Providing a One-Stop Shop for Gas, Electricity, and Value-Added Services

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The electricity retail sector will be fully liberalized in 2016. Coinciding with this, the Tokyo Gas Group will initiate sales of electric power to customers in the residential and commercial sectors. This is in keeping with customer needs and the objectives of electric power system reform, namely "securing the stable supply of electricity," "suppressing electricity rates to the maximum extent possible," and "expanding choices for customers and operators' business opportunities."

For more than a decade, the Group has been expanding its presence in the electric power business, first by expanding from procurement of fuel for natural gas-fired thermal power stations to the construction and operation of power plants and electric power sales in the wholesale power market, and then to sales electric power to large-lot customers as distributor for ENNET Corporation. We have already secured approximately 1,300 MW of power generating capacity in the Tokyo metropolitan area, and will expand this to 3,000 MW by 2020. The close ties with over 11 million customers developed through our city gas business, including the strong local presence established by Tokyo Gas LIFEVAL and Enesta, etc., are another major strength of the Tokyo Gas Group.

We will leverage these strengths to provide a one-stop shop for gas, electricity, and value-added services, allowing us to evolve into a total energy company that is always selected by customers, meeting their needs and social needs ever more closely and contributing to the enrichment of society.

With the full deregulation of the electricity retail sector in April 2016, the Tokyo Gas Group will initiate sales of electric power to residential and small commercial customers who are the targets of liberalized market, in addition to wholesale and large-lot customers to date. This is in keeping with the purpose of the regulatory reform of the electric power system and customer needs. We will expand our electric power sales in order to fulfill our social mission to (1) secure the stable supply of electricity, (2) suppress electricity rates to the maximum extent possible, and (3) expand electricity choices for consumers and business opportunities.

Secure the Stable Supply of Electricity

We will expand the power generating capacity in which we have a stake from 1,300 MW at present to around 3,000 MW by 2020, giving us both the largest capacity of any of the new entrants to the electric
power business and the resources to ensure stable supply. Power will be generated by cutting-edge, high-efficiency combined cycle gas turbines, paying maximum attention to the environment.

Suppress Electricity Rates to the Maximum Extent Possible

Electricity will be supplied taking advantage of our strengths, including our existing city gas supply infrastructure (our LNG carriers, LNG terminals, and pipelines), LNG procurement capabilities, and expertise in the city gas business. In addition, power generation facilities will be built on land adjoining our LNG terminals to enable efficient operation, further contributing to the stable supply of electric power and low electricity rates.

Expand Electricity Choices for Consumers and Business Opportunities

By logging in to the "myTokyoGas," members' site, Tokyo Gas residential customers can check not only monthly gas rates and usage, but also gas rates and usage over the past two years in graph form. Commercial and industrial customers can access similar data through our "TG CLUB" service. Electricity billing and usage data will be provided after April 2016.

We are also conducting real-world trials of a number of services utilizing HEMS energy data. These include gas and electricity energy management, energy-conservation advice based on customers' energy use, and demonstrative operation of gas appliances by means of multi-function terminals in the home. To take advantage of the opportunities presented by full liberalization of the electricity retail sector, we will enhance these services to offer the optimal combination of gas and electricity services in view of customers' needs, energy consumption, and patterns of use. Working in partnership with businesses in many other industries, we will also develop a range of high value-added services tailored to customer needs.

At the local level, Tokyo Gas LIFEVAL and Enesta, etc., whose network of more than 220 outlets serves 11 million customers in the Kanto region, will deliver services to directly meet diverse needs.

* HEMS: Home Energy Management System

"myTokyoGas" members' site for residential customers.
Service pages providing information on gas rates and usage.
Tokyo Gas Group Supply/Demand and Service Structure (as of September 1, 2015)

Delivery of One-Stop Services in Partnership with Other Companies

Customers
- Industrial
- Commercial
- Residential

Tokyo Gas Group
- Maintenance
- Energy diagnosis
- Engineering
- Solutions proposal

Explore partnerships with diverse other parties

Energy and telecom providers, etc.

Housing-related companies, etc.

Comprehensive Education Program Launched for Group Employees

In preparation for full liberalization of the electricity retail sector, in April 2015 we launched a comprehensive education program for group employees providing the best mix of gas and electricity. We are working to raise individual employees’ expertise in identifying customer needs and providing a one-stop point of contact for service.

Training session in progress