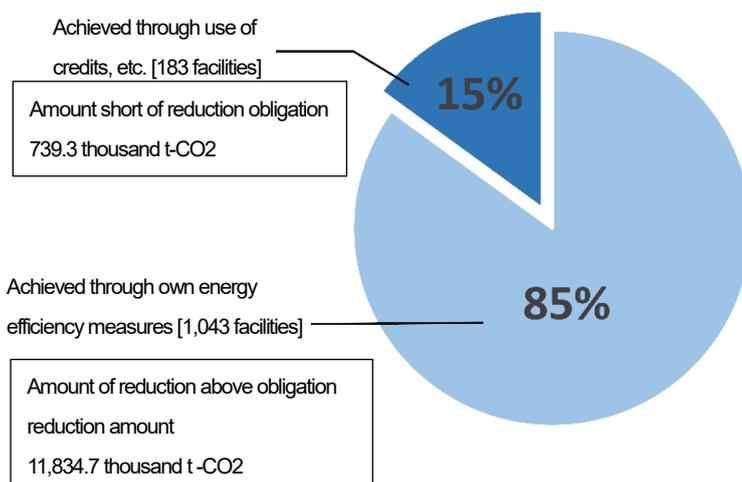
	Period	Reduction Obligation Deadline	Compliance Factor
First Compliance Period	FY2010 - FY2014	End of September, 2016	8% or 6%
Second Compliance Period	FY2015 - FY2019	End of January, 2022 ^{*1}	17% or 15%
Third Compliance Period	FY2020 - FY2024	End of September, 2026	27% or 25%

^{*1}: The deadline was postponed by 4 months due to the postponement of the submission deadline of the 2020 GHG Emissions Reduction Plan, as a measure to prevent the spread of COVID-19.

■ Obligation Fulfillment Status of the Second Compliance Period

- ✓ Continued to achieve significant reductions through proactive energy efficiency measures as in the first compliance period
- ✓ 85% of covered facilities achieved their reduction obligations through their own measures
- ✓ Remaining 15% of covered facilities fulfilled their reduction obligations by utilizing credits, etc.

<Reduction Obligation Achievement Status of the Second Compliance Period>



Details of Credits Utilized in Obligation Fulfillment ^{*2}

Credit Type	thousand t-CO ₂	Percentage
Excess emission reductions	698.6	88.9%
Small and mid-size facility credits	-	-
Renewable energy credit	25.6	3.3%
Outside Tokyo credits	6.4	0.8%
Saitama credits ^{*3}	39.9	5.1%
Other gas reductions	15.2	1.9%
Total	785.7	100%

^{*2}: The total amount of credits used to fulfill obligations (785.7 thousand t-CO₂) and the amount short of reduction obligations (739.3 thousand t-CO₂) are not equal, since some facilities fulfilled their obligations by allocating more credits than the amount required to fulfill them.

^{*3}: The Tokyo Metropolitan Government has concluded a partnership agreement with Saitama Prefecture regarding this program, which enables mutual credit transactions between the two prefectures.

Status of Emissions Trading

➤ Transaction Partners

The largest number of facilities traded within the same corporation or group (approximately 60%), while approximately 10% traded directly, and the other 30% traded using an intermediary. This is similar to the percentage to the status of emissions trading in the first compliance period.

➤ Appraised prices of credit* (as of December 2020)

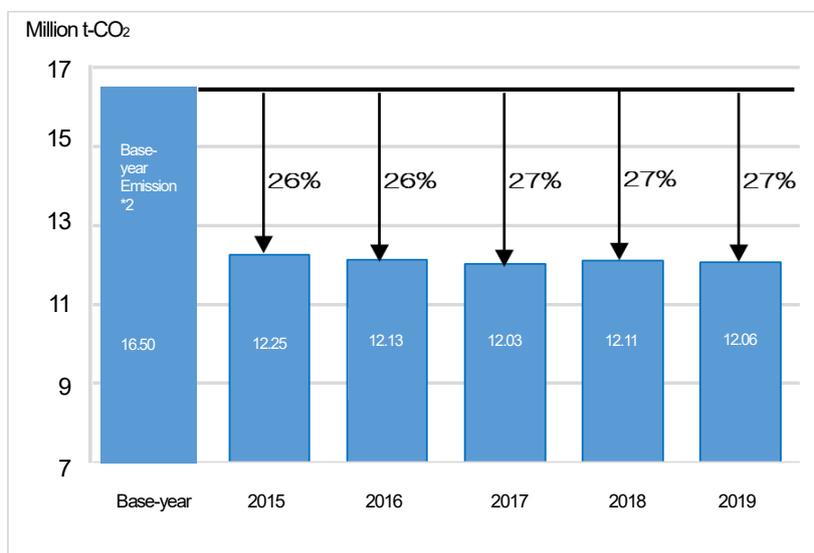
Excess emission reductions: 180-900 yen/t-CO₂

* Estimated as the price of a standard transaction based on information gathered through interviews with market participants

Program Reduction Results

✓ Continuation of high emission reductions throughout second compliance period

< Changes in Total CO₂ Emissions in the Second Compliance Period >^{*1}



* 1: Aggregated values as of the end of October 2021

*2: Base-Emission is the average emissions of three consecutive fiscal years selected by facilities between FY2002 - FY2007 (emission factors for electricity, etc. are calculated using the values in the second compliance period)

* The program results and the price of credits are announced on the Tokyo Metropolitan Government website (The links provided below are available only in Japanese).

<Announced Program Results>

https://www.kankyo.metro.tokyo.lg.jp/climate/large_scale/data/index.html

<Emission Trading Scheme>

https://www.kankyo.metro.tokyo.lg.jp/climate/large_scale/trade/index.html

< Reduction Results and Obligation Fulfillment Status of the First Compliance Period >

https://www.kankyo.metro.tokyo.lg.jp/climate/large_scale/data/index.files/candtpuresusiryouhonnbun.pdf

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