

Start of a new subsidy system for energy efficient equipment & facilities

Assistance is given to companies and sole proprietors when they try to implement Energy Efficiency & Conservation (hereinafter "EE&C") measures in their factory/workplace.

Subsidies for promoting EE&C investment in FY2017
(Program to support business operator pursuing rational use of energy)

Overall schedule

Public offering explanatory meetings	May 2017
	Thursday 11th: Saitama Friday 12th: Sendai Monday 15th: Ginowan, Okinawa
	Tuesday 16th: Osaka Wednesday 17th: Takamatsu Thursday 18th: Fukuoka
	Friday 19th: Hiroshima Monday 22nd: Sapporo Tuesday 23rd: Nagoya
	Tuesday 23rd: Tokyo Wednesday 24th: Toyama
	* Advance application is required through the SII website (https://sii.or.jp/).
Public offering period	Thursday, May 25, 2017 to Monday, June 26, 2017
Grant decisions	End of August 2017 (Planned)
Project period	Between the grant decisions date and January 31, 2018

Application	Judgement	Project period	Project completion
Project start	Grant decisions date	Order placement	Installation work
		Acceptance inspection	Payment
			By January 31, 2018

- In principle, it is necessary to request estimates from three or more entities, and to implement competitive bidding.
- Estimates will be valid providing that their issue date is later than the public application start date.
- Be certain to enter into agreements and place orders only after the grant has been decided.
- If agreements and place orders are entered before the grant has been decided, they will be exempted from the subjects for subsidies.

Considerations

- These materials describe an outline of projects. Be certain to confirm the public application main points, etc. when making applications.
- After project completion (installation completion, acceptance inspection, payment completion), it will be necessary to submit a report of the actual results to SII.
The subsidies will be paid after SII has implemented a confirmatory inspection.
- After the facility comes into operation, it will be necessary to report the actual EE&C results to SII.
- It will be necessary to register the introduced E&F as fixed assets, and to continuously use the E&F during their statutory usable life.
If disposition of property is to be implemented on the introduced E&F, it will be necessary to obtain the approval of SII. (It may be necessary to return the subsidy.)

If you have any unclear points relating to applications, please feel free to contact us.

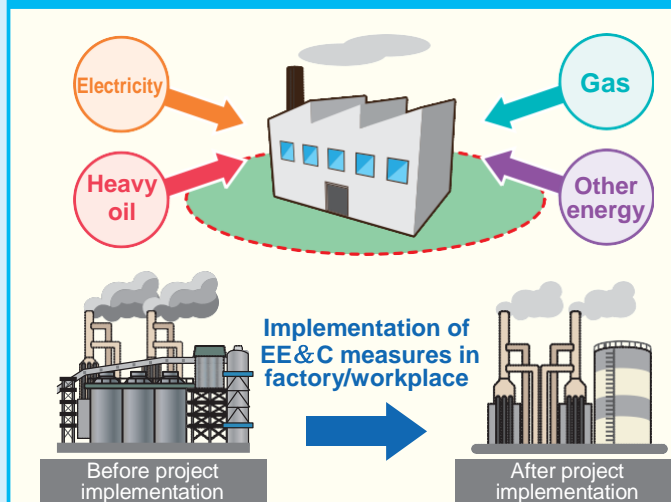
Navi-Dial
(Charged telephone calls) **0570-055-122**

For inquiries from IP telephones, call: **042-303-4185**
Lines are open from 10:00 a.m. to 12:00 p.m. and from 1:00 p.m. to 5:00 p.m.
(Excluding Saturdays, Sundays, and public holidays)

Sustainable Open Innovation Initiative ▶▶▶▶▶ <https://sii.or.jp/>

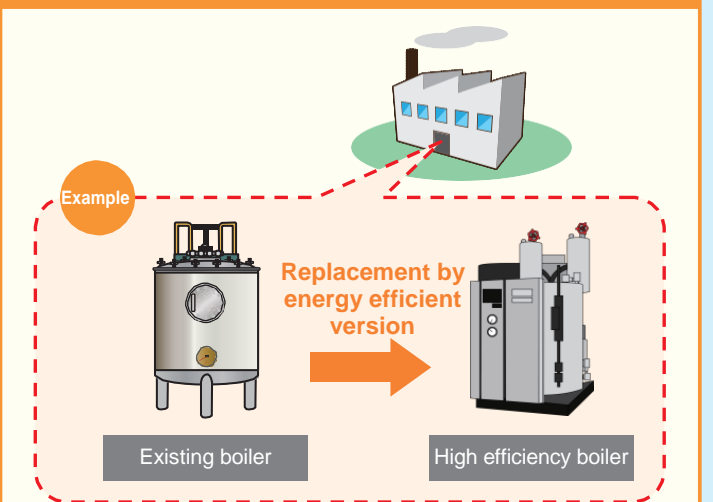
I. Projects introducing EE&C equipment & facilities in factory/workplace

- There are no limitations to industry categories or E&F.
- Applications can be made for projects that realize EE&C. Please make your application after considering "which type of EE&C facilities should be used in the renewal" and "whether to implement EE&C".
- The methods for calculating the EE&C effect should be determined by the business operator.



II. Projects introducing EE&C equipment in individual facilities

- There are no limitations to industry categories.
- The replacement of equipment & facilities should be selected from among the 10 classifications.
- If data is input to the subsidized project portal, calculation of the effect and creation of application documents can be easily done.



Implementation of EE&C measures by selecting types of subsidies accordingly with the variety of the investment

I. Projects introducing EE&C equipment & facilities in factory and workplace *1

(a) EE&C countermeasures

These are projects for achieving by newly establishing energy management systems (EMS) provided with functions including measurement and visualization during renewals and improvements to realize EE&C facilities.

If any of the following conditions are satisfied, applications can be made:

- (1) The EE&C rate of the factory or workplace is **1% or more (Units: kl)**.
- (2) The energy usage amount of the factory or workplace is reduced by **1,000 kl or more** (Energy conservation amount).
- (3) The cost-effectiveness realizes an **EE&C amount of 200 kl or more for each 10 million yen** of expenses to be subsidized.
- (4) The energy consumption intensity improvement rate is **1% or more (Units: kl)**.

(b) Peak electric power countermeasures

These are projects in which storage cells, heat storage systems, or in-house power generating equipment are newly installed in order to reduce the electric power usage amount in the peak electric power measure time band.

If any of the following conditions are satisfied, applications can be made:

- (1) The peak measure effect rate is **5% or more (Units: kWh)**.
- (2) The electricity used in the peak measure time band is reduced by **1.9 million kWh or more** (Peak measure effect amount).
- (3) The cost-effectiveness of a **peak measure time effect 800,000 kWh or more for each 10 million yen** of expenses to be subsidized.
- (4) The peak measure intensity improvement is **1% or more (Units: kWh)**.

(c) Energy management

These are projects utilizing energy management systems (EMS)* provided with functions including measurement and visualization that have been registered with SII in which "energy management support services" are assigned to energy management business operators* for more effective EE&C measures.
* These items should be selected using the information published on the SII website.

Projects which achieve an EE&C rate of **2% or more** in the **"EMS control effect and operations improvement effect in EE&C audits, etc.**"** (Units: kl)

Or projects which achieve a factory/workplace peak measure time effect rate of **10% or more** (Units: kWh)



- Subject project : Payback period ≥ 5 years
- For "factories/workplaces with energy usage amounts of 1,500 kl or more" and "companies (joint-stock companies, general partnerships, limited partnerships, associated companies, and limited liability companies (deemed to include major companies)) that do not correspond to small and medium companies under the Companies Act", only projects that are described in medium to long-term plans according to the Act on the Rational Use of Energy shall be subjects for subsidies.

Application patterns

Individual



Combined



In all cases, it is necessary to satisfy the requirements in (a), (b) and (c).

Expenses to be subsidized	Design expenses, facility expenses, installation expenses
Subsidy rate	Not exceeding 1/3 of the expenses to be subsidized Not exceeding 1/2 of the expenses to be subsidized in individual (c) projects and combined (c) projects
Subsidy limit amounts	[Upper limit] 1.5 billion yen/fiscal year per project *2 [Lower limit] 1 million yen/fiscal year per project

II. Projects introducing EE&C equipment in individual facilities

Replacement of the existing equipment & facilities by more energy efficient ones shown below

- (1) High efficiency lighting
- (2) High efficiency air conditioning
- (3) Industrial heat pumps
- (4) Business-use water heaters
- (5) High performance boilers
- (6) High efficiency cogeneration systems
- (7) Low carbon industrial furnaces
- (8) Transformers
- (9) Freezers and refrigerators
- (10) Industrial motors

Expenses to be subsidized	Facility expenses only
Subsidy rate	Not exceeding 1/3 of the expenses to be subsidized
Subsidy limit amounts	[Upper limit] 30 million yen per project [Lower limit] 500,000 yen per project However, for small and medium-sized business operators and sole proprietors, this amount will be 300,000 yen .

*1: When introducing equipment that is subject to the Top Runner Program, only equipment satisfying the Top Runner Standards shall become subjects for subsidies. (I. Factory/workplace only)
Top Runner Standards: These are energy consumption efficiency standards which are determined from among the stipulated products referencing items including the EE&C level and anticipated technological progress of products that have the most outstanding EE&C performance at that point in time.
*2: For "EE&C projects integrated between factories/workplaces" which are implemented by several business operators, the subsidy upper limit shall be 3 billion yen in any fiscal year for each project (I. Factory/workplace only).
*3: For large-scale projects that are difficult to implement in a single fiscal year (multiple fiscal year projects), the subsidy upper limit shall be 5 billion yen for each project (I. Factory/workplace only).