

April 5, 2021

Sinanen Co., Ltd.

Partnering with Clean Energy Connect for the joint creation of a green electric power supply scheme based on a virtual corporate PPA

Contributing to the realization of a carbon-free society by optimizing the use of renewable energy with an off-site supply model utilizing non-FIT solar power plants

Sinanen Co., Ltd. (Headquarters: Minato-ku, Tokyo, President and CEO: Takashi Yasuda, hereinafter “Sinanen”), an energy solutions provider, will in a partnership with Clean Energy Connect Co., Ltd. (Headquarters: Shinagawa-ku, Tokyo, President and CEO: Koichi Yamaguchi, hereinafter “Clean Energy Connect”), a provider of renewable energy introduction and procurement solutions, and create a new business model development based on a virtual corporate PPA utilizing non-FIT solar power plants without relying on renewable energy feed-in tariff (FIT) system.

Virtual corporate PPA (Power Purchase Agreement) refers to a long-term contract under which a company purchases electric power such as solar power and wind power directly from an electric power generation company. It is a procurement method adopted by leading overseas IT companies, which has been attracting attention by environmentally advanced companies in Japan as the up-and-coming renewable energy procurement method. Sinanen and Clean Energy Connect are preparing to offer an optimal provision scheme under a virtual corporate PPA development in Japan which has been compared and tested against the current Electricity Business Act and coordinated with related parties. This virtual corporate PPA enables companies to contribute to the creation of new renewable energy projects and reduce the electric power supply from existing thermal power plants as an effective measure against climate change in the context of corporations’ targeting sustainable management. Moreover, on the financial side, the virtual corporate PPA contract enables renewable energy procurement under stable contract terms insulated from soaring prices in the wholesale electricity market.

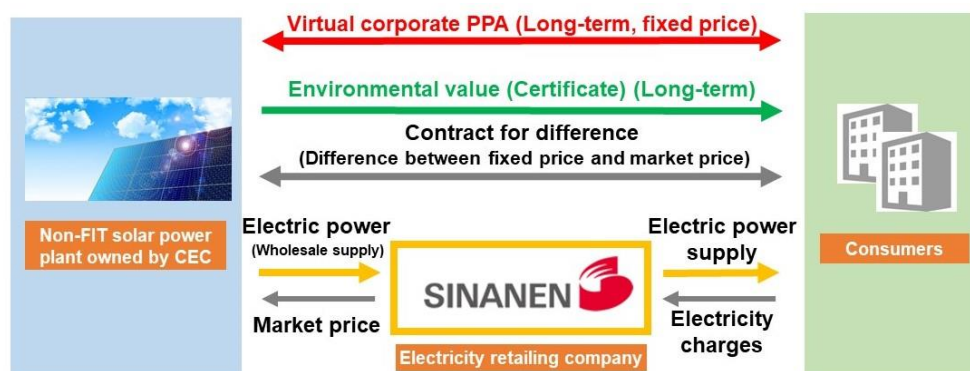


Illustration of the virtual corporate PPA model of Clean Energy Connect and Sinanen

Sinanen has been proactively engaged in business development surrounding energy supply from practically 100% renewable energy, such as participating in the experimental verification of non-fossil certificate tracking. The partnership with Clean Energy Connect has made it possible for Sinanen to procure electricity directly from non-FIT solar power plants and to offer a new business scheme supplying electric power and environmental value to environmentally conscious customers. Meanwhile, Clean Energy Connect will be able to supply electric power to a wider range of customers through Sinanen's sales network. By providing this new scheme, Clean Energy Connect and Sinanen will support environmentally advanced companies in procuring renewable electric power through the virtual corporate PPA without relying on FIT schemes.

Before the virtual corporate PPA will become generally available, Sinanen will as a first step run a trial introduction at its old head office building by procuring electric power and environmental value from non-FIT solar power plants which Clean Energy Connect will invest in, build, and own under the jurisdiction of the TEPCO Power Grid. Subsequently, after conducting a risk assessment of whether stable electric power supply is viable based on specific power generation data of non-FIT solar power plants, Sinanen will select corporate customers to whom the virtual corporate PPA will be offered and initiate the green electric power utilization scheme.

In the fall of 2021, Clean Energy Connect plans to start operating for Sinanen multiple non-FIT solar power plants equaling a 1-MW class power plant. Furthermore, by the end of FY 2025, Sinanen plans to have contracted with non-FIT solar power plants totaling at least 100 MW, including Clean Energy Connect development projects, and actively promote virtual corporate PPA contracts with user companies.

As an energy solutions company for corporations, Sinanen will in addition to expanding sales at its existing energy business continue to take on new challenges in the renewable energy business with the aim of realizing a sustainable carbon-free society while providing customers with energy.

■About Sinanen's electric power sales business <https://www.sinanen.jp>

The Sinanen Holdings Group has been providing a comfortable energy environment to its customers, in accordance with the changes of the times, since its foundation as a solid fuel manufacturing and sales company in 1927. Since FY 2018, the Sinanen electric power sales business has been providing environmentally friendly CO2 emission factor-based energy menus for the purpose of environmental protection using the renewable energy and energy saving-derived J-Credit Scheme and non-fossil certificates, as well as RE100 compliant menus of practically 100% renewable energy using non-fossil certificates with tracking information. Moreover, the CO2 emission factor has been third-party verified by the Japan Quality Assurance Organization (JQA). Written certification is provided. With a view to the realization of a sustainable future, aiming to achieve the SDGs Goal 15 "Life on land," we have established the Sinanen Akari no Mori project to protect our rich forests by promoting the use of clean energy. Through this project, we collaborate with municipalities and non-profit o

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rganizations on tree planting and forest protection activities in the aim of creating bountiful forests and preventing global warming.

■About Sinanen Co., Ltd. <https://sinanen.com/en/>

Sinanen Co., Ltd. is a corporate energy service company of the Sinanen Holdings Group. We are operating a wide range of businesses such as petroleum product sales, renewable energy investment, electric power sales, and solar power generation maintenance.

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