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Japan Renewable Energy Corporation

## **JRE Converts Certification of Active Commercial Solar Power Plant in Nagano from FIT to FIP Operation**

Japan Renewable Energy Corporation (“JRE”; headquartered in Minato-ku, Tokyo; CEO: Kazuhiro Takeuchi) is pleased to announce that the certification of its Nagano Omachi Solar Power Plant (“the Plant”), a facility engaged in commercial operation from April 1 of this year in Nagano Prefecture, was converted from the fixed price Feed-in Tariff (FIT) system to the Feed-in Premium (FIP) system<sup>1</sup>, effective November 1. This move ranks the Plant as one of earliest of all such facilities, even among those certified by the Agency for Natural Resources and Energy under Japan’s Ministry of Economy, Trade and Industry, to have commenced operations in accordance with the FIP approach.

On this occasion, JRE has entered into a power purchase agreement (PPA) with its wholly owned subsidiary JRE Trading Corporation (“JRET”; headquartered in Minato-ku, Tokyo; Representative Director: Takahisa Nakagawa), stipulating that JRE shall sell all of the Plant’s power to JRET. In keeping with this PPA, JRET assumes the additional risks of converting to the FIP mode (power imbalances<sup>2</sup>, etc.), while agreeing to purchase the electricity and make monthly payments to JRE. This arrangement will be used in making adjustments to ensure that income including subsidy from the Organization for Cross-Regional Coordination of Transmission Operators, Japan (OCCTO) is treated on a fixed price basis for JRE.

The JRE Group moved from early on to accumulate experience and expertise in power supply operations under the FIP scheme. Going forward, the aim is to advance acceptance of fixed pricing for FIP projects, commercialization in the energy aggregation field utilizing storage batteries and other growth-oriented endeavors.

1. FIP (Feed-in Premium) system: This method differs from the FIT (Feed-in Tariff) system, under which power is purchased at fixed prices. The FIP format is structured to promote introduction of renewable energy by adding a fixed premium (subsidy) to the power selling price, based on the premise of power sales on the wholesale market and other destinations.

2. Power imbalances: Differences between power generation planned value and actual power generated.

< Conceptual Diagram >



About JRE Trading Corporation (JRET)

Wholly owned functional subsidiary of JRE established in 2021 to serve in the renewable energy wholesale supply and aggregation field, targeting early realization of an integrated market for renewable energy.

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[Reference]

JRE Nagano Omachi Solar Power Plant

Name	JRE Nagano Omachi Solar Power Plant
Capacity	2,442.9 kW
Total Planned Annual Generation	Approx. 3,500,000 kWh
Plant Operation Startup	April 1, 2022
FIP Conversion Date	November 1, 2022
Other Matters	A data center has been constructed on the grounds of the Plant, thereby enabling the supply of computing power through 100% renewable energy.

[Photo: JRE Nagano Omachi Solar Power Plant]

