News Release
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Nippon Electric Glass Co., Ltd.

Nippon Electric Glass Signs its First VPPA for Solar Power: Accelerating Efforts towards Carbon Neutrality

Nippon Electric Glass Co., Ltd. (Head Office: Otsu, Shiga, Japan; President: Akira Kishimoto; "NEG") has concluded a VPPA[*1] (Virtual Power Purchase Agreement) for the first time with a renewable energy power generator.

A VPPA is a means for a consumer to virtually obtain only the environmental value[*2] of renewable electricity generated outside the consumer's premises. It is a new way to introduce renewable electricity that became possible in Japan in 2022. What we aim to obtain with this initiative will be the environmental values derived from new solar power plants being built in Mie Prefecture by a power generator, and the actual CO_2 reduction effect will be approximately 770t-CO_2 per year.

To achieve carbon neutrality by 2050, NEG has prepared an action plan for reducing CO_2 emissions and is promoting various initiatives. The conclusion of this VPPA is part of those efforts.

The group will continue to expand the use of all-electric melting to more products and promote the development of technologies that contribute to carbon neutrality, as well as help prevent global warming by procuring renewable electricity and obtaining environmental values both internally and externally.

◆Overview

1. Power plant type:	Solar power generation (FIP[*3] system)
2. Planned power plant sites:	5 locations in different areas of Mie Prefecture, including Matsusaka City
3. Scheduled start of power generation:	March 2024
4. Contract period:	20 years
5. Annual power generation forecast:	Approx. 1.8 GWh (equivalent to the annual electricity consumption of approx. 400 general households)

*1 VPPA: Under a physical PPA (PPPA), which has been popular so far, power generators and consumers trade electricity and environmental value as a set, whereas under a VPPA, environmental value is traded separately from electricity. Therefore, a VPPA can be used even if the power plant and the consumer are located in different areas served by different power transmission and distribution operators, and it does not affect the existing power supply contract.

*2 Environmental value: The added value of renewable electricity, which is that it does not emit CO_2. It can be traded as a non-FIT non-fossil certificate separately from electricity.

*3 FIP: Feed-in Premium. A system that started in April 2022 with the aim of promoting the introduction of renewable electricity. The Japanese government pays a premium subsidy to power generators according to the electricity market price.