

Voluntary Report – Voluntary - Public Distribution

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Report Name: Japan Raises Carbon Intensity Value for Gasoline

Country: Japan

Post: Tokyo

Report Category: Biofuels, Policy and Program Announcements

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Report Highlights:

Japan's Ministry of Economy, Trade and Industry increased the greenhouse gas emission value of gasoline to 88.74 g-CO₂eq/MJ from 84.11 g-CO₂eq/MJ. Following this revision, Japan may further diversify its sourcing of bioethanol for fuel.

General Information:

Japan's [Sophisticated Methods of Energy Supply Structure Act](#) (hereafter the Sophisticated Act 2.0) encourages the use of renewable energy sources and a reduction in the reliance on fossil fuels. Sophisticated Act 2.0 established the annual biofuel target at 500 million liters of crude oil equivalent (or 824 million liters of ethanol) in the transportation sector. Despite the maximum allowed blend rate of 3 percent in Japan, the national average gasoline blend rate for ethanol (in the form of ethyl tert-butyl ether (ETBE)) trails at only 1.6 percent ([Japan Biofuels Annual 2019](#)). Sophisticated Act 2.0 sets Japan's biofuels policy in the transportation sector until April 2023, the start of Japanese fiscal year 2023.

On September 10, 2020, Japan's Ministry of Economy, Trade and Industry (METI) revised the Sophisticated Act 2.0 and increased the greenhouse gas emission value (or carbon intensity (CI) value) of gasoline to 88.74 g-CO₂eq/MJ from 84.11 g-CO₂eq/MJ (for the official announcement, see the [Japanese Government Gazette](#), available in Japanese only). The revision went into effect immediately.

The gasoline CI serves as the baseline emission value for bioethanol. During earlier reviews, METI has calculated CI values for ethanol produced from different starches ([JA8001](#); see [METI site](#) available in Japanese only). A higher CI value for gasoline may facilitate diversification of bioethanol sourcing by Japanese oil refineries.

In addition to the CI value revision, METI added greater flexibility to how Japan meets its bioethanol target of 500 million liters of crude oil equivalent. Prior to the latest revision, Japan could carry over the unfulfilled volume of its bioethanol target into the next fiscal year only if unusual weather or a natural disaster caused a bioethanol shortage. Following recent supply chain challenges and COVID-19 disruptions, METI expanded the list of conditions under which a carryover is allowed to facility accidents and gasoline demand shock.

The Sophisticated Act 2.0 revision is a culmination of a series of [Expert Committee meetings](#) between October 2019 and June 2020 followed by a public comment period ([JA2020-0131](#)).

Attachments:

No Attachments.