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About Japan's Feed-In Tariff (FIT)

The Introduction of Japan's FIT System for Renewable Energy

Japan's FIT policy for renewable energy was enacted at the beginning of July 2012 with the broad support of the Japanese public in order to accelerate the adoption of renewable energy. The policy uses an incentive structure to create a virtuous cycle of investment, innovation, and cost reductions.

Under Japan's FIT system, electric utilities and merchants purchase renewable-generated electricity at prices and contract durations set by the Ministry of Economy, Trade and Industry. End-users then pay a surcharge to help cover the renewable portion of the total power supply.

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The FIT system was designed to stimulate investment in renewable energy generation by guaranteeing the purchase of electricity over the long term. This increases the likelihood of recouping the sizeable upfront cost of plant construction.

When the policy was enacted, the initial feed-in tariff was 40 yen/kWh (for plants larger than 10kW). For new contracts, the tariff is updated on an annual basis to reflect changes in construction costs due to technological innovation or increased competition. However, in principle, once the contract terms have been fixed, there will be no changes until contract maturity.

Tariff and Contract Period for Solar Power Plants of 10kW or More

Contract Period (Japan Fiscal Year)	Tariff (JPY/kWh)	Contract Duration



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- 3/31/14)		
2014 (4/1/14 - 3/31/15)	32	20 Years
2015 (4/1/15 - 6/30/15)	29	20 Years
2015 (7/1/15 - 3/31/16)	27	20 Years
2016 (4/1/16 - 3/31/17)	24	20 Years
2017 (4/1/17 - 3/31/18)	21 ¹	20 Years
2018 (4/1/18 - 3/31/19)	18 ¹	20 Years
2019 (4/1/19 - 3/31/20)	14 ²	20 Years
2020 (4/1/20 - 3/31/21)	12~13 ³	20 Years
2021 (4/1/21 - 3/31/22)	11~12 ³	20 Years



- 3/31/24)		
2024 (4/1/24 - 3/31/25)	9.2~10 ³	20 Years

¹FIT for > 2MW non-residential solar power
production determined via auction
process

²FIT for > 0.5MW non-residential solar power
production determined via auction
process from 2019

³FIT for > 0.25MW non-residential solar power
production determined via auction
process from 2020

Tariff and Contract Period for Wind Power Plants (Land-Based)

Contract Period (Japan Fiscal Year)	Tariff (JPY/kWh)	Contract Duration
2017 (4/1/17 - 9/30/17)	22	20 Years



3/31/19)		
2019(4/1/19 - 3/31/20)	19	20 Years
2020(4/1/20 - 3/31/21)	18	20 Years
2021(4/1/21 - 3/31/22)	17 ¹	20 Years
2022(4/1/22 - 3/31/23)	16 ²	20 Years
2023(4/1/23 - 3/31/24)	15 ²	20 Years
2024(4/1/24 - 3/31/25)	14 ²	20 Years

¹FIT for > 0.25MW wind power production
determined via auction process

²FIT for > 0.05MW wind power production
determined via auction process

Basic Mechanism Of The Feed-In Tariff System



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Approval of Facilities

