

# CONSIDERATIONS FOR DESIGNING AN EFFECTIVE POWER MARKET

Perspectives Sharing

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A business of Marsh McLennan

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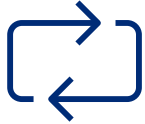
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# WHAT ARE THE KEY THEMES ?



## INTEGRATION OF GAS & POWER MARKET

Japan's strengths on its portfolio of

- A. Long-term LNG contracts
- B. LNG import/export infrastructure
- C. Commercial and technical capabilities and knowledge

Balancing an integrated Gas & Power market together is not a choice, considering less predictable renewables and capital-intensive nuclear restart

**What is the future of JKM?**

**Potential for standard spark-spread hedge in Japan referencing JKM and JEPX power prices?**

# WHAT ARE THE KEY THEMES ?

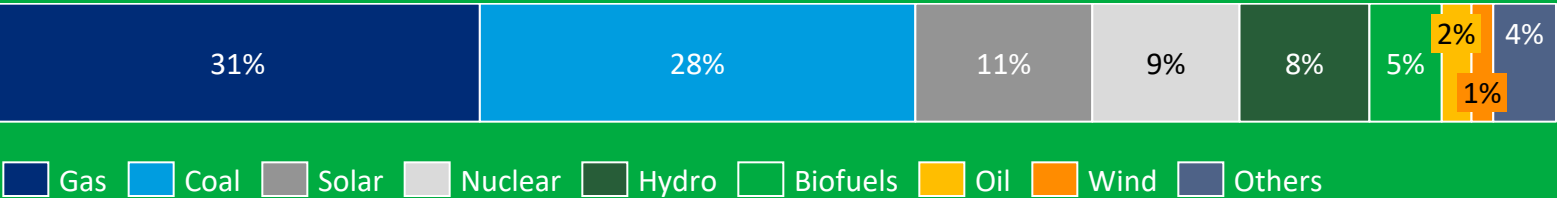


## CRITICALITY OF ENERGY TRANSITION

Energy market is undergoing a fundamental transformation, with a renewed emphasis on energy security as a foremost priority – temporarily superseding the accelerated push toward energy transition

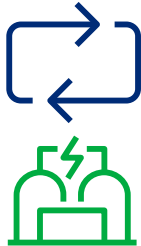
**But the criticality is here to stay**

Japan’s generation mix (2024/25 estimate)



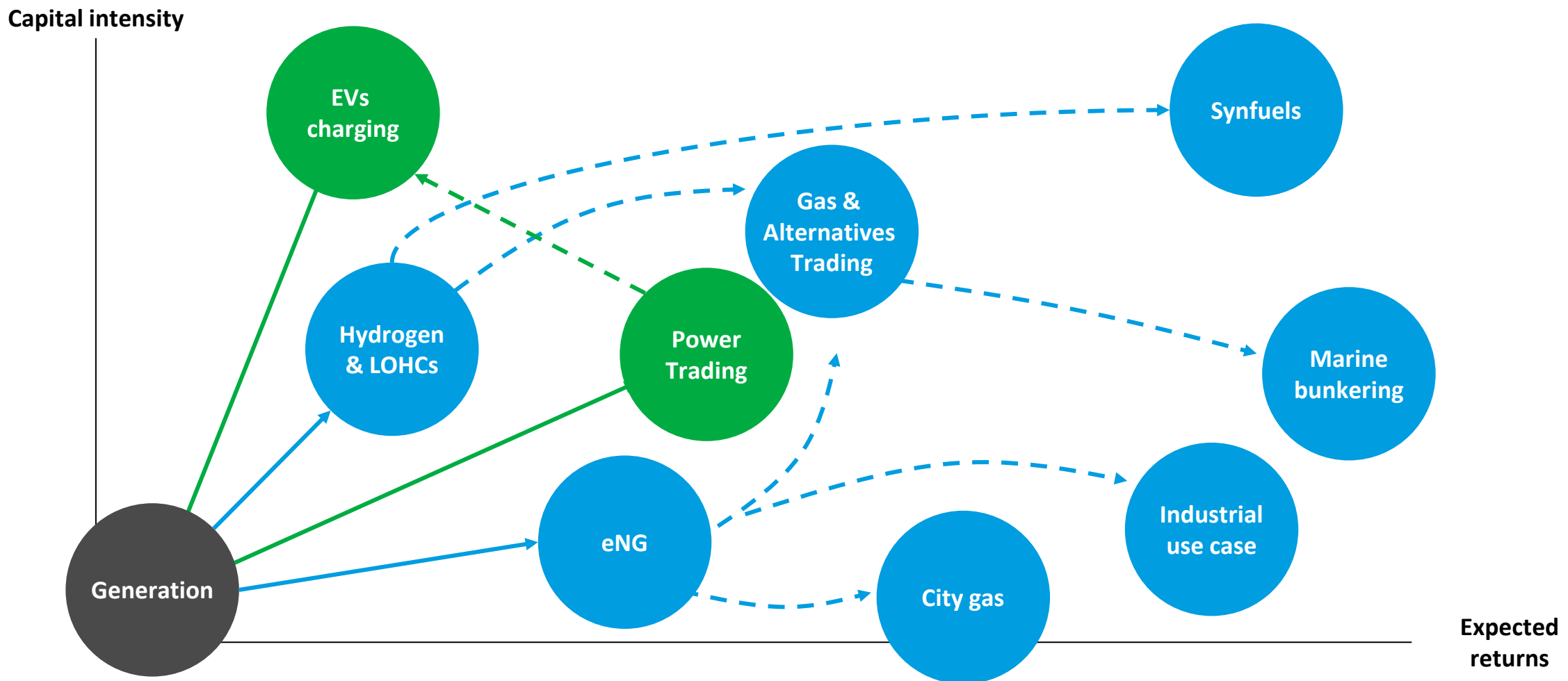
**What remains constant vs. what changes from here?**

**Flexible renewable play?**



# INTEGRATION OF GAS & POWER MARKET & CRITICALITY OF ENERGY TRANSITION

- Power Products
- Gas Products
- ➡ Growth pathway in power ecosystem
- ➡ Growth pathway in power ecosystem
- ➡ Growth pathway dependent on other pathway(s)



# WHAT ARE THE KEY THEMES ?



**NEED FOR JAPAN  
TAILORED PORTFOLIO  
SOLUTION**

## **Energy for AI & AI for Energy**

"Energy for AI" (the growing power demand of AI technologies) and "AI for Energy" (using AI to optimise the energy sector)

## **Data centres**

"What is the AI ecosystem? Where are the real opportunities?"

## **Aspiration for Japan**

"What is our unique proposition? How are we different?"

**The pivotal moment is coming.**

**We need to look at it as a portfolio, engaging not only regulatory but also business solution – it cannot be solved in isolation**



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