

Subsidies for Promoting the Introduction of Clean Energy Vehicles and Infrastructure in the FY2021 Supplementary Budget

1. About the Subsidies for Promoting the Introduction of Clean Energy Vehicles and Infrastructure in the FY2021 Supplementary Budget

The FY2021 Supplementary Budget Draft approved by the Cabinet on November 26 established subsidies for the purchase of electric vehicles, plug-in hybrid vehicles, and fuel cell vehicles, as well as subsidies for the development of charging and hydrogen fueling infrastructure. The Supplementary Budget for FY2021 was enacted on December 20.

To be eligible for the vehicle purchase subsidy, the vehicle must have completed its new vehicle registration (registered vehicles) or new vehicle inspection (light motor vehicles) on or after November 26, 2021.

To be eligible for the subsidy for charging and hydrogen fueling infrastructure development, construction work must begin after the start of the application period, once the application has been submitted and reviewed. Applicants must not purchase equipment or start construction work in advance.

***Applications will be accepted by the private organization that implements this program (Next Generation Vehicle Promotion Center: NeV).**

The details of the program and necessary procedures for applying for the subsidy will be announced by NeV. Please note that applications will close as soon as the total application amount exceeds the budgeted amount.

2. Overview of the subsidies

The FY2021 Supplementary Budget included subsidies to support the introduction of electric vehicles, plug-in hybrid vehicles, and fuel cell vehicles, as well as the development of charging and hydrogen fueling infrastructure essential for the widespread use of these vehicles.

The objective of these subsidies is to encourage the creation of demand and reduction of prices for vehicles with excellent environmental performance that can be used as emergency power sources in times of disaster, as well as to promote the development of charging and hydrogen

fueling infrastructure throughout Japan, which is inextricably linked to the widespread use of these vehicles, in order to achieve carbon neutrality by 2050.

In line with this objective, the Ministry of Economy, Trade and Industry (METI) will grant subsidies for the following programs to be carried out by the program implementer.

*Note 1: Subsidies will be granted to applicants via the aforementioned private organization.

*Note 2: This budget program differs from the “subsidy for promoting the introduction of clean energy vehicles” and “subsidy for the cost of projects to develop hydrogen stations to promote the spread of hydrogen fuel vehicles” in the FY2022 budget proposal. Details of programs budgeted for FY2022 are not shown on this page.

3. Targets and conditions, etc. of the subsidies

(1) Subsidy program for the introduction of electric vehicles, plug-in hybrid vehicles, and fuel cell vehicles

i. Target of the subsidy

A portion of the purchase costs for electric vehicles, plug-in hybrid vehicles, and fuel cell vehicles

ii. Entities eligible for the subsidy

Individuals, corporations, local governments, etc., who purchase eligible vehicles

*Note 1: Vehicles must be for private use and registered for the first time.

*Note 2: Applicants may not apply for duplicate subsidies provided by the Government of Japan, including the initial FY2021 program. Applicants are allowed to apply for duplicate subsidies provided by local governments.

*Note 3: Leased vehicles are also eligible for application; however, as in the initial FY2021 program, the leasing company (the owner of the vehicle) must apply, and the subsidy will be granted to the leasing company. In addition, the subsidy will be granted on the condition that the user’s monthly lease payments for the vehicle will be reduced by the amount equivalent to the subsidy, and related documentation will be required at the time of application.

iii. Specific vehicles eligible for the subsidy

The vehicle types and grades expected to be eligible for this subsidy are summarized in [Attachment 1], Vehicles eligible for subsidies will continue to be added as needed when new vehicles are announced by manufacturers, etc., after review by an external review board (the external review board established under the project implementer; the same applies hereinafter).

iv. Start of subsidy eligibility

Vehicles that have completed the new vehicle registration (registered vehicles) or new vehicle inspection (light motor vehicles) on or after November 26, 2021

v. Maximum amount of subsidy

- Electric vehicles (excluding light motor vehicles): Maximum 650,000 yen
- Electric light motor vehicles: Maximum 450,000 yen
- Plug-in hybrid vehicles: Maximum 450,000 yen
- Fuel cell vehicles: Maximum 2,300,000 yen
- Ultra compact mobility: Fixed amount of 250,000 yen (individuals), fixed amount of 350,000 yen (service use)

The maximum subsidy amount is different for vehicles that meet conditions A or B below.

<Conditions>

A. Vehicle with a power supply function that can supply power from an in-vehicle power outlet (1500 W/AC 100V)

B. Vehicle that can supply power via an external power feeder or V2H bidirectional charger

- Electric vehicles (excluding light motor vehicles): Maximum 800,000 yen
- Electric light motor vehicles: Maximum 550,000 yen
- Plug-in hybrid vehicles: Maximum 550,000 yen
- Fuel cell vehicles: Maximum 2,550,000 yen
- Ultra compact mobility: Fixed amount of 350,000 yen (individuals), fixed amount of 450,000 yen (service use)

vi. Cooperation during times of disaster

Electric vehicles and fuel cell vehicles, etc., when equipped with external power supply functions, can be used as emergency power sources in the event of a disaster.

In the event of a disaster or other emergency in the area, owners may be asked for their cooperation in supplying electricity as much as possible.

(2) Subsidy program for the introduction of charging infrastructure for electric vehicles and plug-in hybrid vehicles

i. Target of the subsidy

A portion of the facility purchase and construction costs for charging electric vehicles and plug-in hybrid vehicles

*Private home installations are excluded. Eligible charging facilities must be usable by multiple people.

ii. Entities eligible for the subsidy

Corporations, local governments, etc., installing eligible facilities

iii. Major changes from initial program budgeted in FY2021 (expected)

The main items in this supplementary budget program that will be changed or expanded from the initial program budgeted in FY2021 are as follows:

- Facility cost of fast chargers: A subsidy bracket will be created for devices with three or more charging ports.

- High-voltage power receivers required for the installation of fast chargers (50 kW or greater): Subsidy amount will be increased for construction costs as expenses for ancillary equipment.

- The maximum number of units that can be included in subsidy applications will be relaxed.

- The subsidy amount will be expanded for chargers and ancillary equipment with a demand control function that allows for coordination between the facility's electricity supply and demand and the amount of charging when multiple units are installed at a housing complex or similar dwelling facilities.

Etc.

iv. Period of subsidy eligibility

The program implementer will start the subsidy program and begin accepting applications in the future. Purchase of equipment and construction work can begin once the applicant has submitted a charging facility installation project plan, the plan has been screened, and the eligible subsidy amount has been confirmed for issuance. After construction has been completed, a performance report will be required immediately to finalize the procedures. **Please note the project will not be recognized if it begins before the subsidy has been confirmed for**

issuance.

v. Subsidy rates and maximum amounts

The subsidy rate varies depending on the type of charging (en-route charging, destination charging, or base charging). In addition, the maximum subsidy amount varies depending on factors such as the installation location and power output.

- En-route charging - Facility cost: Fixed amount; Construction cost: Fixed amount
- Destination charging - Facility cost: 1/2; Construction cost: Fixed amount
- Base charging - Facility cost: 1/2; Construction cost: Fixed amount

*A maximum amount applies to all of the above.

(3) Hydrogen fueling infrastructure development program

i. Target of the subsidy

A portion of the costs of installing facilities to supply hydrogen to fuel cell vehicles, etc., and of activities related to the creation of new demand for fuel cell vehicles, etc.

ii. Entities eligible for the subsidy

Private organizations, local governments, individual entrepreneurs, etc., that install facilities to supply hydrogen to fuel cell vehicles, etc.

iii. Major changes from initial program budgeted in FY2021 (expected)

The main items in this supplementary budget program that will be changed or expanded from the initial program budgeted in FY2021 are as follows:

- Subsidies will be provided to smaller-scale fueling facilities with a hydrogen fueling capacity of 50 Nm³/hr or less.
- The maximum subsidy amount will be increased for the new installation of fueling infrastructure if two lanes are installed from the beginning.
- Subsidies will be provided to expand the capacity of existing hydrogen fueling infrastructure.

iv. Period of subsidy eligibility

The program implementer will start the subsidy program and begin accepting applications in the future. For both the hydrogen fueling infrastructure installation project and demand creation activity project, work can begin once the applicant has submitted the project application, the project has been screened, and the eligible subsidy amount has been confirmed for issuance.

In order to finalize the procedures, a performance report will be required within 30 days of completion of subsidized projects, or by February 28, 2023 (tentative) for the installation project, and by March 10, 2023 (tentative) for the activity project.

v. Maximum amount of subsidy

For the installation project, the subsidy rate and maximum subsidy amount will vary depending on the hydrogen fueling infrastructure facility's size, supply capacity, supply method, and other factors.

For the activity project, the maximum subsidy amount will vary depending on the hydrogen fueling infrastructure facility's size, supply capacity, supply method, and other factors.

Attached materials

Attachment 1: [List of estimated subsidy amounts for subsidized vehicles and facilities \(tentative version\)](#) <in Japanese>

Attachment 2: [Subsidy overview illustration](#) <in Japanese>

Contact for inquiries

About the (1) subsidy program for the introduction of electric vehicles, fuel cell vehicles, etc. and (2) subsidy program for the introduction of charging infrastructure for electric vehicles and plug-in hybrid vehicles:

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