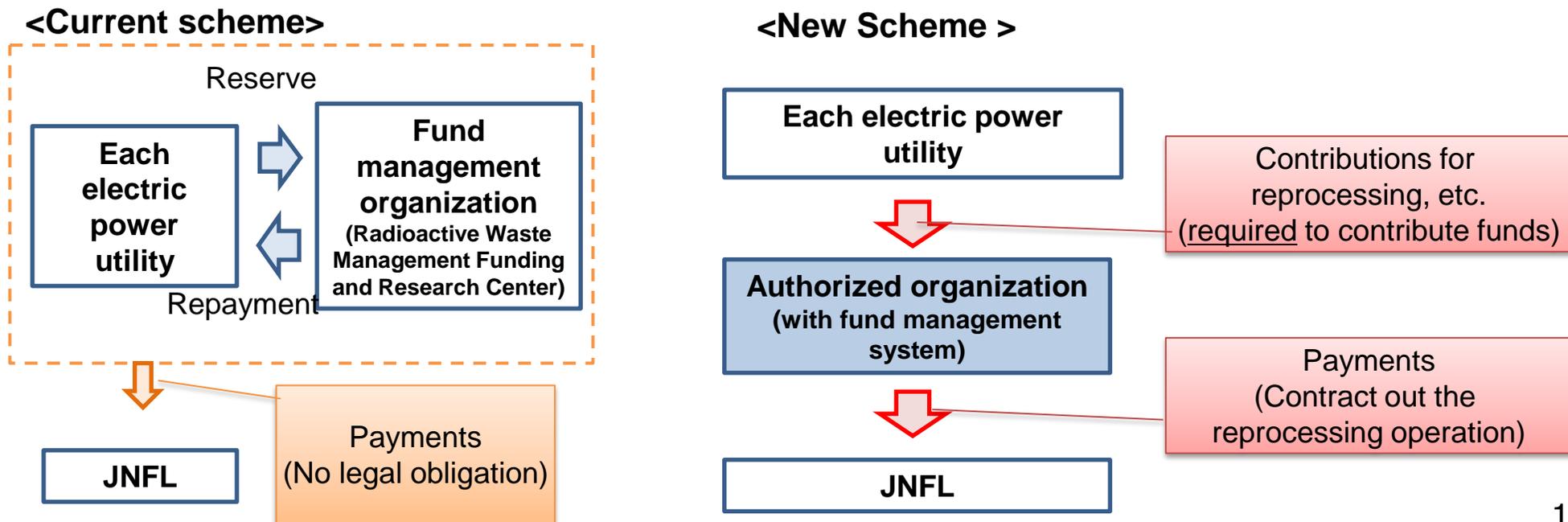


# The “Spent Nuclear Fuel Reprocessing Implementation Act”

- Business environment for the electricity utility industry has changed due to growing market competition along with electricity market reforms, which started in April 2016. Such changes may exert negative impacts on the financial conditions of electric power utilities, and consequently, bring both uncertainty in collecting funds and difficulties for electric power utilities to mutually cooperate in conducting nuclear reprocessing projects.
- In order to address these uncertainties under such new business environment, the amendment bill to the “Spent Nuclear Fuel Reprocessing Fund Act” was approved by the Diet on May 11, 2016, and promulgated on May 18, 2016. The bill establishes secured funds for expenses for the steady and efficient reprocessing operations of spent nuclear fuel.



# The “Spent Nuclear Fuel Reprocessing Implementation Act”

- An implementing body to be authorized by the Minister of Economy, Trade and Industry will work to develop a master plan of overall nuclear reprocessing projects and to secure funds for reprocessing operations of spent nuclear fuel.
- To ensure an appropriate governance on the organization, a management committee comprised of experts will be set up for the decision making. Also, the president of the organization will be assigned by the Minister of Economy, Trade and Industry.
- With these changes, the amended bill is renamed as the “Spent Nuclear Fuel Reprocessing Implementation Act”.

## Related measures to be implemented by the Act

### **(1) Organize an implementing body**

A new implementing body will be established to steadily implement reprocessing related activities. The main activities of the implementing body include the development of a master plan of overall nuclear reprocessing projects, collection of the expenses paid by electric power utilities, and commission of the reprocessing activities of spent fuels to a private entity (namely, Japan Nuclear Fuel Limited (JNFL)).

### **(2) Secure funds for reprocessing operations of spent nuclear fuel**

Electric power utilities will be obligated to make annual payments to the implementing body to secure funds for nuclear reprocessing projects. These funds will be independent from individual electric power companies and should cover the operating costs of reprocessing activities including MOX fabrication activities.

### **(3) Establish an appropriate governance system**

By setting up a management committee that consists of experts for the decision-making process, the transparency of the newly established organization will be improved.

# The “Spent Nuclear Fuel Reprocessing Implementation Act”

- During the Diet deliberation, it was confirmed that the GOJ will never approve a plan by the authorized organization if it is not in line with the policy of “firmly maintaining the principle not to possess surplus plutonium without specific purposes”.

## Statement by Minister Hayashi in the Plenary Session of the House of Representatives (March 24<sup>th</sup> 2016)

Japan firmly maintains its policy of “not possessing plutonium reserves for which the purpose of utilization is unspecified”. ... Needless to say, I [Minister of Economy, Trade and Industry] will never approve a plan [made by an authorized organization], if by any chance it is not in line with the policy, ... and thus this legislation will further enhance the credibility of Japan’s plutonium management.

## Supplementary resolutions by the Diet (adopted at the timing of the approval of the bill)

- Regarding the supply and demand balance of plutonium, GOJ shall maintain its policy of “firmly maintaining the principle not to possess surplus plutonium without specific purposes”, and shall instruct the nuclear operators to implement reprocessing activities in cognizance of this policy; if the authorized organization establishes a mid-term implementation plan of reprocessing activities which is not in line with this policy, the Minister of Economy, Trade and Industry shall not approve it.
- When the Minister of Economy, Trade and Industry approves the mid-term implementation plan of reprocessing activities established by the authorized organization, the Minister shall consult the Atomic Energy Commission and shall make its decision whether or not to approve the plan in full consideration of the Commission’s opinion from the viewpoint of the peaceful use of nuclear energy and the securement of the plutonium supply and demand balance.