

PV Project Development Accelerate from Land to Lake in Japan

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The year 2012 will be a turning point for the Japan PV market as the share of the residential segment will decline from this point forward. Unique among major markets, growth in Japan has been sustained by the residential segment. With the kick of the national FIT, the market driver will turn to the non-residential segment called ?Mega Solar? in Japan.

Source: NPD Solarbuzz 2012

The Japanese government started implementing the FIT in July this year. Between July and September, nearly 1.5 GW worth of PV projects qualified for the program. This represents 60% of the total capacity the government was expecting during the period between July 2012 and March 2013.

Of the 1.5 GW, systems sized over 1 MW accounted for over 50%. In terms of regional breakdown, Kyushu has the most capacity registered. Hokkaido led other regions with large-scale PV projects, thanks to its large available land space, while the Kanto region, where population density is rather high, had mostly small, roof-mount systems in the pipeline.

Source: Agency for Natural Resources and Energy

The new FIT program has created opportunities for developers/investors/owners. New players extend beyond traditional power generators or PV related companies, to medium and large corporations which have access to large land or roof space and capital. Notable project developers are telecom giants ? NTT Group and Softbank ? and trading companies ? Marubeni and Mitsui.

Due to the gloomy economy, many local governments have welcomed this new program with open arms, as having large PV projects to their districts could stimulate the local economy by creating manufacturing and construction jobs and increase (property and income) tax revenue.

Some local governments are offering inexpensive leases on previously unused land to attract project developers. And some project developers even promise profit-sharing with local governments in order to gain access to ideal land.

Local governments and businesses are trying to turn available area into solar investing opportunities. Many are looking at large areas that have been unused for some time ? old middle or high schools, industrial parks, water purification plants, reclaimed land, airports, golf courses, quarries, and silkworm farms, etc.

Competition for land is heated, and in some areas, the cost of leasing land is increasing. West Holdings, a leading PV system integrator and project developer, directed their attention to ?water.? The company is planning to develop large ?floating? solar systems on artificial lakes, reservoirs or retention basins. The company will use systems developed by LS Industrial Systems in South Korea and create ten floating systems that range from 1 to 2 MW each.

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