Daigas Group to Start Supply and Demand Management Service for Self-Wheeling Using a Solar Power Generation System —Collaboration in the Self-Wheeling Project of KANEKA CORPORATION—

October 11, 2022 Osaka Gas Co., Ltd. Daigas Energy Co., Ltd.

In December 2022, Osaka Gas Co., Ltd. (President: Masataka Fujiwara, hereinafter "Osaka Gas") and Daigas Energy Co., Ltd. (President: Masayuki Inoue, hereinafter "Daigas Energy") will start to collaborate with KANEKA CORPORATION (President: Minoru Tanaka, hereinafter "KANEKA") for the self-wheeling of electricity generated by KANEKA's solar power generation system.

Self-wheeling is a system to transmit the power generated at a company's own power generation facility to another facility located at a different site via the power grid of a general power transmission and distribution company. In particular, self-wheeling using renewable energy sources, such as non-FIT solar power generation systems, is attracting increasing attention as a means of contributing to decarbonization because it makes it possible to use renewable electricity even in places where it is difficult to install renewable energy sources.

In December 2022, KANEKA will start self-wheeling of part of the electricity generated by the solar power generation system at the KANEKA Takasago Logistics Center (Takasago City, Hyogo Prefecture) to Kaneka Foods Manufacturing Corporation (Kobe City, Hyogo Prefecture).

Osaka Gas and Daigas Energy will provide general supply and demand management services necessary for self-wheeling, such as creation of power generation/sales plans and demand/procurement plans, submission of the plans to the Organization for Cross-regional Coordination of Transmission Operators, and the bearing of an imbalance fee.

In the creation of power generation/sales plans and demand/procurement plans, it is necessary to accurately predict output and demand in order to prevent imbalances. In particular, the output of solar power generation varies greatly depending on weather conditions. Therefore, Osaka Gas's own weather forecasting technology* and the AI developed independently by Osaka Gas will be used.

Surplus electricity that will not be consumed by KANEKA even with self-wheeling will be purchased by Osaka Gas.

The Daigas Group announced the "Daigas Group Carbon Neutrality Vision" in January 2021. Daigas Energy will provide low-carbon and decarbonization solutions that leverage the strengths of an energy company, represented by the "D-Lineup," to solve customer issues and contribute to the realization of a carbon-neutral society, which is an important social issue.

^{*} Please refer to the announcement "the company obtained permission to provide a weather forecasting service" released on September 7, 2018.

(https://www.osakagas.co.jp/company/press/pr_2018/1273577_37838.html) (in Japanese) This technology enables detailed forecasting that takes topographical effects into consideration by dividing the forecast area into small high-resolution meshes and performing data analysis. Machine learning based on observation data is combined for even higher accuracy.