



Immediate Release

JCLP Launches a Project to Promote Corporate PPAs

Demonstrate and examine new schemes to expand renewable energy in Japan

Tokyo, Japan – May 7, 2020 - Japan Climate Leaders' Partnership (JCLP) has announced the launch of a new renewable energy project. The JCLP 'Project for the Development of Corporate Power Purchase Agreements (PPAs)' aims to establish and promote a new facilitation scheme to accelerate the growth of renewable energy use in Japan.

Aim of the project: As a group of companies working towards a zero-carbon society, the JCLP has been making policy recommendations for decarbonization and providing practical support by, for instance encouraging organizations to join the RE100, EV100 and EP100 initiatives.

Renewable energy is at the core of decarbonization, but in order to move away from the feed-in tariff (FIT) mechanism and maximize the transition, it must be competitive. The lowest accepted price in the mega-solar tenders held in FY2019, which took place under the FIT scheme, was below 11 JPY/kWh. We are also beginning to see examples of solar systems for self-consumption installed at affordable prices¹. Solar PV is clearly becoming a competitive power source.

In recent years, the increase in the uptake of renewable energy around the world has been driven by (participatory) corporate power purchase agreements (corporate PPAs), a scheme through which corporate consumers of electricity procure renewable energy proactively, for example, by investing in power generation projects.

The newly launched JCLP 'Project for the Development of Corporate PPAs' aims to create a new scheme in Japan through which the insight and ingenuity of corporate consumers and renewable generators can be brought together to promote renewable energy as a competitive power source.

It is hoped that this initiative will enable sustained growth of renewable energy, aid the shift away from the FIT mechanism and even help to make renewable energy the main power source of the country.

Project outline:

The Project for the Development of Corporate PPAs will be set up within the JCLP and the following actions will be taken, primarily by executive members of the JCLP:

- ♦ Consider details of the corporate PPA scheme for Japan and examine challenges and obstacles for implementation
- ♦ Make recommendations on system and policy frameworks for corporate PPAs
- ♦ Provide support for the development of corporate PPAs (e.g., carry out feasibility studies, consider and help to construct an operational structure)

¹ [RE100 Annual Report 2019](#)

Action plan:

- ♦ H1 FY2020: Consider details of PPA scheme; invite and examine power supply development projects 2020
- ♦ H2 FY2020: Assess the state of implementation of the developed corporate PPAs and consider further actions, e.g., to improve the scheme.

What is a corporate PPA

A corporate power purchase agreement, or a corporate PPA, is a contract under which a corporation buys renewable electricity directly from a power generator. The use of corporate PPAs is growing, particularly in the US and Europe, as a new way of driving the transition to renewable energy, led by the private sector, in the post-FIT world.

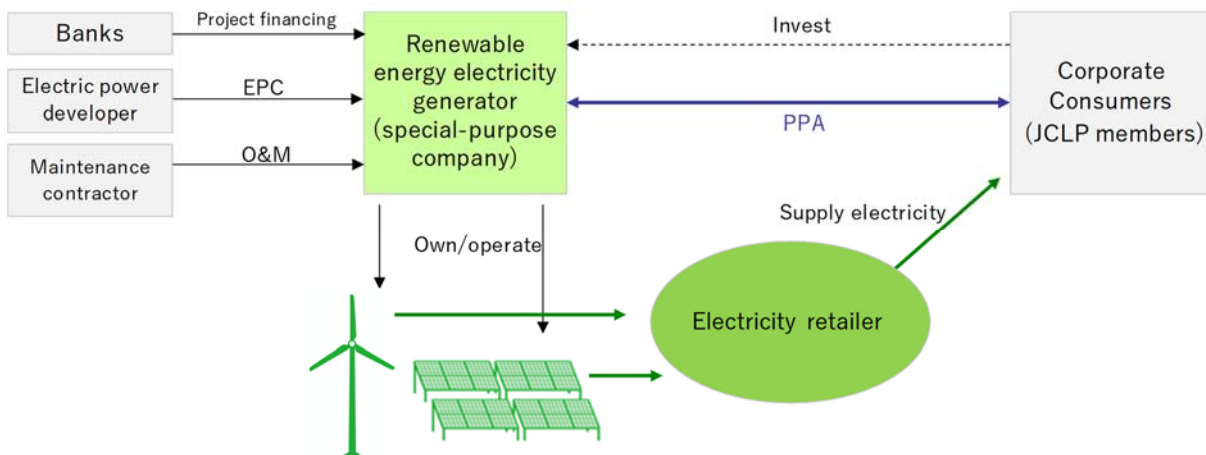


Figure: How the scheme works

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Japan Climate Leaders' Partnership (JCLP) is a coalition of companies (141 as of May 2020) that aims to create a zero-carbon society, built on the idea that decarbonization is essential to economic development. It was set up in 2009 to encourage the business sector to develop a sense of urgency on climate action. The members share a common goal and proactively communicate with policy makers, business peers and the civil society. The coalition has a unique focus on policy engagement to accelerate decarbonization in the country. Since April 2017, JCLP has been The Climate Group's regional delivery partner on RE100, EP100 and EV100 initiatives in Japan. <https://japan-clp.jp/en>

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