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Idemitsu Kosan Co., Ltd.
ENEOS Corporation
Hokkaido Electric Power Co., Inc.

Launch of Study for Establishment of Japan's Largest Green Hydrogen Supply Chain in Hokkaido

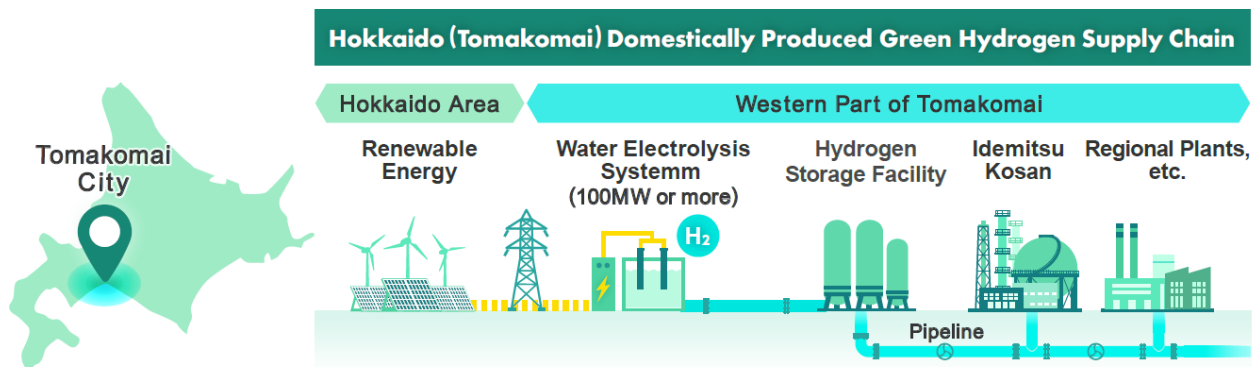
Idemitsu Kosan Co., Ltd. (President: Kito Shunichi; "Idemitsu Kosan"), ENEOS Corporation (Executive Vice President: Miyata Tomohide; "ENEOS"), and Hokkaido Electric Power Co., Inc. (Representative Director: Saito Susumu; "HEPCO") announce that they have agreed to conduct a study ("the Study") toward the realization of a domestically produced green hydrogen supply chain establishment project in the western part of the Tomakomai area of Hokkaido, and signed a Memorandum of Understanding (MOU).

The Study aims to construct a water electrolysis plant (100MW or more) capable of producing more than 10,000 tons per year of green hydrogen, which will be the largest in Japan, in the western part of the Tomakomai area of Hokkaido by around 2030, and establish a supply chain that will supply green hydrogen produced using abundant renewable energy to Idemitsu Kosan and other plants in the region through pipelines.

In the government's "Basic Hydrogen Strategy," revised in June 2023, the establishment of a domestic hydrogen production and supply system is considered important from the perspective of the energy policy (S+3E¹). In addition, the conversion of surplus electricity to hydrogen is expected to make maximum use of the potential of renewable energy and other zero emission power sources in the country.

While Hokkaido has a very high potential for renewable energy such as offshore wind power, the electricity demand is relatively small and there are limits on the amount of electric power interchange with Honshu (the main island of Japan), making the effective use of surplus electricity and the securing of regulating power to cope with fluctuations in the output of renewable energy sources a challenge when introducing and expanding renewable energy. In response to this, by utilizing the water electrolysis plant as regulating power, the companies will strive to make effective use of surplus power in Hokkaido in the future and deliver regulating power to the electricity market, thereby further introducing and expanding renewable energy.

In addition, according to a survey^{*2} of businesses located in the western part of the Tomakomai area of Hokkaido, the demand for conversion from fossil fuels to hydrogen in the area is expected to be around 70,000 tons per year for process use, power generation use, heat use, and mobility use at each plant, and the establishment of a domestically produced green hydrogen supply chain will greatly contribute to the decarbonization of the area.



Idemitsu Kosan has set a Vision for 2050 of “Shaping Change” in order to realize a carbon-neutral society. Participation in this Study is part of the company’s efforts to implement “Energy one step ahead” in society, one of the three business areas stated in its Medium-term Management Plan. By producing domestically produced green hydrogen and establishing a supply chain, Idemitsu Kosan will continue to fulfil their responsibility to supply energy to neighboring businesses. In addition, the company will also aim to produce the first locally produced synthetic fuel for local consumption in Japan using green hydrogen produced in the Hokkaido refinery area.

In the ENEOS Group's Long-Term Vision, ENEOS states that it will take on the challenge of achieving both a stable supply of energy and materials and the realization of a carbon-neutral society. As a part of this effort, ENEOS is working in Japan and abroad to establish a CO₂-free hydrogen supply chain in anticipation of a full-scale hydrogen mass consumption society with the aim of realizing a decarbonized and recycling-oriented society. Furthermore, ENEOS is steadily making the transition to next-generation energy such as sustainable aviation fuel (SAF) and synthetic fuels, taking the lead for “tomorrow’s normal.”

HEPCO has set itself the great challenge of realizing carbon neutrality for all energy sources in Hokkaido by 2050, and is taking various initiatives on both the supply and demand sides, including the introduction of non-fossil power sources and hydrogen production on the supply side and the expansion of electrification and utilization of hydrogen on the demand side. One of these initiatives is the establishment of a “hydrogen supply chain” in which hydrogen is produced from Hokkaido’s abundant renewable electricity and used in various fields, in cooperation with the national, provincial, and local governments, other companies, etc.

The three companies aim to establish a domestically produced green hydrogen supply chain and contribute to the further introduction and expansion of renewable energy.

*1 The idea is to simultaneously realize Energy Security, Economic Efficiency, and Environment with Safety as the main premise.

*2 NEDO “Advancement of Hydrogen Development Technologies Project/ Development of Technologies for Regional Hydrogen Utilisation/Potential Study for Hydrogen Production and Utilization/Hokkaido Large-Scale Green Hydrogen Supply Chain Establishment Study Project”

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