

Action Plan for Promoting the Introduction of Solar Power Generation

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Ministry of Economy, Trade and Industry
Ministry of Education, Culture, Sports, Science and Technology
Ministry of Land, Infrastructure, Transport and Tourism
Ministry of the Environment

1. Objective

Since Japan has a low degree of energy self-sufficiency, it positions solar power generation as an important domestic energy source among renewable energy sources, for its particularly high potential for installation.

The government's "Action Plan for Achieving a Low-carbon Society" (approved by the Cabinet in July 2008) sets targets such as (a) increasing the amount of installations of solar power generation systems tenfold by 2020 and 40-fold by 2030, and (b) roughly halving the current price of the solar power generation system within three to five years. The "Comprehensive Immediate Policy Package" (formulated by the government and the ruling parties in August 2008) also cites the promotion of the installation of solar power generation systems in homes, businesses and public facilities as a specific measure for the radical introduction of new energy technologies in an effort to create a low-carbon society. To consolidate the move toward this, the government formulated the "Action Plan for Promoting the Introduction of Solar Power Generation" and hereby announces it. This is the first phase of immediate policy measures to promote the introduction of solar power generation and aims to stimulate a wide range of parties concerned to take prompt action. Through closer collaboration among related ministries, the government will further the efforts under this Action Plan in more specific ways.

2. Measures under the Action Plan

(1) Measures on the supply and demand sides

The increase in the amount of installations, the reduction in equipment prices, and the expansion of the market should be pursued by implementing both "supply-side" measures (providing high-performance solar power generation systems at low cost) and "demand-side" measures (promoting the installation of solar power generation systems in individual sectors such as

households, businesses and public facilities) in such a way as to create synergies.

(a) Supply-side measures

- Facilitate improvements in solar power generation systems, including those designed for public facilities that use large amounts of electricity, by fostering the development of less expensive systems with higher power generation efficiency, through the steady development of materials and module technologies and by promoting weight reduction and improved ease of installation to lower the cost of installation.
- Promote the development of storage battery technologies in coordination with that of solar power generation technologies.
- Disseminate new business models.
- Foster cooperation between solar cell manufacturers and housing companies in public relations activities at showrooms for residential customers and in developing and distributing panels that excel in both design and durability.
- Formulate standard execution guidelines.
- Internationally expand the market to the Middle East, Asia-Pacific and other regions.
- Establish inspection and evaluation methods for solar power generation systems and have them adopted as international standards.

(b) Demand-side measures

Residential sector

- Dramatically increase the installation of solar power generation systems by reducing their prices through subsidies for residential solar power systems or other means.
- Encourage the installation of solar power generation systems through the use of Green Power Certificates and Eco-Action Points.

Business sector

- Increase the installation of solar power generation systems by enterprises.
- Promote installation by SMEs.
- Promote “mega solar” (large-scale solar power generation plants) construction projects through partnerships between enterprises and local governments.

Public facility sector

- Provide detailed information on installation examples in Japan and abroad for the owners of public facilities (roads, railroads, ports, airports, etc.) and related businesses in order to accelerate installation in such facilities.

- Encourage information-sharing between companies engaged in the solar power generation business and those operating public facilities, such as facility owners, highway operators, railroad companies, warehouse companies and terminal companies.
- Promote installation in a greater number of public facilities (by enhancing public assistance available to such facilities).
- Facilitate introduction by public entities by reviewing and announcing new standards concerning quality assurance under the Law on Promoting Green Purchasing.

Educational institutions

- Increase the installation of solar power generation systems in elementary, junior high, and high schools as well as universities and other schools.
- Encourage schools to use solar power generation as a topic in their environmental education and certify those that have done so as model schools.

Regional expansion

- Build and enhance Next-Generation Energy Parks where the public can have first-hand experience of new energy sources, including solar power generation.
- Implement the “New Energy Community Initiative” (provisional name), which aims to advance the introduction of solar power generation and other new energy sources in an organized manner in coordination with community development.
- Foster the regional introduction of solar power generation pursuant to local governments’ action plans developed under the Act on Promotion of Global Warming Countermeasures.

(2) Building institutional infrastructure

Along with supply-side and demand-side assistance measures, it is essential that institutional infrastructure, including regulatory instruments, be developed in a comprehensive and unified manner. For this reason, the government should improve institutional infrastructure in a way that facilitates smooth dissemination of solar power generation.

- Consider operation of the Renewable Portfolio Standard Law (RPS Law) as a response to figures in the Outlook for Long-Term Energy Supply and Demand.
- Establish standards that take account of the effects of solar power generation under the measure imitating the Top-Runner program, which will be introduced pursuant to the amended Law concerning the Rational Use of Energy, with the aim of encouraging improvements in energy conservation performance of stand-alone ready-built houses.
- Build institutional infrastructure through system stabilization that assumes mass introduction of solar power generation and other new energy sources, and through programs to prompt conversion to

new energies.

- Promote the installation of solar power generation systems, including those for public services, through the use of the domestic credit system.

(3) Consolidating infrastructure for the solar energy-related industries, strengthening international competitiveness, and supporting international expansion

In addition to expanding the range of industries related to solar power generation, there is an urgent need to strengthen their industrial competitiveness by providing support for technological development and the securing of raw materials. The government should assist solar cell manufacturers and other solar power generation industries so that they will be able to play a central role in the future industrial structure of Japan.

- Formulate “Solar Power Generation Industry Strategy” (provisional name).
- Steadily develop materials and module technologies (previously mentioned).
- Internationally expand the market to the Middle East, Asia-Pacific and other regions (previously mentioned).
- Secure raw materials through resource diplomacy and other means.
- Establish international standards for solar power generation systems.