

## **1. Background and purpose**

(1) Following the full-scale liberalization of electricity retailing in April 2016, it has become an urgent priority to further vitalize the electricity wholesale market, which is an important source for procurement of electricity for electricity retailers. At the same time, it will become possible to eliminate regulations on retail prices for consumers of low-voltage electricity in or after April 2020. In light of these circumstances, it is important to develop an electricity futures market that is effective for the formation of fair and transparent price indicators, hedging of fluctuation risks on electricity wholesale prices, and so on.

(2) In 2015, the Council on Electricity Futures Market set a direction for the establishment of an electricity futures market. About two years have passed since then, and during this time, Tokyo Commodity Exchange Inc. has carried out simulated trading of electricity futures contracts. Furthermore, discussion is currently going on to realize the electricity system reform.

(3) It is necessary to design a futures market that is based on changes in needs from electricity-related companies for electricity futures transactions and keeps an eye on future changes in electricity wholesale transactions. Therefore, the discussion should be focused on an electricity futures market that is consistent with the overall picture of the electricity market, including electricity wholesale transactions.

## **2. Theme**

(1) Commodity futures trading (Roles of commodity futures trading in the area of electricity and other issues)

(2) Details of designing of an electricity futures market and other issues

## **3. Disclosure of proceedings and distributed documents distributed of the Study Group**

- The meetings of the Study Group will be held behind closed doors.

- The administrative office for the Study Group will prepare summaries of the proceedings of the meetings and will disclose them after confirming with the speakers.

- In principle, the documents to be distributed at the meetings will be disclosed. However, if documents include non-public information, the administrative office will determine whether or not to disclose them after consulting with those who have provided them.

## **4. Schedule**

The first meeting will be held in December of this year. A total of about four meetings will be

held, and a report will be compiled by the end of the current fiscal year.