

July 5, 2024

Electric Power Development Co., Ltd.

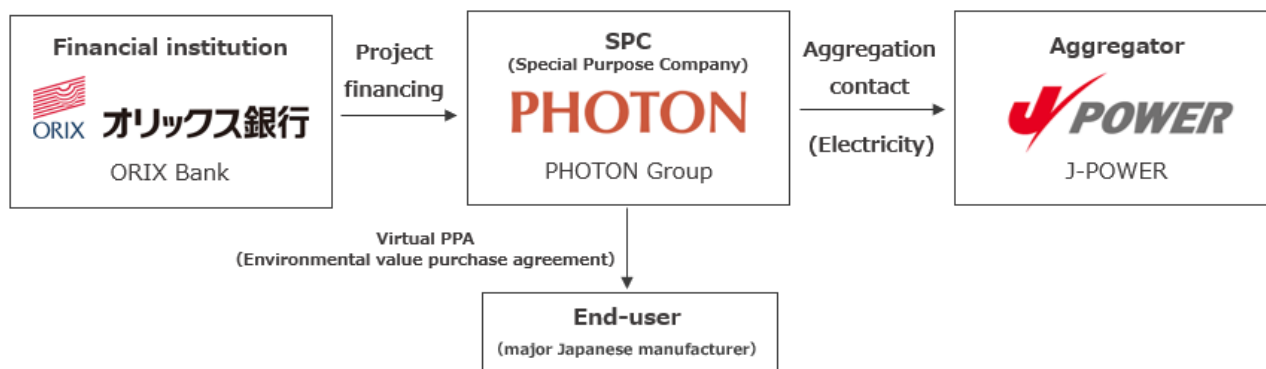
PHOTON CAPITAL LLC

Aggregation Service Contract for Virtual Power Purchase Agreement Signed at New PV Solar Power Plants in Hokkaido, Tohoku, and Chugoku Regions

Electric Power Development Co., Ltd. (J-POWER, headquartered in Chuo-ku, Tokyo; President: Hitoshi Kanno) has signed an aggregation service contract (“the Contract”) for electricity from solar power generation with the PHOTON Sustainable PV Investment Limited Partnership (LPS)¹ managed by PHOTON CAPITAL LLC (headquartered in Shibuya-ku, Tokyo; Managing Partner: Yuko Mizuno; collectively, “PHOTON”) through an investment special purpose company. This is the second solar power generation electricity aggregation service contract between J-POWER and PHOTON, following the “Aggregation Service Contract Signed for Virtual Power Purchase Agreement for PV Solar Power Plants” ([press news release on dated November 8, 2023](#)).

The Contract covers the virtual power purchase agreement (PPA²) signed between PHOTON and a major Japanese manufacturer in May 2024. Under the agreement, PHOTON will develop seven new high-voltage PV solar power plants (total capacity: approximately 20 MW DC) on idle land in the Hokkaido, Tohoku, and Chugoku regions. J-POWER will manage the generated electricity, including generation forecasting, balancing the planned and actual generation volumes, power trading, etc. (collectively, “renewable energy aggregation”). Following the previous project, PHOTON Group will take the lead in structuring this project. Today, a nonrecourse project financing agreement was signed with ORIX Bank Corporation (headquartered in Minato-ku, Tokyo; President: Yuichi Nishigori).

Agreement overview



For over 70 years, J-POWER has developed and operated a range of renewable energy power plants, including those based on hydroelectric power, wind, geothermal, and biomass. J-POWER has the second-largest share in Japan for output from both hydroelectric power and wind power. While continuing to develop and operate owned renewable energy power plants, J-POWER will contribute to the growth of renewable energy through renewable energy aggregation, leveraging a strong track record in renewable energy power plant development and operation, as well as abundant power sources, in collaboration with other companies.

Since establishing this fund in 2021, PHOTON has been developing and investing in new non-FIT power generation projects, aiming to realize various PPA arrangements. To further promote the virtual PPA in the Japanese industrial sector that was set up and structured last November, PHOTON made another Virtual PPA deal with a new customer to supply non-fossil fuel value with additionality. Despite the increasingly challenging environment for PV solar power plant development, PHOTON is committed to continuing to contribute to the spread of renewable energy. The aim is to become a leading company in the solar power generation business by creating solid, high-quality projects with like-minded business partners.

1. PHOTON Sustainable PV Investment Limited Partnership, established in September 2021. Japan Petroleum Exploration Co., Ltd. (JAPEX), JA Mitsui Leasing, Ltd. (JAML), and Chuo-Nittochi Co., Ltd. (Chuo-Nittochi) are the limited partners.
2. A power purchase agreement (PPA) is a contract for the direct purchase/sale of power between a power producer and a customer. A virtual PPA covers only the environmental value from a renewable energy plant built outside the customer's site, proportional to the amount of power generated aside from actual power. This allows customers to procure non-FIT non-fossil certificates without changing their power supplier.

J-POWER: Corporate profile

Name	Electric Power Development Co., Ltd.
Location	6-15-1, Ginza, Chuo-ku, Tokyo, Japan
Representative	Hitoshi Kanno
Capital	180.5 billion
Business	Electric Power Business

PHOTON CAPITAL LLC: Corporate profile

Name	PHOTON CAPITAL LLC
Location	13F, Shibuya Cross Tower, 2-15-1, Shibuya, Shibuya-ku, Tokyo, Japan
Representative	Yuko Mizuno
Capital	10.2 million
Business	Development of renewable energy power generation projects and fund management