

Response to ‘Japan’s Nuclear Village Wages War on Renewable Energy and the Feed-in Tariff’ by Andrew DeWit

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Dear Sir/Madam,

My name is Jenny Lin, a Researcher at Project 2049 Institute, and have conducted research on the German style FIT. I received the below article by professor DeWit regarding FIT in Japan, and thought he got the right idea about the importance of price setting in FIT. I would just like to add a few questions/comments.

First of all, I think it is important for the Japan FIT to be accompanied by law that sets clear responsibilities and mandates actions from different parts of the energy supply/demand chains. In other words, FIT should not be a policy that serve to appease the public for the moment and then is later overturned due to political reasons.

Secondly, FIT should not have a flat price setting. FIT prices should be reviewed annually and should be flexible. Based on the German FIT model, FIT prices are set to decrease over time, which provides incentive for investors to enter the renewable industry as quickly as possible. Thus, professor DeWit is right that a flat pricing will not serve the best interests for Japan's renewable industry. Moreover, FIT is not designed to be around forever. It should phased out when the mechanism serves its end.

Lastly, FIT pricing should be technology-specific. Japan needs to decide which renewable technologies best fit the country's characteristics, i.e. geography, weather, etc., and then set the price(s) accordingly.

Best regards,

Jenny Lin

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Nautilus Institute

2342 Shattuck Ave. #300, Berkeley, CA 94704 | Phone: (510) 423-0372 | Email:

nautilus@nautilus.org