

## **Solar Power Network Japan KK**

### **Solar Power Network (SPN), a Canadian rooftop solar developer, establishes an entity in Tokyo to take advantage of Japan’s Feed-In-Tariff (FIT) Market.**

In the Fall of 2012, Solar Power Network (SPN) made the bold decision to tackle the Japanese market. They worked fast. One year later, despite being completely new entrants to the market, they had already found a key Japanese partner and landed several important customers. Now they are shifting staff and resources to Japan and are aiming for rapid growth.

SPN has gained a wealth of experience in Ontario’s Feed-In-Tariff (FIT) market. It has agreements with over 600 industrial, institutional and commercial building owners to develop rooftop solar power systems totaling over 300 MW of clean generation, including a 1157 kw set-up that is the largest rooftop solar installation in Ontario. The SPN leadership team comes from the telecom sector where setting up rooftop mobile communications equipment faces many of the same regulatory, technical and business development challenges as rooftop solar installations.



### **Reason for choosing Japan**

The favourable pricing regime for ‘green’ electricity created by the introduction of Japan’s Feed-In-Tariff (FIT) on July 1, 2012, was a major incentive for SPN to target Japan as its first international solar market. Under FIT, electric utilities are obliged to purchase electricity produced from renewable energy at a fixed price. Solar, wind, geothermal, small hydro and biomass have been targeted by the Japanese government. As a result, many other foreign companies have joined SPN in entering Japan’s FIT market over the past two years, the majority in the solar sector.

Since the March 2011 Tohoku earthquake / tsunami, the majority of Japan’s nuclear power stations have been shut down and there is widespread debate on whether to re-start them or to move totally away from nuclear after the disaster at Fukushima. To compensate, Japan has had to vastly increase its costly imports of oil and gas. As a result, renewable energy has taken on much greater significance as a potential solution to Japan’s energy needs.

## Advantages of Solar Power Network (SPN)

SPN is ready to contribute to this solution. Prior to the introduction of the FIT, the majority of solar installations were on residential housing rooftops. However, SPN believes that the real opportunity lies in the idle space sitting on top of factories, malls, government buildings, treatment plants, etc., basically any large rooftop surface in a country where land is at a premium.

Setting up a rooftop solar system on their facility is attractive to SPN's customers as it contributes to the sustainable footprint of that company and provides extra revenue. Owners and managers do not have to suddenly be experts in solar, they don't have to manage and maintain unfamiliar equipment and they don't need to incur out-of-pocket costs. They just lease the space, which would otherwise be an unproductive asset, and let SPN do the rest.

The system also has the capability of becoming an emergency power source in times of natural disasters such as earthquakes, something that especially municipal and regional governments require in order to power emergency shelters or to keep vital operations running, but which private sector companies have also expressed interest.

According to Peter Goodman, President & CEO of Solar Power Network, this 'distributed' or 'on-site' solar generation model is also extremely important for Japan in their efforts to increase their share of renewable energy consumption. Due to the need for land, mega-solar projects are usually located in rural areas, far away the cities where the energy is needed. To transfer that power to the cities creates grid capacity problems. The solution is to generate the electricity where it is being used, especially on top of industrial and commercial building rooftops. "Japan has not been able to achieve its FIT goals through residential and ground solar", explains Mr. Goodman, "so this is the sweet spot for SPN."

SPN's first project in Japan, in partnership with Kokusai Land & Development, is 1.7 MW rooftop solar system on top of a terminal processing plant in Fuji City, next to the famous Mt. Fuji. An announcement ceremony with the Mayor of Fuji City was held on November 5, 2013. The system will be grid connected with a contract under Japan's Feed-In Tariff system and will generate green energy on the buildings where it's needed, offsetting the need for remotely generated nuclear power. The system is further designed to provide emergency power in case of natural disaster. "It is a great honour to be a part of this new sunrise in Fuji City," says Yoshio Sugano, President of Solar Power Network Japan.



One of the main factors in SPN's quick success in Japan was finding a key Japanese partner in Kokusai Land & Development, an established real estate developer and subsidiary of Japan Asia Group Limited. "Kokusai Land & Development has 20 years of construction and engineering experience" says Mr. Goodman, "they are familiar with FIT rules and procedures and they have the contacts that are hard to develop through cold calls, especially in Japan. By making sales calls together, Kokusai Land & Development gave SPN instant credibility."

### **JETRO's Support**

Working with JETRO at the very beginning was also extremely helpful to SPN, according to Charles Bryan, Vice President, Site Development – Japan, who was the point-person for SPN in the early stages of their Japan market entry. "The support JETRO provided us through both their Canadian and Japanese offices was absolutely invaluable", says Mr. Bryan. "It is safe to say that without JETRO, SPN would not be enjoying the successes in Japan that we are today."

### **Future business development**

Now SPN is actively expanding its operations in Japan and developing new customers. It is shifting more resources to Japan and hiring more local staff as Japan increasingly becomes its most important target market.

**(February 2014)**

### **Company Profile**

Solar Power Network (SPN) is a Toronto-based privately-held, employee-owned, rooftop solar power company. In total, SPN has almost 300MW of clean generation in various stages of development, distributed across more than 600 industrial, commercial, and municipal buildings.

SPN specializes in commercial-scale rooftop solar, a clean distributed generation technology that is helping Japan move away from expensive natural gas, dirty coal, and risky nuclear. In addition to displacing these undesirable forms of electricity generation, distributed solar is offsetting the significant costs needed to upgrade the overloaded transmission grid. SPN achieves these goals through the Ministry of Economy, Trade and Industry (METI) vision, as embodied by the Feed-in Tariff Scheme for renewable energy enacted in 2012. Solar power's unique ability to scale down to the rooftop level while still meeting peak demand enables energy-independent buildings and forms the cornerstone of the Smart Grid of the Future.

### **Corporate history**

2009            Solar Power Network Inc. established in Toronto, Canada.  
2013            Solar Power Network Japan KK established in Japan.

### **Solar Power Network Japan KK**

Establishment: 2013

Business: Renewable power company focused on roof-top solar power systems on industrial, institutional and commercial buildings.

Parent Company: Solar Power Network Inc.

URL (English): <http://www.solarpowernetwork.ca/>

URL (Japanese): <http://www.solarpowernetwork.co.jp/>