

RE100 Japan Policy Recommendations



Modelling by the International Energy Agency shows that G7 advanced economies must reach net zero emissions for their electricity sectors by 2035, and triple installed renewables capacity by 2030, in order to reach net zero globally by 2050¹.

At COP28 Japan was one of over 100 countries to commit to tripling globally installed renewable energy capacity by 2030 from 2022 levels, marking an important step in its efforts to align with a 1.5°C world and hit its own 2050 net zero target².

RE100 suggests setting a target for Japan to triple its installed renewable energy capacity from 121GW in 2022 to 363GW by 2035, at the latest, in the forthcoming 7th Strategic Energy Plan³. This takes into consideration the current policy landscape, [IGES 1.5°C roadmap research](#), and local challenges for Japan.

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x3

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1 International Energy Agency. 2023. "Net Zero Roadmap a Global Pathway to Keep the 1.5 °c Goal in Reach." 2023. [iea.blob.core.windows.net/assets/4d93d947-c78a-47a9-b223-603e6c3fc7d8/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf](https://www.iea.blob.core.windows.net/assets/4d93d947-c78a-47a9-b223-603e6c3fc7d8/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf).

2 United Nations Climate Change. 2023. "COP28: Global Renewables and Energy Efficiency Pledge." www.cop28.com. 2023. www.cop28.com/en/global-renewables-and-energy-efficiency-pledge.

3 International Renewable Energy Agency. 2024. "Renewable Energy Statistics 2024" n.d. [mc-cd8320d4-36a1-40ac-83cc-3389-cdn-endpoint.azureedge.net/-/media/Files/IRENA/Agency/Publication/2024/Mar/IRENA_RE_Capacity_Statistics_2024.pdf?rev=a587503ac9a2435c8d13e40081d2ec34](https://www.irena.org/Files/IRENA/Agency/Publication/2024/Mar/IRENA_RE_Capacity_Statistics_2024.pdf?rev=a587503ac9a2435c8d13e40081d2ec34).



To achieve this target, over 420 of the world's biggest and most influential corporates, including 87 headquartered Japanese companies, call on the Japanese government to take the following policy recommendations into account:



1. Implement policies promoting transparent and fair electricity prices, aiming to improve the cost-effectiveness of renewable electricity generation and pricing.

- ▶ Ensure predictable and fair cost allocation of regulated cost-adders between generators and end-users by clarifying balancing and connection costs.
- ▶ Fairly recognise renewable energy efforts in upcoming carbon pricing policy by exempting renewable energy purchasers from the levy.
- ▶ Enable transparent cost comparison by disclosing how generation costs of each respective power source is calculated, including indirect subsidies.



2. Establish a target to triple installed renewable energy capacity from 121GW in 2022 to 363GW by 2035, at the latest, in order to grow the Japanese renewables industry and increase the domestic supply of renewables.

- ▶ Integrate the demand side voice in decision making on renewable energy policies by assigning them seats on relevant committees.
- ▶ Improve inter-ministerial coordination and alignment to streamline renewable energy siting and permitting application processes and approvals.
- ▶ Speed up and expand the size of the offshore wind auction and installation process.
- ▶ Review land-use regulation in consideration of the natural environment and local acceptance to support the expansion of renewable energy.



3. Improve access to Physical and Virtual Corporate Power Purchase Agreements (PPAs) by establishing streamlined processes and removing barriers for buyers and suppliers.

- ▶ Establish clear guidelines to promote initiating and executing Physical and Virtual Corporate PPA contracts.
- ▶ Include wording on the positive impact of Corporate PPAs for expanding new renewables projects in any government roadmaps and plans.
- ▶ Improve the incentive for renewable electricity purchases in Corporate PPAs that are not in the FIT/FIP scheme.
- ▶ Improve the accessibility of Corporate PPAs through supporting an environment where off takers can interact with a broader range of suppliers.
- ▶ Identify and resolve issues in virtual PPA accounting practices, so that there is no additional burden for buyers.





4. Prioritise grid upgrades and operational improvements to speed up the connection time for new renewables projects and maximise usage of existing renewables to avoid curtailment.

- ▶ Improve the regularity of demand and supply forecasting to advance short term planning and increase grid infrastructure and power system data transparency for long-term planning.
- ▶ Incentivise grid operators to invest in grid-enhancing technologies that support the efficient and flexible use of existing grid infrastructure.
- ▶ Dedicate more funds to grid operators to better enforce the connect and manage scheme and reduce the long lead time to connect new renewables projects.
- ▶ Improve grid flexibility and resilience by maximising the use of decentralised renewables, with an emphasis on solar projects.



5. Mobilise 17.9-18.1 Trillion Yen in public and private investment from 2025-2030 towards renewable electricity and related technologies⁴.

- ▶ Strengthen market predictability by increasing investment from Green Transformation (GX) Transition Bonds, or by issuing new green bonds, into proven domestic renewable energy technologies.
- ▶ Increase investment in energy storage and management schemes to respond to the variability of renewables.
- ▶ Ensure greater alignment with grid masterplan and renewable targets by improving short- and medium-term investment in enhancing the transmission and distribution network, including regional inter-transmission lines.



6. Simplify Non-Fossil Certificates (NFCs) issuing, tracking and certifying system to better align with international standards.

- ▶ Introduce more flexible contract lengths, such as by extending the validity period to allow for better annual matching between supply and demand.
- ▶ Provide clearer future projections of what NFC floor prices and NFC price trends are likely to be.
- ▶ Enhance the transparency of NFCs by disclosing granular information on the time at which renewable generation occurs and its location prior to purchasing.
- ▶ Adjust the trading system from four auctions a year to more frequent buying options.

4 Institute for Global Environmental Strategies (IGES). 2023. "IGES 1.5 Degree Roadmap: Main Report (Japanese)" www.iges.or.jp/en/publication_documents/pub/technicalreport/en/13274/IGES1.5degreeRoadmap_SummaryReport_EN.pdf

