

Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities

(Act No. 108 of August 30, 2011)

Table of Contents

Chapter I General Provisions (Articles 1 and 2)

Chapter II Procurement of Electricity from Renewable Energy Sources by Electricity Utilities

Section 1 Procurement Price and Procurement Period (Article 3)

Section 2 Implementation of Bidding Process (Articles 4 through 8)

Section 3 Certification of Renewable Energy Power Generation Business Plan (Articles 9 through 15)

Section 4 Obligations of Electricity Utilities (Articles 16 through 20)

Section 5 Electricity and Gas Market Surveillance Commission (Articles 21 through 27)

Chapter III Coordination of Expense Sharing among Electricity Utilities (Articles 28 through 38)

Chapter IV Designated Bidding Body and Expense Sharing Coordinating Body

Section 1 Designated Bidding Body (Articles 39 through 54)

Section 2 Expense Sharing Coordinating Body (Articles 55 through 66)

Chapter V Procurement Price Calculation Committee (Articles 67 through 73)

Chapter VI Miscellaneous Provisions (Articles 74 through 79)

Chapter VII Penal Provisions (Articles 80 through 87)

Supplementary Provisions

Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to promote the use of renewable energy sources as energy sources for electricity by taking special measures for price, period, etc. with regard to the procurement of electricity from renewable energy sources by electricity utilities, taking into consideration that the use of renewable energy sources as energy sources is important in securing a stable and appropriate supply of energy in accordance with the economic and social environment in Japan and abroad and in reducing the environmental load arising from energy supply, thereby contributing to the strengthening of the international competitiveness of Japan and the sound development of the national economy, including the promotion of Japanese industry and the

revitalization of local communities.

(Definitions)

- Article 2 (1) The term "electricity utilities" as used in this Act means general electricity transmission and distribution utilities as provided for in Article 2, paragraph (1), item (ix) of the Electricity Business Act (Act No. 170 of 1964) (hereinafter simply referred to as "general electricity transmission and distribution utilities"), and specified electricity transmission and distribution utilities as provided for in item (xiii) of the same paragraph (hereinafter simply referred to as "specified electricity transmission and distribution utilities").
- (2) The term "electricity from renewable energy sources" as used in this Act means electricity obtained by converting renewable energy sources by using renewable energy power generation facilities.
- (3) The term "renewable energy power generation facilities" as used in this Act means facilities that convert renewable energy sources into electricity and their auxiliary facilities.
- (4) The term "renewable energy sources" as used in this Act means the following energy sources:
- (i) sunlight;
 - (ii) wind power;
 - (iii) hydraulic power;
 - (iv) geothermal power;
 - (v) biomass (which means organic substances derived from animals and plants which can be used as energy sources (excluding crude oil, petroleum gas, combustible natural gas, coal, and products manufactured therefrom); the same applies in Article 9, paragraphs (4) and (6)); and
 - (vi) beyond what is listed in the preceding items, energy sources other than crude oil, petroleum gas, combustible natural gas, coal, and products manufactured therefrom, which are specified by Cabinet Order as being recognized as perpetually usable as energy sources for electricity.
- (5) The term "specified contract" as used in this Act means a contract concluded by a person that has obtained certification as referred to in Article 9, paragraph (3) (including the certification of change referred to in Article 10, paragraph (1)) (hereinafter referred to as a "certified business operator") and an electricity utility, under which the certified business operator undertakes to supply the electricity utility with electricity from renewable energy sources over a period not exceeding the procurement period specified in paragraph (1) of the following Article related to the renewable energy power generation facilities covered by the certification (hereinafter referred to as the "certified power generation facilities") (or a period provided for by Order of the Ministry of Economy, Trade and Industry in cases provided for by Order of the Ministry

of Economy, Trade and Industry such as a case in which the electricity from renewable energy sources related to the certified renewable energy power generation facilities has already been supplied to others), while the electricity utility undertakes to procure electricity from renewable energy sources at a procurement price specified in the same paragraph related to the certified power generation facilities over that period.

Chapter II Procurement of Electricity from Renewable Energy Sources by Electricity utilities

Section 1 Procurement Price and Procurement Period

Article 3 (1) The Minister of Economy, Trade and Industry must determine the price of electricity from renewable energy sources per kilowatt (hereinafter referred to as a "procurement price") and the period of procurement based on a procurement price (hereinafter referred to as a "procurement period) every business year prior to the beginning of the relevant business year with regard to the procurement of electricity from renewable energy sources by an electricity utility pursuant to the provisions of Article 16, paragraph (1), with respect to each classification, form of installation, and size of renewable energy power generation facilities provided for by Order of the Ministry of Economy, Trade and Industry (hereinafter referred to as the "classification, etc. of renewable energy power generation facilities"), other than those designated under the provisions of paragraph (1) of the following Article; provided, however, that if the Minister of Economy, Trade and Industry finds it necessary taking into consideration the status of the quantity of electricity from renewable energy sources that is supplied in Japan, the expenses necessary for installing renewable energy power generation facilities, changes in commodity price and other economic conditions, etc., the minister may determine a procurement price and a procurement period (hereinafter referred to as a "procurement price and period") at every half-year period prior to the beginning of the relevant half-year period.

(2) If the Minister of Economy, Trade and Industry finds it necessary taking into consideration circumstances such as the status of the quantity of electricity from renewable energy sources that is supplied and the status of the business of generating electricity from renewable energy sources for each classification, etc. of renewable energy power generation facilities, the minister may determine, in the relevant business year, procurement prices, etc. to be determined pursuant to the provisions of the preceding paragraph in the following and subsequent business years, in addition to the procurement price and period determined pursuant to the provisions of the same paragraph.

(3) With regard to the classification, etc. of renewable energy power generation

facilities for which the procurement price and period have been determined pursuant to the provisions of the preceding paragraph, the provisions of paragraph (1) do not apply in the business year in which that procurement price and period have been determined.

- (4) A procurement price is to be determined, as a price that enables the supply of electricity from renewable energy sources by the relevant renewable energy power generation facilities to be conducted stably over the procurement period, based on the expenses that are recognized as ordinarily necessary where the supply is efficiently implemented and the estimated quantity of electricity from renewable energy sources pertaining to that supply, taking into consideration the target price referred to in paragraph (12) and circumstances such as the status of the quantity of electricity from renewable energy sources that is supplied in Japan, proper profits which a certified business operator is to receive when intending to supply electricity from renewable energy sources by using certified power generation facilities, and expenses borne by a person who has supplied electricity from renewable energy sources by using renewable energy power generation facilities before this Act comes into effect.
- (5) A procurement period is to be determined taking into consideration the standard period from the time of the beginning of the supply of electricity from renewable energy sources by the relevant renewable energy power generation facilities to the time of the first renewal of the important part of the renewable energy power generation facilities after the beginning of the supply.
- (6) When determining a procurement price and period, the Minister of Economy, Trade and Industry must give consideration so as to prevent the allotted money set forth in Article 36 from being an excessive burden on electricity users.
- (7) When the Minister of Economy, Trade and Industry intends to determine a procurement price and period, the minister must consult with the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure, Transport and Tourism, or the Minister of the Environment in accordance with the administrative jurisdiction over the relevant renewable energy power generation facilities, must hear the opinions of the Minister of State for Consumer Affairs and Food Safety (which means the Minister of State for Special Missions provided for in Article 9, paragraph (1) of the Act for Establishment of the Cabinet Office (Act No. 89 of 1999) who administers the affairs listed in Article 4, paragraph (1), item (xxviii) of the same Act and paragraph (3), item (lxi) of the same Article as ordered pursuant to the provisions of Article 9, paragraph (1) of the same Act) from the perspective of consumer policy, and must hear the opinions of the Procurement Price Calculation Committee. In this case, the Minister of Economy, Trade and Industry is to respect the opinions of the Procurement Price Calculation

Committee.

- (8) When the Minister of Economy, Trade and Industry has determined a procurement price and period, the minister must publicly notify to that effect without delay.
- (9) After the public notice under the provisions of the preceding paragraph has been given, the Minister of Economy, Trade and Industry must promptly report the procurement price and period subject to the public notice, the figures used as the basis for the calculation of the procurement price and period, and the calculation method to the Diet.
- (10) If a commodity price or any other economic condition has substantially changed or is likely to substantially change, and if the Minister of Economy, Trade and Industry finds it especially necessary, the minister may revise a procurement price and period.
- (11) The provisions of paragraphs (7) through (9) apply mutatis mutandis to the revision of a procurement price and period under the provisions of the preceding paragraph.
- (12) The Minister of Economy, Trade and Industry must determine a target related to the price level of electricity from renewable energy sources to be aimed at in order to promote the efficient use of renewable energy sources as energy sources for electricity (referred to as a "price target" in the following paragraph and paragraph (14)), while hearing the opinions of the Procurement Price Calculation Committee.
- (13) If the Minister of Economy, Trade and Industry finds it necessary taking into consideration changes in the situation including changes in the situation concerning electricity from renewable energy sources, the minister may revise a price target while hearing the opinions of the Procurement Price Calculation Committee.
- (14) If the Minister of Economy, Trade and Industry determines or revises a price target pursuant to the provisions of the preceding two paragraphs, the minister must make it public without delay.

Section 2 Implementation of Bidding Process

(Designation of Classification of Renewable Energy Power Generation Facilities for Which Bidding Process is to be Implemented)

- Article 4 (1) If the Minister of Economy, Trade and Industry finds it effective to determine a person that is eligible to obtain the certification referred to in Article 9, paragraph (3) by a bid of the price per kilowatt-hour of electricity from renewable energy sources that can be supplied (hereinafter referred to as the "supply price") in order to reduce the burden on electricity users arising from the use of electricity from renewable energy sources, the minister may

designate the classification, etc. of renewable energy power generation facilities for which the procedures under the provisions of the following Article through Article 8 are to be implemented.

- (2) If the Minister of Economy, Trade and Industry intends to make a designation under the provisions of the preceding paragraph, the minister must, in advance, consult with the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure, Transport and Tourism, or the Minister of the Environment in accordance with the administrative jurisdiction concerning that renewable energy power generation facilities subject to the designation, and hear the opinions of the Procurement Price Calculation Committee. In this case, the Minister of Economy, Trade and Industry is to respect the opinions of the Procurement Price Calculation Committee.
- (3) If the Minister of Economy, Trade and Industry makes a designation under the provisions of paragraph (1), the minister must give public notice to that effect without delay.
- (4) After the Minister of Economy, Trade and Industry has given the public notice under the provisions of the preceding paragraph, the minister must report it to the Diet promptly.
- (5) The provisions of the preceding three paragraphs apply mutatis mutandis to the revocation of a designation made under the provisions of paragraph (1).

(Bidding Implementation Guidelines)

Article 5 (1) If the Minister of Economy, Trade and Industry makes a designation under the provisions of paragraph (1) of the preceding Article, the minister must establish guidelines for the implementation of a bidding process with regard to the classification, etc. of renewable energy power generation facilities for which the determination is to be made (hereinafter referred to as the "bidding implementation guidelines").

- (2) The bidding implementation guidelines must provide for the following matters:
 - (i) the classification, etc. of renewable energy power generation facilities subject to the bidding process;
 - (ii) the power output of the renewable energy power generation facility to be subjected to the bidding process (referred to as the "power output for bid" in Article 7, paragraphs (3) and (5));
 - (iii) the standards for the qualification of bidding participants;
 - (iv) the amount of security deposit to be provided by bidding participants, the method and time limit for providing it, and other matters concerning security deposit;
 - (v) the upper limit of the supply price (referred to as the "upper limit supply price" in paragraph (5) and Article 7, paragraph (3));

- (vi) the method for determining the procurement price based on bid;
 - (vii) the procurement period for classification, etc. of the renewable energy power generation facilities to be subjected to the bidding process;
 - (viii) the time limit for the successful bidders to apply for certification under the provisions of Article 9, paragraph (1); and
 - (ix) beyond what is set forth in the preceding items, matters necessary for the implementation of the bidding process.
- (3) When establishing bidding implementation guidelines, the Minister of Economy, Trade and Industry is to take into consideration the situation concerning electricity from renewable energy sources including the status of the quantity of electricity from renewable energy sources that is supplied in Japan, changes in the amount of expenses required for the installation of renewable energy power generation facilities, the basic energy plan provided for in Article 12, paragraph (1) of the Basic Act on Energy Policy (Act No. 71 of 2002), and energy supply-demand forecasts.
- (4) If the Minister of Economy, Trade and Industry intends to establish bidding implementation guidelines, the minister must consult with the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure, Transport and Tourism, or the Minister of the Environment in accordance with the administrative jurisdiction over the renewable energy power generation facilities subject to the bidding process to be implemented under the bidding implementation guidelines, and hear the opinions of the Procurement Price Calculation Committee. In this case, the Minister of Economy, Trade and Industry is to respect the opinions of the Procurement Price Calculation Committee.
- (5) If the Minister of Economy, Trade and Industry establishes bidding implementation guidelines, the minister must make them public without delay; provided, however, that the minister may decide not to make public the upper limit supply price, which is included in the bidding implementation guidelines, if the minister finds it necessary in order to ensure the effective implementation of the bidding process.
- (6) The Minister of Economy, Trade and Industry must report the bidding implementation guidelines (limited to the parts regarding the matters set forth in paragraph (2), items (vi) and (vii)) to the Diet promptly after making them public under the provisions of the preceding paragraph.
- (7) The provisions of paragraph (3) through the preceding paragraph apply mutatis mutandis to the revision of the bidding implementation guidelines.

(Submission of Renewable Energy Power Generation Business Plan)

Article 6 A person who intends to participate in a bidding process for the renewable energy power generation facilities in accordance with the

classification, etc. of provided for in the bidding implementation guidelines must prepare the renewable energy power generation business plan provided for in Article 9, paragraph (1) and submit it to the Minister of Economy, Trade and Industry, specified by Order of the Ministry of Economy, Trade and Industry.

(Implementation of Bidding Process)

- Article 7 (1) Among the persons who have submitted renewable energy power generation business plans pursuant to the provisions of the preceding paragraph, the Minister of Economy, Trade and Industry must notify those whose renewable energy power generation business plans are found to be appropriate in light of the bidding implementation guidelines to the effect that they are qualified to participate in the bidding process, and notify those whose renewable energy power generation business plans are found to be inappropriate in light of the bidding implementation guidelines to the effect that they are not qualified to participate in the bidding process, respectively.
- (2) The Minister of Economy, Trade and Industry must implement a bidding process in accordance with the bidding implementation guidelines, while inviting, as bidding participants, the persons who have been notified to the effect that they are qualified to participate in the bidding process pursuant to the provisions of the preceding paragraph.
- (3) During the bidding process, the Minister of Economy, Trade and Industry is to have participants make a bid concerning the power output of the renewable energy power generation facilities they will use and the supply price they will offer, within the extent of the power output for bid provided for in the bidding implementation guidelines, and select the successful bidders from among the participants whose supply prices do not exceed the upper limit supply price, in ascending order of the offered price, until the total power output reaches the power output to be bid.
- (4) If two or more participants make bids of the same price during the bidding process, the Minister of Economy, Trade and Industry is to decide the ranking among the successful bidders by lot.
- (5) In the cases referred to in the preceding two paragraphs, if the sum of the power output of the renewable energy power generation facilities to be used by the successful bidder in the lowest rank and the power output of the renewable energy power generation facilities to be used by the other successful bidders exceeds the power output to be bid, the bid of the successful bidder in the lowest rank is deemed not to be successful with regard to the excessive power output.
- (6) If the Minister of Economy, Trade and Industry finds it particularly necessary to select successful bidders while taking into consideration factors other than

the supply price from the perspective of securing the interests of electricity users in using electricity from renewable energy sources, the minister may select successful bidders by a method other than the methods under the provisions of the preceding three paragraphs, specified by Cabinet Order.

- (7) If the Minister of Economy, Trade and Industry selects successful bidders pursuant to the provisions of paragraph (3) or the preceding paragraph, the minister must notify the successful bidders to that effect.
- (8) The Minister of Economy, Trade and Industry must make public the result of the bidding process promptly after implementing the bidding process.
- (9) A person who intends to participate in a bidding process must pay to the State a fee in an amount provided for by Cabinet Order in consideration of the actual cost.
- (10) The Minister of Economy, Trade and Industry may have a body designated thereby (hereinafter referred to as a "designated bidding body") perform operations related to the implementation of a bidding process (hereinafter referred to as the "bidding operations").

(Procurement Price and Period Pertaining to Successful Bidders)

Article 8 (1) The Minister of Economy, Trade and Industry must determine the procurement price and period for the renewable energy power generation facilities which pertain to the successful bidders based on the result of the bidding process and give public notice thereof in accordance with the bidding implementation guidelines.

- (2) The provisions of Article 3, paragraphs (10) and (11) apply mutatis mutandis to the procurement price and period referred to in the preceding paragraph. In this case, the term "paragraph (7)" in paragraph (11) of the same Article is deemed to be replaced with "Article 3, paragraph (7)."

Section 3 Certification of Renewable Energy Power Generation Business Plan

(Certification of Renewable Energy Power Generation Business Plan)

Article 9 (1) A person who intends to conduct a business of supplying an electricity utility, under a specified contract, with electricity from renewable energy sources generated using renewable energy power generation facilities maintained and operated thereby (hereinafter referred to as the "renewable energy power generation business") may prepare a plan for the implementation of the renewable energy power generation business (hereinafter referred to as a "renewable energy power generation business plan") and apply for certification by the Minister of Economy, Trade and Industry.

- (2) A renewable energy power generation business plan must contain the

following information:

- (i) the name and address of the applicant, and the name of the representative if the applicant is a corporation;
 - (ii) if the applicant is a corporation, the names of its officers (meaning members in charge of executing business, directors, executive officers or any equivalent persons, including consultants, advisors or any other persons, irrespective of their titles, who are found to have the authority over a corporation that is equal to or greater than the authority of members in charge of executing business, directors, executive officers, or any equivalent persons; the same applies in item (iv)(b) of the following paragraph);
 - (iii) the content and implementation period of the renewable energy power generation business;
 - (iv) the classification, etc. of renewable energy power generation facilities regarding the renewable energy power generation facilities to be used for the renewable energy power generation business;
 - (v) information concerning the electrical connections between the renewable energy power generation facilities to be used for the renewable energy power generation business and the electric lines maintained and operated by the electricity utility;
 - (vi) the places where the renewable energy power generation facilities to be used for the renewable energy power generation business are to be installed, their power output, management method, and other information concerning the renewable energy power generation facilities; and
 - (vii) other information specified by Order of the Ministry of Economy, Trade and Industry.
- (3) If an application under the provisions of paragraph (1) is filed, and the Minister of Economy, Trade and Industry finds that the renewable energy power generation business plan presented in the application complies with all of the following items, the minister is to certify the plan:
- (i) the content of the renewable energy power generation business conforms to the standards specified by Order of the Ministry of Economy, Trade and Industry as contributing to the promotion of the use of renewable energy sources as energy sources for electricity;
 - (ii) the renewable energy power generation business is expected to be implemented smoothly and with certainty;
 - (iii) the renewable energy power generation facilities conform to the standards specified by Order of the Ministry of Economy, Trade and Industry as having potential of generating electricity from renewable energy sources stably and efficiently;
 - (iv) the applicant falls under neither of the following:
 - (a) a person who was sentenced to a fine or heavier punishment for violation

- of this Act or the Electricity Business Act, for whom a period of two years since the person served out the sentence or ceased to be subject to the sentence has not passed; or
- (b) a corporation, any of whose officers falls under (a); and
- (v) the renewable energy power generation facilities meet all of the following if they fall under the classification, etc. of renewable energy power generation facilities for which a designation has been made under the provisions of Article 4, paragraph (1):
- (a) the application has been filed by the time limit set forth in Article 5, paragraph (2), item (viii);
- (b) there has been no change to any important matter provided for by Order of the Ministry of Economy, Trade and Industry with regard to the renewable energy power generation business plan submitted pursuant to the provisions of Article 6; and
- (c) the applicant has received the notification under the provisions of Article 7, paragraph (1).
- (4) If the Minister of Economy, Trade and Industry intends to grant the certification referred to in the preceding paragraph, and the power generation using the renewable energy power generation facilities presented in the application for the certification is conducted by converting biomass into electricity, the minister must consult with the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure, Transport and Tourism, or the Minister of the Environment in advance, specified by Cabinet Order.
- (5) If the Minister of Economy, Trade and Industry grants the certification referred to in paragraph (3), the minister is to make public the information specified by Order of the Ministry of Economy, Trade and Industry among those stated in the certified renewable energy power generation business, prescribed by Order of the Ministry of Economy, Trade and Industry.
- (6) If the Minister of Economy, Trade and Industry intends to enact or amend Order of the Ministry of Economy, Trade and Industry referred to in paragraph (3), item (i) (limited to the parts concerning biomass that may be used for power generation), the minister must consult with the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure, Transport and Tourism, or the Minister of the Environment in advance.

(Changes to Renewable Energy Power Generation Business Plan)

Article 10 (1) If a certified business operator intends to change any of the matters set forth in paragraph (2), items (iii) through (vi) of the preceding Article, the business operator must obtain certification from the Minister of Economy, Trade and Industry, prescribed by Order of the Ministry of Economy,

Trade and Industry; provided, however, that this does not apply to minor changes specified by Order of the Ministry of Economy, Trade and Industry.

- (2) If a certified business operator intends to make a minor change specified by Order of the Ministry of Economy, Trade and Industry referred to in the proviso to the preceding paragraph, the business operator must notify the Minister of Economy, Trade and Industry to that effect in advance, prescribed by Order of the Ministry of Economy, Trade and Industry.
- (3) If a certified business operator changes any of the matters set forth in paragraph (2), item (i), (ii) or (vii) of the preceding Article, the business operator must notify the Minister of Economy, Trade and Industry to that effect without delay, prescribed by Order of the Ministry of Economy, Trade and Industry.
- (4) The provisions of paragraph (3) (excluding item (v)(a) and (c)) through paragraph (5) of the preceding Article apply mutatis mutandis to the certification referred to in paragraph (1).
- (5) The provisions of paragraph (5) of the preceding Article apply mutatis mutandis to the notification under the provisions of paragraph (3).

(Notification of Discontinuance of Business)

Article 11 If a certified business operator intends to discontinue the renewable energy power generation business related to the renewable energy power generation business plan certified as referred to in Article 9, paragraph (3) (if certification of change is granted under the provisions of paragraph (1) of the preceding Article or notification of change is made under the provisions of paragraph (2) or (3) of the same Article, the plan after the change; hereinafter referred to as the "certified plan"), the business operator must notify the Minister of Economy, Trade and Industry to that effect in advance.

(Guidance and Advice)

Article 12 The Minister of Economy, Trade and Industry is to provide a certified business operator with the guidance and advice necessary for the proper implementation of the renewable energy power generation business related to the certified plan.

(Order for Improvement)

Article 13 If the Minister of Economy, Trade and Industry finds that a certified business operator fails to implement the renewable energy power generation business based on the certified plan, the minister may order the certified business operator to take the necessary measures for improvement within a reasonable time limit.

(Expiration of Certification)

Article 14 The certification referred to in Article 9, paragraph (3) (including the certification of change referred to in Article 10, paragraph (1); the same applies in the following Article) expires if the certified business operator discontinues the renewable energy power generation business related to the certified plan.

(Revocation of Certification)

Article 15 The Minister of Economy, Trade and Industry may revoke the certification referred to in Article 9, paragraph (3) if the minister finds that any of the following items applies:

- (i) the certified business operator fails to conduct the renewable energy power generation business in accordance with the certified plan;
- (ii) the certified plan ceases to comply with any of the requirements set forth in Article 9, paragraph (3), items (i) through (iv); or
- (iii) the certified business operator violates an order issued under the provisions of Article 13.

Section 4 Obligations of Electricity Utilities

(Obligation to Accept an Offer for a Specified Contract)

Article 16 (1) If an electricity utility receives an offer for a specified contract for the relevant electricity from renewable energy sources from a certified business operator who connects or intends to electrically connect electric lines maintained and operated thereby with the certified power generation facilities, the electricity utility must not refuse to conclude the specified contract except when there are any justifiable grounds specified by Order of the Ministry of Economy, Trade and Industry, such as that the content of the contract is likely to unjustly harm the interest of that electricity utility.

- (2) If the Minister of Economy, Trade and Industry finds it necessary for the smooth conclusion of a specified contract, the minister may give necessary guidance and advice concerning the conclusion of the contract to the relevant electricity utility.
- (3) If an electricity utility does not accept the conclusion of a specific contract without justifiable grounds, the Minister of Economy, Trade and Industry may recommend that that electricity utility accept the conclusion of the specific contract.
- (4) If an electricity utility that has received a recommendation provided for in the preceding paragraph has failed to take the recommended measure without any justifiable grounds, the Minister of Economy, Trade and Industry may order that electricity utility to take the recommended measure.

(Obligation to Supply or Use Electricity from Renewable Energy Sources)

Article 17 (1) An electricity utility must supply or use electricity from renewable energy sources to be procured based on a specified contract, by either of the methods set forth in the following items, in accordance with the standards specified by Order of the Ministry of Economy, Trade and Industry as standards for promoting the use of renewable energy sources as energy sources for electricity:

- (i) method of supplying electricity through sale and purchase transactions conducted on a wholesale electricity transaction market (meaning the wholesale electricity transaction market provided for in Article 98, item (i) of the Electricity Business Act that is opened by a wholesale electricity exchange provided for in Article 97 of the same Act; the same applies in paragraph (3), item (i) of the following Article and Article 29, item (iii)); or
 - (ii) method of supplying electricity to an electricity retailer (meaning the electricity retailer provided for in Article 2, paragraph (1), item (iii) of the Electricity Business Act; the same applies hereinafter) or a registered specified electricity transmission and distribution utility (meaning the registered specified electricity transmission and distribution utility provided for in Article 27-19, paragraph (1) of the same Act; the same applies hereinafter), as electricity to be used for the retail service (meaning the retail service provided for in Article 2, paragraph (1), item (i) of the same Act; the same applies in Article 20, paragraph (1)) conducted by either of them.
- (2) If the Minister of Economy, Trade and Industry finds that an electricity utility fails to supply or use electricity from renewable energy sources procured based on a specified contract in accordance with the standards referred to in the preceding paragraph, the minister may order the electricity utility to supply or use that electricity in accordance with the standards referred to in the same paragraph.

(General Conditions for Wholesale Supply of Electricity from Renewable Energy Sources)

Article 18 (1) An electricity utility must provide for general conditions for wholesale supply of electricity from renewable energy sources with regard to supply conditions that include the rates for the supply conducted by the method set forth in paragraph (1), item (ii) of the preceding Article (hereinafter referred to as "wholesale supply of electricity from renewable energy sources"), specified by Order of the Ministry of Economy, Trade and Industry, and notify the Minister of Economy, Trade and Industry of the general conditions. The same applies if an electricity utility intends to revise the general conditions.

(2) An electricity utility must not provide wholesale supply of electricity from

renewable energy sources under supply conditions other than those set out in the general conditions for wholesale supply of electricity from renewable energy sources for which the electricity utility has made notification under the provisions of the preceding paragraph; provided, however, that this does not apply if there are special circumstances that make it difficult for the electricity utility to comply with the general conditions for wholesale supply of electricity from renewable energy sources, and the electricity utility provides wholesale supply of electricity from renewable energy sources under the supply conditions that include rates approved by the Minister of Economy, Trade and Industry.

- (3) If the Minister of Economy, Trade and Industry finds that the general conditions for wholesale supply of electricity from renewable energy sources do not comply with any of the following items, the minister may order the electricity utility to revise the general conditions for wholesale supply of electricity from renewable energy sources within a reasonable time limit:
- (i) the level of rates is around the level of the price for sale and purchase transactions of electricity on the wholesale electricity transaction market;
 - (ii) the matters concerning the responsibilities of the electricity utility, electricity retailer and registered specified electricity transmission and distribution utility, as well as the method of sharing expenses between them for instruments including electricity meters and construction work including wiring are provided for properly and clearly;
 - (iii) a particular person is not treated in an unfair and discriminatory manner; and
 - (iv) the supply conditions other than the rates are not significantly inappropriate in light of social and economic circumstances or not significantly harmful to the interests of recipients of wholesale supply of electricity from renewable energy sources under the general conditions for wholesale supply of electricity from renewable energy sources.
- (4) If an electricity utility makes a notification of general conditions for wholesale supply of electricity from renewable energy sources pursuant to the provisions of paragraph (1), the electricity utility must make public the general conditions for wholesale supply of electricity from renewable energy sources, prescribed by Order of the Ministry of Economy, Trade and Industry.

(Prohibited Acts)

- Article 19 (1) A general electricity transmission and distribution utility must not conduct any of the following acts with regard to the supply or use of electricity from renewable energy sources procured based on a specified contract:
- (i) using information concerning a certified business operator or an electricity retailer or registered specified electricity transmission and distribution

utility which the general electricity transmission and distribution utility has become aware of in connection with the supply of electricity from renewable energy sources procured based on a specified contract, or providing another person with that information, for purposes other than using it for the service related to that supply and the wheeling service (meaning the wheeling service provided for in Article 2, paragraph (1), item (vi) of the Electricity Business Act; the same applies in item (i) of the following paragraph) or electricity quantity adjustment service (meaning the electricity quantity adjustment service provided for in paragraph (1), item (vii) of the same Article); or

- (ii) engaging in unreasonable preferential treatment or providing benefits, or engaging in unreasonable disadvantageous treatment or causing disadvantages to any particular person, in the course of supplying or using electricity from renewable energy sources procured based on a specified contract.
- (2) A specified electricity transmission and distribution utility must not conduct any of the following acts with regard to the supply or use of electricity from renewable energy sources procured based on a specified contract:
- (i) using information concerning a certified business operator or an electricity retailer or registered specified electricity transmission and distribution utility which the specified electricity transmission and distribution utility has become aware of in connection with the supply of electricity from renewable energy sources procured based on a specified contract, or providing another person with that information, for purposes other than using it for the service related to that supply and the wheeling service; or
 - (ii) engaging in unreasonable preferential treatment or providing benefits, or engaging in unreasonable disadvantageous treatment or causing disadvantages to any particular person, in the course of supplying or using electricity from renewable energy sources procured based on a specified contract.
- (3) If the Minister of Economy, Trade and Industry finds that an electricity utility has engaged in conduct in violation of the preceding two paragraphs, the minister may order the electricity utility to discontinue or correct that conduct.

(Duty of Electricity Retailer and Registered Specified Electricity Transmission and Distribution Utility to Strive to Use Electricity from Renewable Energy Sources)

Article 20 (1) An electricity retailer and registered specified electricity transmission and distribution utility must strive to use electricity from renewable energy sources procured based on a specified contract as electricity to be used for the retail service conducted thereby, in order to promote the use

of renewable energy sources as energy sources for electricity.

- (2) If the Minister of Economy, Trade and Industry finds it necessary in order to promote the smooth use of renewable energy sources as energy sources for electricity, the minister may provide an electricity retailer and registered specified electricity transmission and distribution utility with the necessary guidance and advice in relation to the use of electricity from renewable energy sources procured based on a specified contract.

Section 5 Electricity and Gas Market Surveillance Commission

(Hearing of Opinions)

Article 21 (1) If the Minister of Economy, Trade and Industry intends to issue an order under the provisions of Article 17, paragraph (2), Article 18, paragraph (3) or Article 19, paragraph (3) or grant approval under the provisions of the proviso to Article 18, paragraph (2), the minister must hear the opinions of the Electricity and Gas Market Surveillance Commission (hereinafter referred to as the "commission" in this Section) in advance.

- (2) If the commission states its opinions pursuant to the provisions of the preceding paragraph, it must make public the content thereof without delay.

(Recommendation)

Article 22 (1) If the commission exercises the authority under the provisions of Article 76, paragraph (1) that is delegated thereto pursuant to the provisions of Article 26, paragraph (1) or (2), and finds it necessary in order to ensure appropriate transactions of electricity, it may make the necessary recommendations to an electricity utility; provided, however, that this does not apply if the commission makes a recommendation pursuant to paragraph (1) of the following Article.

- (2) If the commission makes a recommendation pursuant to the provisions of the preceding paragraph, and the electricity utility that receives that recommendation fails to follow that recommendation without reasonable grounds, it is to report this to the Minister of Economy, Trade and Industry.
- (3) If the commission makes a report pursuant to the provisions of the preceding paragraph, it may seek a report from the Minister of Economy, Trade and Industry with regard to the measures taken based on that report.

Article 23 (1) If the commission exercises the authority under the provisions of Article 76, paragraph (1) which has been delegated thereto pursuant to the provisions of Article 26, paragraph (1) or (2), and finds it necessary in order to ensure appropriate transactions of electricity, it may make a necessary recommendation to the Minister of Economy, Trade and Industry; provided,

however, that this does not apply if the commission makes a recommendation pursuant to paragraph (1) of the preceding Article.

(2) If the commission makes a recommendation pursuant to the provisions of the preceding paragraph, it must make public the content thereof without delay.

(3) If the commission makes a recommendation pursuant to the provisions of paragraph (1), it may seek a report from the Minister of Economy, Trade and Industry with regard to the measures taken based on that recommendation.

(Proposal)

Article 24 (1) If the commission finds it necessary in connection with the matters within the scope of the authority vested therein pursuant to the provisions of this Act, it may make a proposal to the Minister of Economy, Trade and Industry with regard to the measures that should be implemented in order to ensure appropriate transactions of electricity.

(2) If the commission makes a proposal pursuant to the provisions of the preceding paragraph, it must make public the content thereof without delay.

(3) If the commission makes a proposal pursuant to the provisions of paragraph (1), it may seek a report from the Minister of Economy, Trade and Industry with regard to the measures taken based on that proposal.

(Request for Submission of Materials)

Article 25 If the commission finds it necessary in order to process the matters within the scope of the authority vested therein pursuant to the provisions of this Act, it may request persons concerned including the heads of the relevant administrative organs to provide the necessary cooperation such as submitting materials, expressing opinions, and giving explanations.

(Delegation of Authority)

Article 26 (1) The Ministry of Economy, Trade and Industry delegates the minister's authority under the provisions of Article 76, paragraph (1) of the Electricity Business Act in relation to electricity utilities (limited to the authority concerning the provisions of Article 17, paragraph (2), Article 18, paragraph (3) or Article 19, paragraph (3)) to the commission; provided, however, that this does not preclude the Minister of Economy, Trade and Industry from personally exercising the authority to order reports.

(2) The Ministry of Economy, Trade and Industry may delegate the minister's authority under the provisions of Article 76, paragraph (1) of the Electricity Business Act in relation to electricity utilities (limited to the authority concerning the provisions of the proviso to Article 18, paragraph (2)) to the commission, specified by Cabinet Order.

(3) If the commission exercises the authority delegated thereto pursuant to the

provisions of the preceding paragraph, it is to report the result thereof to the Minister of Economy, Trade and Industry promptly.

- (4) The commission may delegate the authority delegated thereto pursuant to the provisions of paragraph (1) or (2) to the Director of a Regional Bureau of Economy, Trade and Industry, specified by Cabinet Order.
- (5) With regard to the affairs under the authority delegated to the Director of a Regional Bureau of Economy, Trade and Industry pursuant to the provisions of the preceding paragraph, the commission directs and supervises the director.

(Request for Review to Commission)

Article 27 A request for review of an order of reports issued by the commission with the authority under Article 76, paragraph (1) which has been delegated thereto pursuant to the provisions of paragraph (1) or (2) of the preceding Article (including if the order is issued by the Director of a Regional Bureau of Economy, Trade and Industry pursuant to the provisions of paragraph (4) of the preceding Article) may be made only to the commission.

Chapter III Coordination of Expense Sharing among Electricity Utilities

(Granting of Subsidy)

- Article 28 (1) The expense sharing coordinating body provided for in Article 55, paragraph (1) (hereinafter simply referred to as the "expense sharing coordinating body" in this Chapter) grants subsidies to electricity utilities with respect to each period specified by Order of the Ministry of Economy, Trade and Industry, in order to coordinate the sharing among electricity utilities of expenses for procurement of electricity from renewable energy sources based on specified contracts.
- (2) The subsidies referred to in the preceding paragraph (hereinafter simply referred to as "subsidies") are covered by payments which the expense sharing coordinating body collects pursuant to the provisions of Article 31, paragraph (1) and funds pertaining to budgetary measures taken by the government pursuant to the provisions of Article 38.

(Amount of Subsidy)

Article 29 The amount of subsidy granted to an electricity utility pursuant to the provisions of paragraph (1) of the preceding Article is an amount calculated by the method specified by Order of the Ministry of Economy, Trade and Industry based on the amount obtained by deducting the sum of the amounts set forth in items (ii) through (iv) from the amount set forth in item (i), with respect to each period specified by Order of the Ministry of Economy, Trade and Industry in the same paragraph:

- (i) the total amount obtained by multiplying the quantity of electricity from renewable energy sources procured by that electricity utility based on a specified contract (which means the quantity expressed by kilowatt-hour; the same applies in Article 32, paragraph (4) and Article 35, paragraph (2)) by the procurement price pertaining to that specified contract;
- (ii) the amount calculated by the method specified by Order of the Ministry of Economy, Trade and Industry as the amount of expenses which would be incurred for generating or procuring electricity in an amount equivalent to the amount of electricity from renewable energy sources used that was procured by the electricity utility based on a specified contract if that electricity utility generated or procured the electricity by itself;
- (iii) the amount calculated by the method specified by Order of the Ministry of Economy, Trade and Industry as the amount of income earned from sale and purchase transactions on a wholesale electricity transaction market with regard to electricity from renewable energy sources to be procured by that electricity utility based on a specified contract; and
- (iv) the amount calculated by the method specified by Order of the Ministry of Economy, Trade and Industry as the amount of income earned by that electricity utility from the provision of wholesale supply of electricity from renewable energy sources.

(Decision, Notice of the Amount of Subsidy)

Article 30 (1) The expense sharing coordinating body must decide the amount of a subsidy to be granted to each electricity utility with respect to each period provided for by Order of the Ministry of Economy, Trade and Industry as set forth in Article 28, paragraph (1) and must notify the electricity utility of the amount of the subsidy to be granted to the electricity utility and other necessary matters.

(2) When it is necessary to calculate the amount of a subsidy, the expense sharing coordinating body may request an electricity utility to submit any relevant materials.

(Collection of Payments and Obligation to Pay)

Article 31 (1) The expense sharing coordinating body collects payments from electricity retailers, etc. (meaning electricity retailers, general electricity transmission and distribution utilities, and registered specified electricity transmission and distribution utilities; the same applies hereinafter) with respect to each period specified by Order of the Ministry of Economy, Trade and Industry in order to allocate them to the expenses necessary for the operations provided for in Article 55, paragraph (2) and the expenses necessary for processing affairs relating to those operations (referred to as

"administrative expenses" in paragraph (2) of the following Article).

(2) Electricity retailers, etc. have the obligation to pay the payments set forth in the preceding paragraph (hereinafter simply referred to as "payments").

(Amount of Payments)

Article 32 (1) The amount of payments collected from an electricity retailer, etc. pursuant to the provisions of paragraph (1) of the preceding Article is an amount calculated by the method specified by Order of the Ministry of Economy, Trade and Industry based on the amount obtained by multiplying, with respect to each period specified by Order of the Ministry of Economy, Trade and Industry as set forth in the same paragraph, the quantity of electricity which that electricity retailer, etc. has supplied to electricity users (which means the quantity expressed by kilowatt-hour; the same applies hereinafter) by the unit price of payment in the business year which includes that period, taking into consideration the amount of allotted money set forth in Article 36 which the electricity utility may demand that electricity users pertaining to its place of business certified under the provisions of Article 37, paragraph (1) pay.

(2) The unit price of payment set forth in the preceding paragraph is determined by the Minister of Economy, Trade and Industry every business year prior to the beginning of the relevant business year based on the amount of electricity per kilowatt-hour which is obtained by dividing the amount: which is obtained by adding the estimated amount of administrative expenses in that business year to the total amount of the estimated amounts of subsidies granted to all electricity retailers, etc. in that business year, by the total quantity of electricity which all electricity retailers, etc. are estimated to supply to electricity users in that business year, taking into consideration the gap between the total amount of subsidies pertaining to all electricity utilities and the total amount of payments in the business year before the previous business year, and any other circumstances.

(3) An electricity retailer, etc. must notify the Minister of Economy, Trade and Industry of matters specified by Order of the Ministry of Economy, Trade and Industry, such as matters concerning the quantity of electricity supplied by the electricity retailer, etc. to electricity users and the amount of allotted money set forth in Article 36 which the electricity retailer, etc. may demand payment of by electricity users related to its place of business certified under the provisions of Article 37, paragraph (1), as reference information for calculating the amount of payments and the unit price of payment, every business year pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(4) An electricity utility must notify the Minister of Economy, Trade and

Industry of matters specified by Order of the Ministry of Economy, Trade and Industry, such as the matters concerning the quantity of electricity from renewable energy sources procured based on a specific contract, as reference information for calculating the amount of payments and the unit price of payment, every business year pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

- (5) When the Minister of Economy, Trade and Industry has determined the unit price of payment, the minister must make it public without delay.

(Decision, Notice of the Amount of Payment)

Article 33 (1) The expense sharing coordinating body must decide the amount of payment which each electricity retailer, etc. should pay with respect to each period specified by Order of the Ministry of Economy, Trade and Industry as set forth in Article 31, paragraph (1) and must notify each electricity retailer, etc. of the amount of payment which it should pay, the time limit for payment, and other necessary matters.

- (2) The provisions of Article 30, paragraph (2) apply mutatis mutandis to payments. In this case, the term "electricity utilities" in the same paragraph is deemed to be replaced with "electricity retailers, etc. referred to in paragraph (1) of the following Article."

(Demand for Payment of Payment)

Article 34 (1) When an electricity retailer, etc. which has received a notice under the provisions of paragraph (1) of the preceding Article has failed to make a payment by the time limit for the payment, the expense sharing coordinating body must demand the payment by designating a time limit with a demand letter.

- (2) When the expense sharing coordinating body has demanded a payment pursuant to the provisions of the preceding paragraph, it may collect a penal interest of an amount calculated by multiplying the amount of the payment subject to the demand by an annual rate of 14.5 percent in accordance with the number of days from the day following the time limit for the payment to the day of the payment.
- (3) When an electricity retailer, etc. which has received a demand under the provisions of paragraph (1) has failed to pay the amount that it should pay by the time limit designated pursuant to the provisions of the same paragraph, the expense sharing coordinating body must immediately notify the Minister of Economy, Trade and Industry to that effect.
- (4) When the Minister of Economy, Trade and Industry has received a notice under the provisions of the preceding paragraph, the minister must immediately make public the name of the electricity retailer, etc. and the fact

that the electricity retailer, etc. has failed to pay the amount that it should pay by the time limit designated pursuant to the provisions of paragraph (1).

(Books)

Article 35 (1) An electricity retailer, etc. must keep and preserve books in which matters specified by Order of the Ministry of Economy, Trade and Industry such as the quantity of electricity supplied thereby to electricity users are stated, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(2) An electricity utility must keep and preserve, books in which matters specified by Order of the Ministry of Economy, Trade and Industry such as the quantity of electricity from renewable energy sources procured with respect to each specified contract are stated, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(Demand for Allotted Money)

Article 36 (1) An electricity retailer, etc. may demand that electricity users who receive the supply of electricity from the electricity retailer, etc. pay allotted money as part of the value of the supply of electricity, in order to allocate the allotted money to payments.

(2) The amount of allotted money which an electricity retailer, etc. may demand from an electricity user pursuant to the provisions of the preceding paragraph is the amount obtained by multiplying the quantity of electricity which the electricity retailer, etc. has supplied to the electricity user by the amount equivalent to the unit price of payment in the business year in which the electricity retailer, etc. supplied the electricity.

(Special Provisions for Allotted Money)

Article 37 (1) Upon application from a person engaging in business for which the basic unit pertaining to the use of electricity (which means the quantity of electricity used per 1000 yen of sale (which means the quantity expressed by kilowatt-hour and which is limited to the quantity of used electricity supplied by electricity retailers, etc.; hereinafter the same applies in this Article and Article 76, paragraph (2)); hereinafter the same applies in this Article) exceeds the average basic unit by 8 times pertaining to the use of electricity for a manufacturing business in cases where the business belongs to a manufacturing business, and upon application from a person engaging in a business for which the basic unit pertaining to the use of electricity exceeds the multiple provided for by Cabinet Order of the average basic unit pertaining to the use of electricity for a business type other than a manufacturing business in the cases where the business belongs to a business type other than a

manufacturing business, where those persons carry out initiatives that conform to the standards specified by Order of the Ministry of Economy, Trade and Industry in order to improve the basic unit pertaining to the use of electricity for the relevant businesses, the Minister of Economy, Trade and Industry is to certify places of business for which the quantity of electricity used annually for the business exceeds the quantity specified by Cabinet Order as places of business for which it is necessary to give consideration to the influence of the burden of allotted money set forth in the preceding Article on the continuation of the business activities of the relevant business operators, from the perspective of enhancing Japan's international competitiveness, every business year prior to the beginning of the relevant business year, pursuant to the provisions of an Order of the Ministry of Economy, Trade and Industry.

(2) Notwithstanding the provisions of the preceding paragraph, if an applicant set forth in the same paragraph is a person whose certification was revoked pursuant to the provisions of paragraph (5), for whom a period of five years has not passed since the date of revocation, the Minister of Economy, Trade and Industry must not give the certification set forth in the preceding paragraph.

(3) Notwithstanding the provisions of paragraph (2) of the preceding Article, the amount of allotted money which an electricity retailer, etc. may demand from an electricity user for payment pertaining to a place of business certified under the provisions of paragraph (1) pursuant to the provisions of paragraph (1) of the same Article is the amount calculated by deducting the amount, which is obtained by multiplying the amount set forth in item (i) by the rate set forth in item (ii), from the amount calculated pursuant to the provisions of paragraph (2) of the same Article:

(i) the amount obtained by multiplying the quantity of electricity supplied by the electricity retailer, etc. and used for the certified business at the place of business, by the unit price of payment for the relevant business year; and

(ii) the rate specified by Cabinet Order, which does not exceed 80 percent, according to the type of business and the status of initiatives carried out by the business operator to improve the basic unit pertaining to the use of electricity for the business.

(4) The Minister of Economy, Trade and Industry is to make public, pursuant to the provisions of an Order of the Ministry of Economy, Trade and Industry, the name and address of a business operator pertaining to a place of business certified under the provisions of paragraph (1), and the name of the representative in the case of a corporation, the name and location of the place of business, the quantity of electricity used for the business subject to the certification which serves as the basis for the calculation of the basic unit pertaining to the use of electricity for the business, the quantity of electricity used annually for the business at the place of business, and other matters

provided for by Order of the Ministry of Economy, Trade and Industry.

- (5) If a person has obtained certification under the provisions of paragraph (1) by deception or other wrongful means, the Minister of Economy, Trade and Industry must revoke the certification.
- (6) If the Minister of Economy, Trade and Industry finds that a person who has obtained certification under the provisions of paragraph (1) has ceased to satisfy the requirements provided for in the same paragraph, the minister may revoke the certification.

(Budgetary Measures)

Article 38 The government is to take necessary budgetary measures in order to allocate funds to revenue sources for expenses that are necessary for the expense sharing coordinating body to grant subsidies to electricity utilities pursuant to the provisions of Article 28, paragraph (1).

Chapter IV Designated Bidding Body and Expense Sharing Coordinating Body

Section 1 Designated Bidding Body

(Designation)

- Article 39 (1) The designation referred to in Article 7, paragraph (10) (hereinafter referred to as "designation" in this Section) is made upon an application from a person who intends to perform the bidding operations, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.
- (2) If the Minister of Economy, Trade and Industry makes a designation, the minister is not to perform the bidding operations.

(Disqualification)

Article 40 An entity that falls under any of the following items may not be designated:

- (i) an entity whose designation has been revoked pursuant to the provisions of Article 50, paragraph (2), for whom a period of two years since the day of revocation has not passed; or
- (ii) an entity for which any of whose officers in charge of performing the operations falls under any of the following:
- (a) a person who was sentenced to punishment for violation of this Act or any disposition based on this Act, for whom a period of two years since the person served out the sentence or ceased to be subject to the sentence has not passed; or
- (b) a person who has been dismissed by an order issued under the provisions

of Article 48, for whom a period of two years since the day of dismissal has not passed.

(Standards for Designation)

Article 41 The Minister of Economy, Trade and Industry must not make a designation unless no other person has been designated and the minister finds that the application for designation complies with the following items:

- (i) the applicant's plan for the implementation of the bidding operations, which covers matters such as the personnel and method for implementing the bidding operations, is appropriate for the proper implementation of the bidding operations;
- (ii) the applicant has a sufficient financial foundation and technical capability to properly implement the plan for the implementation of the bidding operations referred to in the preceding item;
- (iii) the applicant is a general incorporated association or general incorporated foundation; and
- (iv) if the applicant performs operations other than the bidding operations, the performance of the other operations is not likely to make the bidding operations unfair.

(Bidding Operation Rules)

Article 42 (1) A designated bidding body must set rules for the bidding operations (hereinafter referred to as the "bidding operation rules") and obtain approval therefor from the Minister of Economy, Trade and Industry. The same applies if a designated bidding body intends to revise the bidding operation rules.

- (2) The matters to be provided for by the bidding operation rules are specified by Order of the Ministry of Economy, Trade and Industry.
- (3) If the Minister of Economy, Trade and Industry finds that the bidding operation rules approved as referred to in paragraph (1) have become inappropriate in terms of the fair implementation of the bidding operations, the minister may order the designated bidding body to revise the bidding operation rules.

(Separate Accounting)

Article 43 If a designated bidding body performs operations other than the bidding operations, it must keep accounts for the other operations separately from accounts for the bidding operations.

(Suspension and Discontinuation of Operations)

Article 44 A designated bidding body must not suspend or discontinue the whole

or part of the bidding operations unless it obtains the permission of the Minister of Economy, Trade and Industry.

(Books)

Article 45 (1) A designated bidding body must keep books and state therein matters specified by Order of the Ministry of Economy, Trade and Industry with regard to the bidding operations.

(2) The books referred to in the preceding paragraph must be preserved pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(Duty of Confidentiality)

Article 46 (1) Officers or employees of a designated bidding body or persons who were formerly in these positions must not divulge any secret that they have learned in the course of the bidding operations.

(2) With regard to the application of penal provisions including the Penal Code (Act No. 45 of 1907), officers or employees of a designated bidding body who engage in the bidding operations are deemed to be officials engaging in public service under laws and regulations.

(Appointment and Dismissal of Officers)

Article 47 The appointment and dismissal of officers of a designated bidding body is not effective unless approved by the Minister of Economy, Trade and Industry.

(Order of Dismissal of Officer)

Article 48 If an officer of a designated bidding body violates this Act or any order or disposition based on this Act, engages in conduct in violation of the bidding operation rules approved as referred in Article 42, paragraph (1), or engages in conduct that is substantially inappropriate in the course of the bidding operations, the Minister of Economy, Trade and Industry may order the designated bidding body to dismiss the officer.

(Order to Comply)

Article 49 (1) If the Minister of Economy, Trade and Industry finds that a designated bidding body has ceased to comply with any provisions of the items of Article 41 (excluding item (iii); hereinafter the same applies in this paragraph), the minister may order the designated bidding body to take the necessary measures to ensure compliance with the provisions of the items of the same Article.

(2) Beyond what is provided for in the preceding paragraph, if the Minister of Economy, Trade and Industry finds it necessary for the enforcement of this Act,

the minister may issue an order as necessary for supervision of the bidding operations to a designated bidding body.

(Revocation of Designation)

Article 50 (1) If a designated bidding body ceases to comply with Article 41, item (iii), the Minister of Economy, Trade and Industry must revoke its designation.

- (2) If a designated bidding body falls under any of the following items, the Minister of Economy, Trade and Industry may revoke its designation or order it to suspend the whole or part of the bidding operations for a fixed period:
- (i) the designated bidding body has come to fall under Article 40, item (ii);
 - (ii) the designated bidding body has performed the bidding operations in defiance of the bidding operation rules approved as referred to in Article 42, paragraph (1);
 - (iii) the designated bidding body has violated an order issued under the provisions of Article 42, paragraph(3), Article 48, or the preceding Article; or
 - (iv) the designated bidding body has been designated by wrongful means.

(Implementation of Bidding Operations by Minister of Economy, Trade and Industry)

Article 51 (1) The Minister of Economy, Trade and Industry is to personally perform the whole or a part of the bidding operations if: the designated bidding body suspends the whole or a part of the bidding operations with permission granted as referred to in Article 44; the minister orders the designated bidding body to suspend the whole or a part of the bidding operations pursuant to the provisions of paragraph (2) of the preceding Article; or the minister finds it necessary because it has become difficult for the designated bidding body to perform the whole or a part of the bidding operations due to grounds such as a natural disaster.

- (2) With regard to cases where the Minister of Economy, Trade and Industry personally performs the whole or a part of the bidding operations pursuant to the provisions of the preceding paragraph, where the designated bidding body discontinues the whole or a part of the bidding operations with permission granted as referred to in Article 44, or where the Minister of Economy, Trade and Industry revokes the designation of the designated bidding body pursuant to the provisions of the preceding Article, the necessary matters including the transfer of the bidding operations are provided for by Order of the Ministry of Economy, Trade and Industry.

(Public Notice)

Article 52 In any of the following cases, the Minister of Economy, Trade and Industry must give public notice of the relevant matters in an official gazette:

- (i) the minister has made a designation;
- (ii) the minister has granted permission as referred to in Article 44;
- (iii) the minister has revoked a designation pursuant to the provisions of Article 50 or ordered the suspension of the whole or part of bidding operations pursuant to the provisions of paragraph(2) of the same Article; or
- (iv) the minister personally performs the whole or a part of the bidding operations or ceases to perform the whole or a part of the bidding operations that the minister has personally performed, pursuant to the provisions of paragraph (1) of the preceding Article.

(Request for Review of Disposition by Designated Bidding Body)

Article 53 A person who is dissatisfied with a disposition made by a designated bidding body regarding the bidding operations or the body's inaction to make such disposition may make a request for review to the Minister of Economy, Trade and Industry. In this case, with regard to the application of Article 25, paragraphs (2) and (3), Article 46, paragraphs (1) and (2), Article 47, and Article 49, paragraph (3) of the Administrative Complaint Review Act (Act No. 68 of 2014), the Minister of Economy, Trade and Industry is deemed to be the higher administrative authority of the designated bidding body.

(Application of Provisions)

Article 54 (1) With regard to the application of the provisions of Article 6 and Article 7, paragraphs (1) to (4) and paragraphs (6) to (9) in the case where a designated bidding body performs the bidding operations, the term "Minister of Economy, Trade and Industry" in Article 6 and Article 7, paragraphs (1) to (4) and paragraphs (6) to (8) and the term "State" in Article 7, paragraph (9) are deemed to be replaced with "designated bidding body."

(2) The fees paid to a designated bidding body pursuant to the provisions of Article 7, paragraph (9) as applied pursuant to the provisions of the preceding paragraph following the deemed replacement of terms are treated as income of the designated bidding body.

Section 2 Expense Sharing Coordinating Body

(Designation of the Expense Sharing Coordinating Body)

Article 55 (1) The Minister of Economy, Trade and Industry may designate a general incorporated association, general incorporated foundation, or any other corporation provided for by Cabinet Order which is recognized as conforming to the following standards with regard to the operations provided for in the following paragraph (hereinafter referred to as "coordinating operations") as the expense sharing coordinating body (hereinafter referred to as the

- "coordinating body") upon its application, limited to one for the entire country:
- (i) the general incorporated association, general incorporated foundation, or corporation has sufficient financial and technical foundations to properly implement the coordinating operations;
 - (ii) the composition of the officers or employees of the general incorporated association, general incorporated foundation, or corporation is unlikely to hinder the fair implementation of the coordinating operations;
 - (iii) where the general incorporated association, general incorporated foundation, or corporation performs operations other than the coordinating operations, the performance of the operations is unlikely to hinder the fair implementation of the coordinating operations;
 - (iv) the general incorporated association, general incorporated foundation, or corporation is not a person whose designation was revoked pursuant to the provisions of Article 65, paragraph (1), for whom a period of two years has not passed since the date of revocation; and
 - (v) none of the officers of the general incorporated association, general incorporated foundation, or corporation falls under any of the following:
 - (a) a person who was sentenced to imprisonment without work or a severer punishment, for whom a period of two years has not passed since the person served out the sentence or ceased to be subject to the sentence; and
 - (b) a person who was sentenced to a fine for violation of this Act or any order based on this Act, for whom a period of two years has not passed since the person served out the sentence or ceased to be subject to the sentence.
- (2) The coordinating body is to perform the following operations:
- (i) collecting payments from electricity retailers, etc. and managing them;
 - (ii) granting subsidies to electricity utilities; and
 - (iii) performing operations incidental to the operations listed in the preceding two items.
- (3) When the Minister of Economy, Trade and Industry has made a designation under the provisions of paragraph (1), the minister must publicly notify the name and address of the designated person and the location of the office thereof.
- (4) When the coordinating body intends to change its name and address and the location of its office, it must notify the Minister of Economy, Trade and Industry to that effect in advance.
- (5) When a notification under the provisions of the preceding paragraph has been made, the Minister of Economy, Trade and Industry must publicly notify the matters pertaining to the notification.

(Coordinating Operation Rules)

Article 56 (1) The coordinating body must set coordinating operation rules for

the method of implementation and other matters provided for by Order of the Ministry of Economy, Trade and Industry and must obtain approval therefor from the Minister of Economy, Trade and Industry, prior to the beginning of the coordinating operations. The same applies when the coordinating body intends to change the coordinating operation rules.

- (2) When the Minister of Economy, Trade and Industry finds that an application for approval set forth in the preceding paragraph conforms to all of the following items, the minister must give the approval set forth in the same paragraph:
- (i) the coordinating operation rules provide for the method of implementing the coordinating operations in a proper and clear manner;
 - (ii) the coordinating operation rules do not treat specific persons in an unjust discriminatory manner; and
 - (iii) the coordination operation rules are not likely to unjustly harm the interests of general electricity transmission and distribution utilities, specified electricity transmission and distribution utilities, electricity retailers, and registered specified electricity transmission and distribution utilities.
- (3) When the Minister of Economy, Trade and Industry finds that the coordinating operation rules for which the minister has given the approval set forth in paragraph (1) have become inappropriate in terms of the proper and assured implementation of the coordinating operations, the minister may order the coordinating body to change the coordinating operation rules.

(Business Plan)

- Article 57 (1) The coordinating body must prepare a business plan and an income and expenditure budget document with regard to the coordinating operations and must obtain approval therefor from the Minister of Economy, Trade and Industry every business year, pursuant to the provisions of an Order of the Ministry of Economy, Trade and Industry. The same applies when the coordinating body intends to change them.
- (2) When the coordinating body has obtained the approval set forth in the preceding paragraph, it must make public its business plan and income and expenditure budget document without delay.
- (3) The coordinating body must prepare a business report and a statement of accounts with regard to the coordinating operations after the end of each business year, must submit them to the Minister of Economy, Trade and Industry, and must make them public, pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(Separate Accounting)

Article 58 Where the coordinating body performs operations other than the coordinating operations, it must keep accounts for the operations separately from accounts for the coordinating operations.

(Suspension and Discontinuation of Operations)

Article 59 The coordinating body must not suspend or discontinue the whole or part of the coordinating operations unless it obtains the permission of the Minister of Economy, Trade and Industry.

(Investment of Payments)

Article 60 The coordinating body must not invest payments by methods other than the following:

- (i) holding national government bonds and other securities designated by the Minister of Economy, Trade and Industry;
- (ii) making deposits in banks and other financial institutions designated by the Minister of Economy, Trade and Industry; and
- (iii) trusting financial institutions operating trust businesses (which means financial institutions which have obtained the approval set forth in Article 1, paragraph (1) of the Act on Provision, etc. of Trust Business by Financial Institutions (Act No. 43 of 1943)) with money.

(Books)

Article 61 The coordinating body must keep and preserve books in which matters concerning the coordinating operations provided for by Order of the Ministry of Economy, Trade and Industry are stated pursuant to the provisions of Order of the Ministry of Economy, Trade and Industry.

(Duty of Confidentiality)

Article 62 A person who is an officer or employee of the coordinating body or a person who was formally in that position must not divulge any secret that the person has learned in the course of the coordinating operations.

(Order of Dismissal of Officer)

Article 63 If an officer of the coordinating body has violated this Act or any order or disposition based on this Act, engages in conduct in violation of the coordinating operation rules provided for in Article 56, paragraph (1) that have been approved as set forth in the same paragraph, or engages in conduct that is substantially inappropriate in the course of the coordinating operations, the Minister of Economy, Trade and Industry may order the coordinating body to dismiss the officer.

(Supervision Order)

Article 64 The Minister of Economy, Trade and Industry may issue an order concerning the coordinating operations which is necessary for supervision to the coordinating body within the limit necessary for the enforcement of this Act.

(Revocation of Designation)

Article 65 (1) If the coordinating body falls under any of the following items, the Minister of Economy, Trade and Industry may revoke the designation under the provisions of Article 55, paragraph (1) (hereinafter simply referred to as "designation" in this Article):

- (i) the coordinating body is recognized as being unable to implement the coordinating operations in a proper and assured manner;
 - (ii) the coordinating body committed a wrongful act in the course of the designation; and
 - (iii) the coordinating body violated this Act or any order or disposition based on this Act or performed the coordinating operations in defiance of the coordinating operation rules provided for in Article 56, paragraph (1) that were approved as set forth in the same paragraph.
- (2) When the Minister of Economy, Trade and Industry has revoked the designation pursuant to the provisions of the preceding paragraph, the minister must make a public notice thereof.
- (3) If the designation has been revoked under the provisions of paragraph (1), if there remain payments which electricity retailers, etc. have paid to the corporation whose designation was revoked, that corporation whose designation was revoked must promptly deliver the payments to a coordinating body newly designated by the Minister of Economy, Trade and Industry pursuant to the provisions of Article 55, paragraph (1).

(Provision of Information)

Article 66 The Minister of Economy, Trade and Industry is to provide necessary information and materials concerning the implementation of the coordinating operations, or to give guidance and advice, to the coordinating body.

Chapter V the Procurement Price Calculation Committee

(Establishment and Affairs under Jurisdiction)

Article 67 (1) The Procurement Price Calculation Committee (hereinafter referred to as the "committee") is established in the Agency for Natural Resources and Energy.

- (2) The committee handles the matters which are put under the authority of the committee pursuant to this Act.

(Organization)

Article 68 The committee is structured with five members.

(Committee Members)

Article 69 (1) Committee members are appointed by the Minister of Economy, Trade and Industry from among persons who have expert knowledge and experience concerning the electricity business, economy, etc. with the consent of both Houses.

(2) In the case set forth in the preceding paragraph, if the Minister of Economy, Trade and Industry is unable to obtain the consent of both Houses due to the closing of the Diet or the dissolution of the House of Representatives, the minister may appoint committee members from among persons who have the qualification provided for in the same paragraph, notwithstanding the provisions of the same paragraph.

(3) In the case set forth in the preceding paragraph, the Minister of Economy, Trade and Industry must obtain post facto approval from both Houses at the first Diet session after the appointment. In this case, if the Minister of Economy, Trade and Industry is unable to obtain post facto approval from both Houses, the minister must immediately dismiss the relevant committee members.

(4) The term of office of a committee member is three years; provided, however, that the term of office of an alternate committee member is the remaining term of the predecessor.

(5) When the term of office of a committee member has expired, the committee member is to continue to perform the duties until that successor is appointed.

(6) Committee members may be reappointed.

(7) If a committee member has received an order for commencement of bankruptcy proceedings or has been sentenced to imprisonment without work or a severer punishment, the Minister of Economy, Trade and Industry must dismiss the committee member.

(8) If the Minister of Economy, Trade and Industry finds that a committee member is unable to perform the duties due to mental or physical disorders or has committed a violation of the obligation pertaining to the duties or other delinquency which is not appropriate for a committee member, the minister may dismiss the committee member with the consent of both Houses.

(9) Committee members must not divulge any secret that they have learned in the course of their duties. The same applies after they retire from office.

(10) Committee members are part-time.

(Chairperson)

Article 70 (1) The committee has a chairperson, who is elected by committee members from among themselves.

(2) The chairperson presides over the committee's affairs and represents the committee.

(3) If the chairperson is unable to attend to the duties, a committee member designated in advance by the chairperson performs the duties of the chairperson on behalf of the chairperson.

(Meeting)

Article 71 (1) The chairperson calls the meetings of the committee.

(2) The committee may neither hold a meeting nor make a resolution unless the chairperson and half or more of the committee members attend the meeting.

(3) All decisions of the committee are effected by a majority of the committee members present, and in the case where the votes are evenly divided, the chairperson has the power to decide the vote.

(4) With regard to the application of the provisions of paragraph (2) in the case where the chairperson is unable to attend to the duties, a committee member who performs the duties of the chairperson on behalf of the chairperson pursuant to the provisions of paragraph (3) of the preceding Article is deemed to be the chairperson.

(5) All meetings of the committee are open to the public; provided, however, that if there is a risk that the fairness of a meeting will be harmed or if the committee finds it necessary in the public interest, the committee may keep the meeting closed to the public.

(Submission of Materials and Other Cooperation)

Article 72 (1) If the committee finds it necessary for performing the affairs under its jurisdiction, it may make requests to administrative organs and the heads of local governments for the submission of materials, statements of opinion, explanations, and other necessary cooperation.

(2) If the committee finds it especially necessary for performing the affairs under its jurisdiction, it may make requests also to persons other than those provided for in the preceding paragraph for necessary cooperation.

(Delegation to Cabinet Order)

Article 73 Beyond what is provided for in this Act, necessary matters concerning the committee are prescribed by Cabinet Order.

Chapter VI Miscellaneous Provisions

(Reflection of Expenses Necessary for Using Renewable Energy Sources in

Price)

Article 74 (1) The State must endeavor to obtain public understanding and cooperation by making public the purpose and content of this Act through public relations activities, etc., taking into consideration that it is important to appropriately reflect the expenses necessary for using renewable energy sources as energy sources for electricity in the price for the supply of electricity to electricity users in order to facilitate the use of renewable energy sources as energy sources for electricity.

(2) In order to facilitate the use of renewable energy sources as energy sources for electricity, general electricity transmission and distribution utilities, specified electricity transmission and distribution utilities, electricity retailers, and registered specified electricity transmission and distribution utilities must endeavor to increase the efficiency of their business activities, reduce expenses for the business activities, and take other necessary measures so as to prevent the price for the supply of electricity from being an excessive burden on electricity users.

(Responsibility of the State, etc. for Securing Stable and Efficient Supply of Electricity from Renewable Energy Sources)

Article 75 (1) In order to secure a stable and efficient supply of electricity from renewable energy sources, the State is to promote research and development and disseminate the results thereof, examine regulations on land use, buildings, etc. pertaining to the installation of renewable energy power generation facilities and other regulations on the supply of electricity from renewable energy sources, examine measures to make it more convenient for those who supply or intend to supply electricity from renewable energy sources by using certified power generation facilities, implement necessary measures based on the results of those examinations, and take other necessary measures.

(2) In order to secure a stable and efficient supply of electricity from renewable energy sources, electricity utilities and persons who supply electricity from renewable energy sources to electricity utilities must endeavor to install electric facilities (meaning the electric facilities provided for in Article 2, paragraph (1), item (xviii) of the Electricity Business Act) which contribute to the smooth supply of electricity from renewable energy sources and to take other necessary measures, with close mutual coordination.

(3) If an electricity utility is requested by a person who intends to supply electricity from renewable energy sources generated by using renewable energy power generation facilities maintained and operated thereby to electrically connect that renewable energy power generation facilities with electric lines maintained and operated by that electricity utility in order to secure a stable and efficient supply of electricity from renewable energy sources, the electricity

utility must endeavor to take the necessary measures to ensure the smooth connection of the renewable energy power generation facilities, such as providing the necessary explanation on the expenses necessary for that connection.

- (4) In order to secure a stable and efficient supply of electricity from renewable energy sources, persons engaging in the manufacture or installation of renewable energy power generation facilities or any other business related to renewable energy power generation facilities must endeavor to reduce the expenses necessary for manufacturing and installing renewable energy power generation facilities and to take other necessary measures.

(Collection of Reports and On-Site Inspection)

Article 76 (1) The Minister of Economy, Trade and Industry may, within the limit necessary for the enforcement of this Act, direct a general electricity transmission and distribution utility, specified electricity transmission and distribution utility, certified business operator, electricity retailer or registered specified electricity transmission and distribution utility to report the status of its operations, the status of the certified power generation facilities, and other necessary matters, or have officials of the Ministry of Economy, Trade and Industry enter the places of business or offices, or the place where certified power generation facilities are located, of a general electricity transmission and distribution utility, specified electricity transmission and distribution utility, certified business operator, electricity retailer or registered specified electricity transmission and distribution utility and conduct an inspection of items such as books, documents, and the certified power generation facilities and other articles; provided, however, that where the officials enter a residence, they must obtain the consent of the resident in advance.

- (2) The Minister of Economy, Trade and Industry may, within the limit necessary for the enforcement of the provisions of Article 37, direct a person who has obtained or intends to obtain certification for the person's place of business pursuant to the provisions of paragraph (1) of the same Article to report the quantity of electricity used annually for the business subject to the certification at the place of business, the person's sales pertaining to that business, and other necessary matters, or have officials of the Ministry of Economy, Trade and Industry enter the place of business or the offices of the person and conduct an inspection of items such as books, documents and other articles.

- (3) The Minister of Economy, Trade and Industry may, within the limit necessary for the enforcement of this Act, direct a designated bidding body to report the status of the bidding operations and other necessary matters, or have officials of the Ministry of Economy, Trade and Industry enter the office of a designated

bidding body and conduct an inspection of items such as books, documents and other articles.

- (4) The Minister of Economy, Trade and Industry may, within the limit necessary for the enforcement of this Act, direct the coordinating body to report the status of the coordinating operations or assets, or have officials of the Ministry of Economy, Trade and Industry enter the office of the coordinating body and conduct an inspection of items such as books, documents and other articles.
- (5) An official who conducts an on-site inspection pursuant to the provisions of the preceding paragraphs must carry an identification card and must present it to the persons concerned.
- (6) The authority for an on-site inspection under the provisions of paragraphs (1) through (4) must not be construed as being granted for a criminal investigation.

(Relationship with the Minister of the Environment)

Article 77 When implementing measures to promote the use of renewable energy sources as energy sources for electricity, where the implementation of the measures is related to measures concerning the preservation of the environment, the Minister of Economy, Trade and Industry is to closely communicate with the Minister of the Environment and to implement the measures in cooperation with the Minister of the Environment.

(Delegation to Order of the Ministry of Economy, Trade and Industry)

Article 78 Beyond what is provided for in this Act, necessary matters for the enforcement of this Act are specified by Order of the Ministry of Economy, Trade and Industry.

(Transitional Measures)

Article 79 When enacting, revising, or abolishing an order pursuant to the provisions of this Act, necessary transitional measures (including transitional measures concerning the penal provisions) may be established by the order to the extent deemed reasonably necessary for that enactment, revision, or abolition.

Chapter VII Penal Provisions

Article 80 If a national government official, in connection with the implementation of a bidding process under the provisions of Article 7, paragraph (2), has committed an act that impairs the fairness of the bidding process in breach of the duties, by inciting any prospective participant in the bidding process to engage in bid rigging, informing any prospective participant in the bidding process of any secret concerning the bidding process, or

employing any other method, the official is punished by imprisonment for not more than five years or a fine of not more than 2,500,000 yen.

Article 81 (1) A person who, by the use of fraudulent means or force, has committed an act that impairs the fairness of a bidding process under the provisions of Article 7, paragraph (2) is punished by imprisonment for not more than three years or a fine of not more than 2,500,000 yen, or both.

(2) The preceding paragraph applies to a person who has engaged in bid rigging for a bidding process under the provisions of Article 7, paragraph (2) for the purpose of impairing a fair determination of price or acquiring a wrongful gain.

Article 82 A person who has violated the provisions of Article 46, paragraph (1), Article 62 or Article 69, paragraph (9) is punished by imprisonment for not more than one year or a fine of not more than 500,000 yen.

Article 83 If a designated bidding body violates an order to suspend the bidding operations issued under the provisions of Article 50, paragraph (2), the officer or employee of the designated bidding body who has committed the violation is punished by imprisonment for not more than one year or a fine of not more than 500,000 yen.

Article 84 A person who falls under any of the following items is punished by a fine of not more than one million yen:

- (i) a person who has violated an order issued under the provisions of Article 16, paragraph (4), Article 17, paragraph (2), Article 18, paragraph (3) or Article 19, paragraph (3); or
- (ii) a person who has supplied electricity from renewable energy sources in violation of the provisions of Article 18, paragraph (2).

Article 85 A person who falls under any of the following items is punished by a fine of not more than 300,000 yen:

- (i) a person who has failed to give a notification under the provisions of Article 18, paragraph (1) or Article 32, paragraph (3) or (4), or has given a false notification;
- (ii) a person who has violated the provisions of Article 18, paragraph (4);
- (iii) a person who, in violation of the provisions of Article 35, paragraph (1) or (2), has failed to keep books, has failed to state necessary matters in the books, or has made false statements in the books, or has failed to preserve the books; or
- (iv) a person who has failed to make a report under the provisions of Article 76, paragraph (1) or (2) or has made a false report, or has refused, interrupted,

or evaded an inspection under the provisions of paragraph (1) or (2) of the same Article.

Article 86 If falling under any of the following items, an officer or employee of a designated bidding body or coordinating body who has committed the violation is punished by a fine of not more than 300,000 yen:

- (i) if the body has discontinued the whole of the bidding operations or coordinating operations without the permission referred to in Article 44 or Article 59;
- (ii) if the body, in violation of the provisions of Article 45 or Article 61, has failed to keep books, has failed to state necessary matters in the books, or has made false statements in the books, or has failed to preserve the books; or
- (iii) if the body has failed to make a report under the provisions of Article 76, paragraph (3) or (4) or has made a false report, or has refused, interrupted, or evaded an inspection under the provisions of paragraph (3) or (4) of the same Article.

Article 87 If the representative of a corporation or an agent, an employee or any other worker of a corporation or an individual commits a violation set forth in Article 84 or 85 in connection with the business of the corporation or individual, beyond the offender being subject to punishment, the corporation or individual is subject to the fine referred to in the relevant Article.

Supplementary Provisions

(Effective Date)

Article 1 This Act comes into effect as of July 1, 2012; provided, however, that the provisions listed in the following items come into effect as of the day provided for respectively in those items:

- (i) the provisions of Article 8 and paragraphs (1) and (5) of Article 10 of the Supplementary Provisions: the day of promulgation;
- (ii) the provisions of Chapter V and Articles 2, 5, 14, and 15 of the Supplementary Provisions (excluding the provision to amend Article 19, paragraph (1), item (iv) of the Act for Establishment of the Ministry of Economy, Trade and Industry (Act No. 99 of 1999)): the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation;
- (iii) the provisions of Articles 3 and 4 of the Supplementary Provisions: the day specified by Cabinet Order within a period not exceeding nine months from the date of promulgation.

(Review)

Article 2 (1) If the basic energy plan provided for in Article 12, paragraph (1) of the Basic Act on Energy Policy (Act No. 71 of 2002) has been changed in light of the Great East Japan Earthquake (meaning the earthquake that occurred off the Pacific coast of the Tohoku region on March 11, 2011, and the subsequent disaster caused by accidents at the nuclear power plants), the government is to promptly examine the system for the promotion of the use of renewable energy sources as energy sources in light of the content of the basic energy plan after that change and to take necessary measures based on the results of the examination.

(2) From the perspective of securing a stable and appropriate supply of energy, the government is to examine the status of the enforcement of this Act after taking necessary measures pursuant to the provisions of the preceding paragraph, whenever the basic energy plan is changed or at least every three years, in light of that change or the status and prospect of the quantity of supplied electricity from renewable energy sources, the amount of fees for the supply of electricity and the prospect thereof and influence of those fees on household accounts, influence of the burden of the allotted money set forth in Article 36 on the economic activities, etc. of persons who use huge amounts of electricity in performing their businesses and other electricity users, changes in the social and economic conditions in Japan and abroad, etc., and to take the necessary measures based on the results of the examination.

(3) The government is to radically review this Act during the period from the time after the enforcement of this Act until March 31, 2021, taking into consideration the status of the enforcement of this Act, etc.

(4) The government is to promptly examine the financial resources pertaining to the budgetary measures set forth in Article 38, including financing by the Special Account for Energy Measures and allocating revenue from petroleum and coal tax, taking into consideration the status of the enforcement of this Act, etc., and to take necessary measures based on the results of the examination.

(5) From the perspective of securing a stable and appropriate supply of energy and reducing the burden on electricity users arising from the use of electricity from renewable energy sources, the government is to promptly examine the system pertaining to the electricity business, including the development of a system pertaining to the supply of electricity and the setting of fees, and to take necessary measures based on the results of the examination.

(Abolition of the Act on Special Measures Concerning New Energy Use by Operators of Electricity Utilities)

Article 3 The Act on Special Measures Concerning New Energy Use by Operators

of Electricity Utilities (Act No. 62 of 2002) is abolished.

(Transitional Measures upon Abolition of the Act on Special Measures
Concerning New Energy Use by Operators of Electricity Utilities)

Article 12 The provisions of Articles 4 through 8, paragraphs (4) and (5) of Article 9, and Articles 10 through 12 (including penal provisions pertaining to these provisions) of the Act on Special Measures Concerning New Energy Use by Operators of Electricity Utilities prior to the abolition under the provisions of the preceding Article (hereinafter referred to as the "Old Special Measures Act") remain in force until otherwise provided for by law. In this case, the phrase "Standard Amount of Use of Electricity from New Energy, etc." in Article 4, paragraph (1) of the Old Special Measures Act is deemed to be replaced with "amount of use under transitional measures of electricity from new energy, etc. which is obtained by using a facility that converts new energy, etc. into electricity certified pursuant to the provisions of Article 9, paragraph (1) of the Act on Special Measures Concerning New Energy Use by Operators of Electricity Utilities (Act No. 62 of 2002; hereinafter referred to as the "Old Special Measures Act") prior to the abolition under the provisions of Article 11 of the Supplementary Provisions of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity utilities (Act No. 108 of 2011; hereinafter referred to as the "Special Measures Act on Electricity from Renewable Energy Sources) (hereinafter referred to as "certified generation facility for electricity from new energy, etc."); the phrase "dissemination of generation facilities for voltage regulation that become necessary as a result of having set a Use Target for Electricity from New Energy, etc. and installed Generation Facilities for Electricity from New Energy, etc." in the same paragraph is deemed to be replaced with "total quantity of Standard Amount of Use of Electricity from New Energy, etc., which all electricity utilities notified the Ministry of Economy, Trade and Industry of, pursuant to the provisions of Article 4, paragraph (1) of the Old Special Measures Act, as the amount that they should use during one year from April 1 of the previous year of the year which includes the day of the enforcement of the Special Measures Act on Electricity from Renewable Energy Sources (hereinafter referred to as the "day of enforcement") to March 31 of the year which includes the day of enforcement (one year from April 1 of the year two years before the year which includes the day of enforcement to March 31 of the previous year of the year which includes the day of enforcement in the case where the month which includes the day of enforcement is January, February, or March) and the abolition of certified generation facility for electricity from new energy, etc.," the phrase "from April 1 to June 1 of the Notification Year" in paragraph (2) of the same Article is deemed to be replaced with "from April

1 of the Notification Year to June 1 of the following year," the phrase "from April 1" in the same paragraph is deemed to be replaced with "from April 1 (to March 31) of the following year'," the phrase "from the day on which they began supplying electricity" in the same paragraph is deemed to be replaced with "from the day on which they began supplying electricity (to March 31) of the following year'," the term "Standard Amount of Use" in Articles 5 through 8 of the Old Special Measures Act is deemed to be replaced with "amount of use under transitional measures," the term "paragraph (1)" in Article 9, paragraph (4) of the Old Special Measures Act is deemed to be replaced with "Article 9, paragraph (1) of the Old Special Measures Act," the term "preceding paragraphs" in paragraph (5) of the same Article is deemed to be replaced with "preceding paragraph," the term "paragraph (1)" in the same paragraph is deemed to be replaced with "Article 9, paragraph (1) of the Old Special Measures Act," and the term "Article 9, paragraph (1)" in Article 11 and paragraphs (1) and (2) of Article 12 of the Old Special Measures Act is deemed to be replaced with "Article 9, paragraph (1) of the Old Special Measures Act."

Article 5 Prior laws continue to govern the applicability of penal provisions to conduct that a person engages in before this Act comes into effect.

(Partial Amendment of the Act on Salaries of Government Officials with Special Capacity)

Article 14 The part of the Act on Salaries of Government Officials with Special Capacity (Act No. 252 of 1949) is amended as follows.

The following item is added following Article 1, item (lxv).

(lxv)-2 the members of the Procurement Price Calculation Committee

(Partial Amendment of the Act for Establishment of the Ministry of Economy, Trade and Industry)

Article 15 The part of the Act for Establishment of the Ministry of Economy, Trade and Industry is amended as follows.

In the table of contents, "and 19" is amended to "to 19-2."

The following paragraph is added to Article 18.

(2) Beyond what is provided for in the preceding paragraph, a council, etc. established in the Ministry of Economy, Trade and Industry as provided for separately by an Act which is established in the Agency for Natural Resources and Energy is the Procurement Price Calculation Committee.

In Article 19, paragraph (1), item (iv), the phrase "Act on Special Measures Concerning New Energy Use by Operators of Electricity Utilities (Act No. 62 of 2002)" is deleted and the following Article is added following the same Article in Chapter IV, Section 2, Subsection 2.

(Procurement Price Calculation Committee)

Article 19-2 The Procurement Price Calculation Committee is governed by the provisions of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity utilities (Act No. of 2011; including orders based thereon).

(Delegation to Cabinet Order)

Article 8 Beyond what is provided for in these Supplementary Provisions, necessary transitional measures for the enforcement of this Act are prescribed by Cabinet Order.