

Japanese businesses urgently call on the Government to take concrete action on renewable energy

Over 420 of the world's biggest and most influential corporates, including 87 Japanese headquartered companies, strongly encourage the Japanese government to deliver greater ambition in its upcoming renewable energy plans. RE100 members urge the government to take advantage of the opportunities present in the net zero transition and set a target to triple its domestically installed renewable energy capacity to 363GW by 2035, at the latest, in the forthcoming 7th Strategic Energy Plan.

Renewable energy is a critical tool in maximising the economic opportunities of net zero. By harnessing its potential, Japan can not only fuel economic growth by expanding its domestic market but strengthen its national [energy security](#) and enable greater flexibility with the national budget that currently is heavily spent on [expensive fossil fuel imports](#).

Redirecting energy financing towards the domestic market will also minimise the costs of the energy transition for society and help Japanese companies reach their climate goals much faster, in line with global competitors. This will encourage substantial job creation, alongside the economic benefits these new jobs will bring.

To achieve a tripling of renewable energy capacity and demonstrate global leadership, RE100 members are calling for greater ambition and more concrete action from the Japanese government. Outlined below are the priority actions as identified by RE100 members, with the full, detailed recommendations outlined in the [RE100 Japan Policy Recommendations](#).

1. Implement policies promoting transparent and fair electricity prices, aiming to improve the cost-effectiveness of renewable electricity generation and pricing.
2. Improve access to Physical and Virtual Corporate Power Purchase Agreements (PPAs) by establishing streamlined processes and removing barriers for buyers and suppliers.
3. 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.

Adoption of the above priorities and wider recommendations will help mobilise domestic and international private investment on renewables. These investments will enable Japan to seize the opportunities of the energy transition and gain recognition as a global leader in the green transition.

RE100 was encouraged by the ambition shown in the 6th Strategic Energy Plan (2021), increasing the renewable target from 22-24% to 36-38% and the clear market signal this sent on ambition for a grid powered by renewables.

Although important progress has been made, Japan's ambition on renewables is still significantly behind other G7 economies. RE100 members annually cite Japan as one of the top two most challenging markets to procure renewables. This is a missed opportunity. Despite RE100 members ambitious commitments, they reported procuring only 25% of their electricity from renewable sources in Japan in 2022, compared to the 50% global average.

The Japanese government must demonstrate ambitious leadership on renewables in the upcoming 7th Strategic Energy Plan to keep pace with RE100 companies' commitments and benefit from global competition. Implementing the recommendations we have outlined would help Japan meet the commitments made by the Japanese government at COP28 and this year's G7, and continue to improve the affordability, accessibility, and availability of renewables in Japan.

At this critical moment in Japan's national energy policy ambitious leadership is needed on renewables to enable business to support Japan in its journey to a net-zero economy.

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