

Law for Energy Conservation and Recycling Support

The law is designed to support business operators voluntarily implementing projects to promote the rationalization of the use of energy and natural resources.

(1) Guidelines for efforts

The competent minister shall establish guidelines for business operators and building owners voluntarily implementing projects to promote the rationalization of the use of energy and natural resources.

(2) The definition of specified projects

Three categories of projects are defined as "specified". Business operators etc. who takes on the projects must draw up and submit project plans to the competent minister in order to receive his/her approval. The three categories are the projects that:

- a. Install or improve the equipment that can contribute to the rational use of energy in factories or other business sites¹.
- b. Use any building materials or install or improve any equipment that can contribute to the rational use of energy at the time of building construction. .
- c. Conduct R&D on the manufacturing technology of industrial products that can contribute to the rational use of energy.

(3) Approval of projects

The competent minister shall approve the projects if he/she recognizes that they meet the requirements of the guidelines stated in (1).

(4) Assistance measures

The specified business projects that are conducted in conformity with the approved plan get support with the following assistance measures:

- a. Interest rate subsidy²,
- b. Bond issued by NEDO

(5) Specified facilities

Heat supply facilities that are necessary to establish the effective energy utilization system will be designated as "specified facilities. The effective energy utilization system includes "the large-scale cogeneration regional heat supply system" or "the cascade heat utilization-type industrial complex". And the funds borrowed to install or improve those facilities will be covered by the bonds by the NEDO.

(6) Enforcement of the law

The law was enforced on 25 June, 1993 and had a ten-year life span. However, it was partially revised in 1 October, 2003 and determined to be extended until 31 March, 2013.

¹ The same business categories as covered by the designated energy management factory scheme (Section 1, Article 6, Energy Conservation Law).

² Financial institutions (Development Bank of Japan, etc.) who lend the necessary funds have the interests partially covered by Oil Special Account (currently Energy Special Account) (budgetary action without any legal provision). The interest is far lower than the lowest interest for the fiscal investments and loans (a. 1.8% for the specific activities of factories, etc, b. 1.85% for those of buildings, as of March 14, 2000).