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Japan renewable energy curb could spark nuclear restart

By Ben McLannahan in Tokyo

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Two Japanese utilities, responsible for about a fifth of the nation's power, say they have had their fill of renewable energy, in a move that could add pressure on community leaders to allow idled nuclear reactors back on line.

Since the 2011 tsunami led to the meltdowns at the

Fukushima Daiichi nuclear plant, Japan has invested heavily in [renewables](#) and in solar power in particular. If all the solar projects that Japan has licensed to date came to fruition, it would have total capacity of 68 gigawatts – almost twice that of Germany, the world’s biggest user of solar energy.

But Japan’s utilities have been pushing back, imposing restrictions in certain areas on the grounds that taking on too much solar – where output varies according to weather – could risk instability in the electricity supply.

However, [Kyushu Electric Power](#) has gone further, saying it would stop processing new applications across its entire service region for an indefinite period from October, while [Tohoku Electric](#) has outlined a similar strategy.

Analysts said the decisions would put a brake on solar project approvals, as Japan’s other regional power monopolies review the level of clean energy they can handle.

“It is a significant issue for the industry, if Kyushu and Tohoku have closed the grid for the time being,” said Tom O’Sullivan, founder of Mathyos, an energy consultancy, noting the pair had received the largest number of applications for big installations. Both say they would continue to accept applications of under 10 kilowatts, typically household size.

Meanwhile, signs that utilities have become saturated with

solar could encourage local governments to [switch nuclear reactors back on](#). Kyushu's Sendai plant on Japan's southernmost island is the only reactor deemed ready to restart by the country's Nuclear Regulation Authority, but [debate continues](#) over whether one of the world's most seismically active nations should have atomic power.

Pro-nuclear groups argue the high price utilities are paying for solar is already placing a strain on consumers. Under a [“feed-in tariff” scheme](#), utilities are required to buy all electricity generated from renewables at guaranteed rates for set periods – but are then allowed to pass on that cost directly, through higher bills.

The Ministry of Economy, Trade and Industry declined to comment on the impact of the Kyushu and Tohoku moves, or on its plans for the tariff for large solar projects, which has dropped from Y42 per kilowatt hour to Y32 since the scheme was introduced in 2012.

But developers say that mega-solar farms can still deliver handsome returns – even as flat land becomes harder to find, and as cash-strapped utilities demand that sponsors meet the cost of upgrading substations.

Permits secured by low-profile operators for as little as Y500,000 in administration costs are being offered for up to Y70m in the secondary market, said Takahiro Sakane, director at JAG Energy, which has 27MW of solar capacity in Japan and another 117MW in the pipeline.

Hidetake Takahashi, a managing director at the energy unit of Orix, the financial services group, said he had been interested in about one-tenth of the “100 or so” projects he had been shown over the past year.

Some are “clearly unrealistic”, he said – “like putting panels at the top of Mt Fuji.”