

"Appeal and Policy Recommendations by NPO PV-Net on the Issue of Japanese Electric Power Companies' Grid Access Suspension to New Renewable Energy Projects"

A sudden notification of September 24th 2014 by Kyushu Electric Power Company to suspend grid access to new renewable energy projects due to alleged shortage of their grid capacity was immediately followed by its implementation on the very next day, September 25th 2014. Although shortage of grid capacity has been foreseen for a long time, the abrupt suspension without any consultation nor notification period was emulated by Tohoku Electric Power Company and Shikoku Electric Power Company. The suspension has caused fundamental confusion and the gravest concern among those engaged in solar power projects such as solar project developers, installers, and material suppliers. The suspension was an enormous shock to renewable energy operators and electricity consumers across the nation too because it would hinder a current precious momentum of spread of renewable energies promoted by the Feed-in Tariff.

NPO PV-Net has been promoting renewable energies from a viewpoint of citizens and electricity consumers and aiming at establishment of a healthy regionally-recycled distributed-energy society. Based upon such principles, we hereby present to the Minister of Economy, Trade and Industry and the Chairman of the Federation of Electric Power Companies of Japan the following "Appeal and Policy Recommendations on the Issue of Japanese Electric Power Companies' Grid Access Suspension to New Renewable Energy Projects".

A full text of "Appeal and Policy Recommendations on the Issue of Japanese Electric Power Companies' Grid Access Suspension to New Renewable Energy Projects" is available at the following URL (the Japanese language).

<http://www.greenenergy.jp/pdf/appeal.pdf>

Major points of "Appeal and Policy Recommendations on the Issue of Japanese Electric Power Companies' Grid Access Suspension to New Renewable Energy Projects" are as follows:

Appeal:

1. The issue of grid access suspension to new renewable energy projects should be examined and coped with by the government's renewable energy policy rather than each electric power company's corporate policy.
2. Regulations and arrangements should be immediately formulated by the government and electric power companies in order to compensate, avert, and minimize damages which were and shall be inflicted upon those engaged in renewable energy projects due to electric power companies' unilateral and wholesale suspension.
3. Regulations and arrangements should be immediately formulated by the government and electric power companies in order to provide a priority to local renewable energy operators and minimize their damages due to electric power companies' unilateral and wholesale suspension.
4. The grid access suspension period should be as short as possible. Electric power companies should consult and work with the government, renewable energy operators, and civil society to formulate an arrangement that will avoid recurrence of grid access suspension in future.

Policy recommendations:

1. The Japanese Renewable Energy Act should be amended so that it will include provisions that obligate electric power companies to immediately and as a priority purchase, transmit and distribute the entire available quantity of electricity from renewable energy sources.[1][2][3]
2. Smart balancing between supply and demand should be fully pursued. Electric power companies should turn down conventional fired-power stations during daytime when electricity generated by renewable sources increases. Electricity consumers should shift their demand to off-peak times. Energy storage using pumped-hydro and storage batteries should be implemented.

3. Grid systems should immediately be optimised, strengthened and expanded in order to guarantee the purchase, transmission and distribution of the electricity generated from renewable energy sources.[4]

4. Lessons for the coming deregulation of Japan's electricity sector should be learned from the current issue of grid access suspension: The neutrality and political-independence of the Organization for Nationwide Coordination of Transmission Operators should be ensured. Discussions of the managerial board of the Organization for Nationwide Coordination of Transmission Operators should be transparent and disclosed publicly.

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Notes:

[1] The German Renewable Energy Act (EEG) provides that "grid system operators shall immediately and as a priority purchase, transmit and distribute the entire available quantity of electricity from renewable energy sources" (EEG Section 5, Section 8).

http://www.bmub.bund.de/fileadmin/bmu-import/files/english/pdf/application/pdf/eeg_2012_en_bf.pdf

As a result of that, German electric power companies turn down conventional fired-power stations during daytime when electricity generated by renewable energies increases. For example, at past-noon of May 11th, 2014, as many as 74% of total electricity was produced by renewable energies in Germany.

Reference: "Germany Generates Record-Setting 74 Percent of Energy From Renewables" by Brandon Baker, May 14th, 2014, EcoWatch

<http://ecowatch.com/2014/05/14/germany-record-setting-renewables/>

[2] What is remarkable is that, despite the spread of renewable energies, German grid systems remain most reliable in Europe.

Reference: "German grid more stable in 2013" by Craig Morris, August 25th, 2014, The German Energiewende

<http://energytransition.de/2014/08/german-grid-more-stable-in-2013/>

[3] Germany already decided to phase out nuclear power by 2022. And, in Germany, it is expected that fired-power electricity generation is going to play a role of "back-up" for renewable energy electricity generation.

Reference: "Fossil Fuels Fading Away — Moving Towards Becoming Backup Power" by Giles Parkinson, Clean Technica, August 28th, 2012

<http://cleantechnica.com/2012/08/28/fossil-fuels-fading-away-moving-towards-becoming-backup-power/>

[4] The German Renewable Energy Act (EEG) provides that "Upon the request of those interested in feeding in electricity, grid system operators shall immediately optimise, strengthen and expand their grid systems in accordance with the best available technology in order to guarantee the purchase, transmission and distribution of the electricity generated from renewable energy sources" (EEG Section 9). And, "The grid system operator shall bear the costs of optimising, strengthening and expanding the grid system" (EEG Section 14).

http://www.bmub.bund.de/fileadmin/bmu-import/files/english/pdf/application/pdf/eeg_2012_en_bf.pdf

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