Power Network Company

● Providing electric power network services

We will continue to reliably ensure the steady supply of electric power and contribute to the development of communities and societies by responding to their diversifying needs.

Masanori Matsuura
President
Power Network Company

Fiscal 2016 efforts

Efforts for achieving a stable supply

While the amount of renewable energy is increasing, which has a tendency to fluctuate, we are also working towards achieving stable supply and demand by utilizing the flexible capabilities of thermoelectric and pumped storage power generation, while also securing the necessary extra capacity for stable supply in the Chubu region. In addition, we are striving to stabilize transmission networks.
Moreover, while continuing to be extremely thorough with facility maintenance and inspections, we are steadily advancing the augmentation of our facilities in preparation for the retrofit of aging facilities, which are expected to increase in the future. We are also enhancing electric power accommodations with other companies.

Realization of reasonable wheeling fees and improved electric power network services

We are advancing efforts toward the realization of reasonable wheeling charges. These include reducing unnecessary power transformers, transmission lines, and other equipment in response to changes in supply and demand structures as well as forecasting needed renovations according to deterioration conditions. In addition, we are working to improve services through the utilization of ICT. For example, we are enhancing the transmission of power outage information by making power outage areas visible and exploring advanced ways to use smart meters, which are currently being installed.

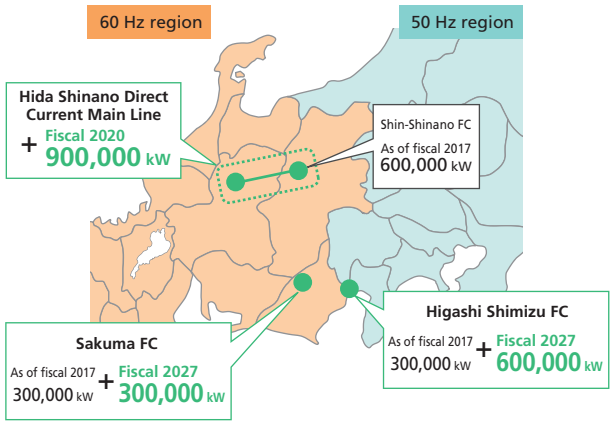
Efforts toward realizing what we aim for

	Issues	Efforts
Fulfilling our unwavering mission	• Increased amounts of work due to aging facilities • More renewable energy sources connected to transmission networks • Ensuring of stable power supply during the occurrence of large-scale natural disasters • Timely and suitable information distribution • Responding to the separation of power transmission businesses	• Rationalization of facility composition through the reduction of unnecessary facilities • Publication of unused transmission line capacities • Enhancement of frequency converters (FC) See page 46 • Diversification of outage information distribution See page 46 • Stabilization of area supply and demand through ensurance of power resources for regulation
Achieve simultaneously		
Creating new value	• Responding to diversifying energy utilization needs • Growth in the international energy market	• Overseas consulting business • Overseas power transmission business See page 46

Enhancement of frequency converters (FC)

We are advancing efforts to avoid long-term power outages to the greatest extent possible and provide stable power even if multiple large-scale power supplies should be cut off over a wide area due to the occurrence of a severe disaster. Specifically, in order to expand electric power accommodation between regions that use different frequencies, we are exploring the construction of an additional 900,000 kW of frequency converters to bring the total to 2,100,000 kW by fiscal 2020.

Moreover, with the goals of further securing supply capabilities during large-scale power outages and increasing electric power transactions, we are seeking to expand to 3,000,000 kW by fiscal 2027 by enhancing related grid facilities.



Diversification of outage information distribution

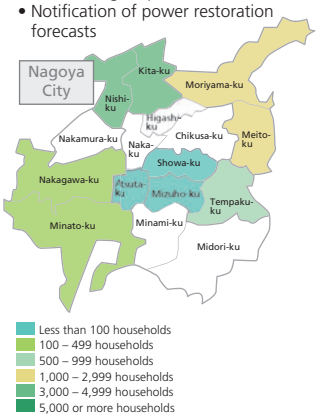
Previously, we had shown a list with the number of households and times affected by outages divided by region on the Chubu Electric Power web site. In addition to subdividing this data into town name units, we have made other revisions so that we can provide more useful information. For example, we now make areas visible where power outages occur utilizing map data and publicize restoration forecasts. We will continue to enhance the contents of notifications, including the publication of outage information and restoration status by contract unit.

We have also begun services to provide notifications about regional outages using email and smartphone apps.

In the future, we will keep utilizing ICT and other cutting-edge technologies to improve power network services for our customers and other grid users.

■ Revisions to how information is presented on our web site

- Power outage occurrence areas made visible using map data
- Notification of power restoration forecasts



■ Active notification through email notices, etc.

TOPICS

Efforts toward creating new value

In seeking to both "realize our unwavering mission" and "create new value," Chubu Electric Power continues to take on challenges in new fields so that we can ensure long-term and stable earnings.

In fiscal 2017, we began participating in a submarine power transmission business for offshore wind power plants in Germany. We will contribute greatly to the advancement of this project by utilizing our technologies and expertise related to the maintenance of power transmission and transformation with high reliability, abilities we have cultivated over the years as a power network company.

Moreover, we will continue to promote overseas consulting related to power transmission, including consideration of factors such as personnel cultivation and contributions to the societies of developing countries.

■ Overview of submarine power transmission business for offshore wind power plants in Germany