

**June 2023**

**RE-Users Working Group**

# **Issues and Recommendations on Renewable Electricity Procurement**

---

**Secretariat : Renewable Energy Institute**

# Progress by RE100 Members (2021)

Country	# of members (HQ location)	# of members (operation)	Total Electricity Consumption	Share of Renewables
US	94	221	105 TWh	68%
UK	46	183	12 TWh	99%
Germany	15	165	12 TWh	85%
China	6	211	30 TWh	32%
Japan	66	173	28 TWh	15%
Global	334	334	376 TWh	49%

Source: Data from RE100

# 10 Major Issues

## ● Issues related to Corporate PPAs

1. It takes a lot of time and effort to conclude a contract.
2. Suitable sites for construction of power generation facilities are limited.
3. Unable to obtain cooperation from suppliers. (for physical PPAs)
4. Accounting treatment is not defined. (for virtual PPA)

# 10 Major Issues

## ● Issues related to Electricity Procurement

5. Limited means of procuring additional electricity.
6. Supply of electricity other than solar power is not increasing.
7. Non-fossil Certificate is too complicated to use.
8. Growing concerns about environmental impact and human rights issues.
9. Competitiveness of new suppliers is declining.
10. Frequent changes in domestic and international systems.

# **5 Recommendations to the Government and Suppliers**

- 1. Develop and publish guidelines for corporate PPAs.**
- 2. Promote development of renewable electricity with additionality.**
- 3. Improve the Non-fossil Certificate system in line with international requirements.**
- 4. Establish fair playing fields for electricity suppliers.**
- 5. Enhance domestic development of renewable energy-related technologies.**

# Recommendations

## 1. Guidelines for corporate PPAs.

- Process and items to be considered before concluding a contract.
- Methods for calculating the contract price and evaluating its appropriateness.
- Risks and solutions for long-term contracts.
- Guidelines for electricity suppliers.
- Scope of legal systems and points to note.
- Accounting and taxation.
- Standard contract items.

# Recommendations

## 2. Promote additional renewable electricity.

- Expanding suitable land through deregulation.
- Promoting offshore wind in the Exclusive Economic Zones.
- Improving grid connection.
- Reduction of curtailment.
- Optimizing the environmental assessments.
- Expanding green products with additionality.
- Introducing a labeling system.
- Exempting renewable surcharges for corporate PPAs.

# Recommendations

## 3. Improve the Non-fossil Certificate system.

- Tracking (all the certificates should have attribute information at the time of issuance).
- Trading (new methods other than the auctions 4 times a year).
- Transaction prices (abolishing the minimum price, allowing each certificate to set its own price)
- Restrictions on purchasers (all the certificates should be purchased by any type of business).
- Expiration dates (relaxing the restriction from the same fiscal year to an appropriate period)

# Recommendations

## 4. Establish fair playing fields for electricity suppliers.

- Fair competitive environment between traditional utilities and new suppliers.
- Transparency of the wholesale market transactions (monitoring internal transactions etc.)
- Supporting measures for new suppliers (for spike of the market price etc.).

# Recommendations

## 5. Enhance domestic technology development.

- Developing power generation technologies suitable for Japan (floating offshore wind etc.)
- Reducing generation cost of small hydro and geothermal with expanding appropriate locations.
- Technologies to reduce environmental impacts of hydro and biomass power generation.
- Improving battery technologies and the cost.
- Establishing domestic supply chains.
- Cultivating local industries with local governments.