Liberalized energy market lures more local governments

THE ASAHI SHIMBUN
August 14, 2017 at 16:35 JST

The city government of Ikoma, Nara Prefecture, set up an electricity retailing company in July that will generate electricity from these solar panels installed on the roof of a municipal elementary and junior high school building. (Jiro Totsui)

Local governments are increasingly entering the retail electricity business, although complaints from residents have also risen in the drive for clean energy, a survey showed.

Thirty-one local governments, including Yamagata Prefecture and Miyama city in Fukuoka Prefecture, have set up businesses to generate and sell mainly renewable energies to companies and individuals in their areas during or after the market liberalization that was completed in April 2016, according to the survey.

In addition, 86 other local governments, including Kyoto Prefecture and the cities of Sapporo and Yokohama, are considering establishing similar energy retail companies.

Five years have passed since the central government introduced the feed-in tariff system, in which electric power companies must purchase, at fixed prices for certain periods, electricity generated by others through renewable sources.

The nationwide survey, conducted by several organizations, including The Asahi Shimbun and Hitotsubashi University, asked the 47 prefectural governments and 1,741 municipal governments about the actual conditions of the system in their areas.

All prefectures and 1,382 municipalities, or 79 percent, replied to the survey by the end of July.

Some problems have arisen. Thirty-one prefectural governments, or 66 percent, and 350 municipalities, or 25 percent, have received complaints from local residents, mainly concerning “worsening scenery” or “noise” from equipment for renewable energies. Some of these cases have been settled.

Although many local governments fear such problems will increase, the promotion of renewables is expected to expand.
The governments that have or are planning retail electricity companies are touting increased employment and reduced electricity fees at public facilities. They also say their companies can supply electricity if major electric power companies become inoperable in natural disasters.

Eighty-one percent of the 1,382 municipal governments said they were promoting the use of renewable energies, a slight increase from the ratio in a 2014 survey, which did not cover prefectural governments.

However, 37 percent of the municipal governments said they have ordinances, plans or guidelines in place to promote renewable energies, more than double the 16 percent seen in the previous survey.

About 90 percent of the prefectures have set targets for the introduction of renewable energies, the latest survey showed.

Among the municipalities, 1,059, or 77 percent, possess their own electricity-generating equipment, such as solar panels installed on the roofs of public facilities. That was a drastic increase from 785 governments, or 57 percent, in the previous survey.

Forty-four of the 47 prefectures also said they own such equipment, the survey showed.

(This article was written by Toru Ishii, a senior staff writer, and Tatsuyuki Kobori.)

Related News

Okinawa island unable to forget horror at hands of Japan troops  September 29, 2017
U.S., N. Korea trying to set up ‘unofficial’ meet in Norway  September 28, 2017
Yakuza arrested in Fukushima decontamination work racket  September 28, 2017
Video captures rare black fox in Hokkaido; origin still a mystery  October 9, 2017
Modular homes from Japan to house Hawaii homeless families  October 9, 2017