



**TOKYO
METROPOLITAN
GOVERNMENT**

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TOKYO 163-8001 JAPAN

March 19, 2008

Mr. Michael R. Peevey
President
Public Utilities Commission
State of California

Dear Mr. Peevey,

I would like to thank you for your letter addressed to Governor Shintaro Ishihara, expressing support of the initiatives taken by Tokyo to tackle climate change. Governor Ishihara has asked me to reply to your letter in my capacity as the officer in charge of environmental administration in the Tokyo metropolitan government.

We in Japan are very aware that California has taken a leading role in the United States in proactively implementing measures to combat climate change. Tokyo has also made it mandatory since fiscal 2002 for large-scale greenhouse gas emitters to formulate a reduction plan, thus implementing the most advanced climate change countermeasures in Japan that go far ahead of central government policy. I believe that the State of California and the Tokyo Metropolitan Government both hold similar, high aspirations to take the lead in promoting aggressive policies to avert the crisis of global warming.

Tokyo will build on current measures taken against climate change: we are scheduled to introduce a cap-and-trade system targeting large greenhouse gas emitting business establishments from fiscal 2010. Not only will this system be Japan's first mandatory reduction of total emissions, we believe that it may be the first such initiative in the world as well in the sense that it will also cover office buildings and other business sectors, many of which are located in large cities. Talks have been conducted with stakeholders since last year, with an ordinance scheduled to be proposed and enacted in the next fiscal year.

A variety of measures against climate change will also be implemented in addition to mandatory emission reduction by large-scale establishments. These include a system for small and medium-sized establishments to produce a report on energy conservation, mandatory energy conservation performance in large buildings and structures, introduction of solar energy equivalent to 1 million kilowatts in housing, implementation of an energy-saving labeling system for household electrical appliances, and formulation of rules for using fuel-efficient vehicles.

Under the leadership of Governor Ishihara, Tokyo has implemented its own regulations since 2003 to control gas emissions by diesel vehicles that also covered vehicles that were currently in use. This led to a dramatic improvement of Tokyo's air. By taking the lead in introducing stronger policy to tackle climate change, we hope to drive the implementation of such initiatives throughout Japan.

I am sure that for the State of California and the Tokyo Metropolitan Government—both leaders in implementing environmental policy ahead of their respective central governments—to exchange experiences would be extremely significant and of immense value to both parties. I hope we will be able to collaborate in many forms.

Yours sincerely,

吉川 和夫

Kazuo Yoshikawa
Director General
Bureau of Environment
Tokyo Metropolitan Government