

Air Water Inc.
The Chugoku Electric Power Co., Inc.
Air Water & Energia Power Yamaguchi Corporation

Commencement of Commercial Operation of Hofu Biomass-Coal Mixed Firing Power Plant

We are pleased to announce you that Air Water & Energia Power Yamaguchi Corporation, a joint venture between Air Water Inc. (Head office: Chuo-ku, Osaka-shi, Osaka Prefecture, Chairman of the Board & CEO: Kikuo Toyoda) and The Chugoku Electric Power Co., Inc. (Head office: Naka-ku, Hiroshima-shi, Hiroshima Prefecture, President & Chief Executive Officer: Mareshige Shimizu), commenced the commercial operation of Hofu Biomass-Coal Mixed Firing Power Plant yesterday.

1. Main Background of the Power Plant Construction

- September, 2014 Air Water Inc. and The Chugoku Electric Power Co., Inc. started discussing the environmental impact assessment of the construction of this power plant
- February, 2015 “Air Water & Energia Power Yamaguchi Corporation”, an electricity generation company whose purposes are to operate and maintain this power plant and sell electricity was established
- June, 2017 Construction work began
- 0:00 am on Sunday, July 21, 2019 Commercial operation began

2. Characteristics of the Power Plant

Utilizing the Feed-in Tariff system (FIT system) for renewable energy, this power plant uses fuel consisting of up to approximately 50% of unused wood sourced from Yamaguchi Pref. Federation of Forest Owners Cooperative Association and woody biomass, such as PKS* imported from overseas, and is expected to generate approximately 800 million kWh of electricity annually.

Through the electricity generation business at this power plant, Air Water & Energia Power Yamaguchi Corporation shall aim to help regional revitalization, such as promoting and creating employment in the forest industry of Yamaguchi Prefecture, by effectively using unused resources that had no use and were abandoned in the forests, work on renewable energy generation where regional resources are recycled and contribute to prevent global warming.

* PKS (Palm Kernel Shell): Dried palm shell fractions which are left after the oil has been extracted and used as fuel.

3. Outline of the Operating Company

Company name : Air Water & Energia Power Yamaguchi Corporation
Address : 3-1 Kanebo-cho, Hofu-shi, Yamaguchi Prefecture
Representative : President, Koji Inomata
Establishment : February, 2015
Capital : 2 billion yen
Stockholders : Air Water Inc. (51%),
The Chugoku Electric Power Co., Inc. (49%)

4. Outline of the Power Plant

Name : Hofu Biomass-Coal Mixed Firing Power Plant
Address : 3-1 Kanebo-cho, Hofu-shi, Yamaguchi Prefecture
Power generation method: Circulating fluidized bed boiler (CFB)
Generation capacity: 112,000 kW (Generator-end output)
Expected annual electricity generation: Approx. 800 million kWh
Fuel: Woody biomass (unused wood in Yamaguchi Prefecture, PKS, etc.), coal
* Co-firing rate (heat quantity basis) Biomass 50%: Coal 50%

[Exterior view of Hofu Biomass-Coal Mixed Firing Power Plant]



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