Environment Ministry seeks delay in TEPCO thermal power

The Associated Press

TOKYO, Feb. 4 (Kyodo) — The Environment Ministry has asked the industry ministry to have Tokyo Electric Power Co. postpone its plan to hold a tender to choose suppliers of electricity generated by coal-fired thermal plants, sources close to the matter said Monday.

The Environment Ministry is apparently concerned about the effects on global warming as coal-fired thermal power is said to produce more carbon dioxide than other forms of thermal power generation, but the Economy, Trade and Industry Ministry plans to reject the request, the sources said.

The industry ministry, which oversees the power industry, believes there is an urgent need to increase thermal power generation as 48 of the 50 surviving commercial nuclear reactors in Japan remain offline due to safety concerns, and TEPCO is poised to go ahead with implementing the bidding from mid-February as planned, they said.

The difference in views between the government ministries, based on whether to place emphasis on measures to combat climate change or on stable power supply, has come to light while the government of Prime Minister Shinzo Abe has yet to form its energy policy.

TEPCO earlier said it plans to hold a tender to select companies that will newly build coal-fired thermal power plants that can produce 2.6 million kilowatts of power -- equivalent to two large nuclear reactors -- to ensure stable supply in the future.

To cut down on investment costs, the utility will solicit firms to build and operate the new thermal plants using coal, which is relatively cheap and can be easily procured, while it will purchase the electricity generated.

TEPCO will close the tender in May and announce the results by the end of July, aiming for the start of power supply sometime between 2019 and 2021. About 100 companies took part in the utility's briefing session on the matter held last November.

The move is aimed at bringing about lower electricity rates by holding down the utility's capital investment to make up for lost nuclear power capacity following the March 2011 disaster at its Fukushima Daiichi nuclear power plant.

According to the sources, the Environment Ministry presented a written request to the industry ministry in mid-January, asking it to handle the matter carefully, and also made verbal requests for TEPCO's tender to be postponed.

In late January, the industry ministry sent a written response indicating a negative stance toward postponing the bidding, they said.

While the Environment Ministry does not have the authority to cancel the bidding, it can comment on the environmental impact assessments that operators submit to the industry ministry when they plan to build electricity generation plants.

There has been a case in which a plan to build a coal-fired thermal plant was canceled due to opposition from the Environment Ministry.

An official of the industry ministry said postponing the tender "would have a big impact as other electric utilities are also facing the need to secure new electricity capacity while nuclear reactors remain offline."

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