2003.5.18

Efforts of Electric Power Company toward PV
～ TEPCO's Case

1. Introduction of Captive Research and Commercial Facilities

—TEPCO as a trailblazer has introduced photovoltaic and wind power generating facilities for research and for business use.

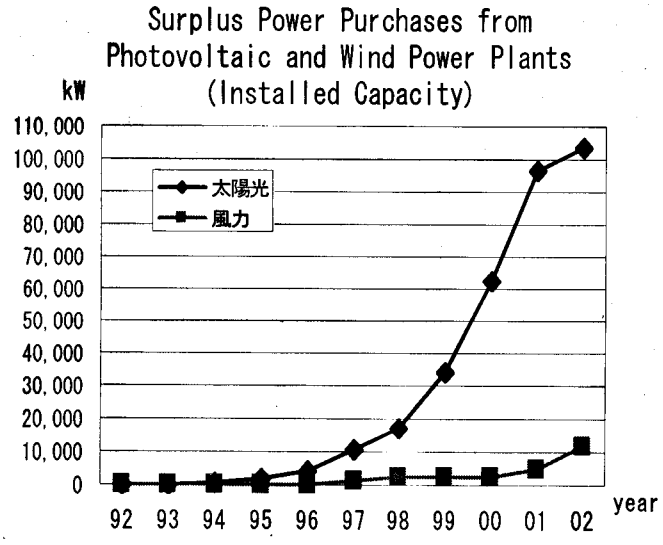
・Photovoltaic power: Starting in fiscal 1991, photovoltaic power generating systems with a combined capacity of 709 kW have been installed at 57 locations, including laboratories, branches and other business establishments.

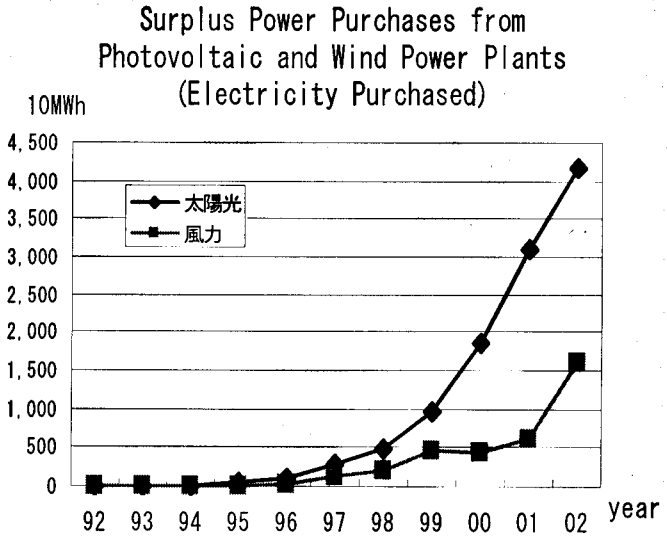
・Wind power: In March 2000, a wind power plant with an installed capacity of 500 kW went into commercial operation in the Hachijojima Island.

・Geothermal power: Since March 1999 we have been operating a 3,300-kW geothermal power plant in the Hachijojima Island.

2. Introduction of Surplus Power and Commercial Wind Power Purchase System

—TEPCO purchases a full requested amount of surplus power produced by residential customers' power generating facilities. Particularly, we are purchasing surplus power generated by photovoltaic and wind power plants at the same price as that we charge for selling electricity as our significant contribution to promoting the diffusion of photovoltaic and wind power generating technologies.





3. Collaboration with civil organizations

— In addition to surplus power purchasing, TEPCO has undertaken a project for supporting the spreading use of natural energy sources in collaboration with NGOs and co-op organizations.

[Financial Assistance to Research Projects on Photovoltaic Power Generation]

・In 1997 and 1999, we sought applications for financial assistance and granted subsidies to 11 out of the total 95 applicants. Subsidies granted amounted to ¥110 million. Research projects on solar battery materials, inverters, and the regional characteristics of power generation were subsidized for a period of two years.

[A Project to Subsidize the Installation of Photovoltaic Power Generation Facilities in Collaboration with Co-ops and Environmental NGOs]

・The amount of a subsidy: ¥500,000 per kW (the upper limit per project: 3 kW)

・For the period from fiscal 1997 to fiscal 1999, subsidies were granted to a total of 394 system-interconnected photovoltaic power projects with a combined capacity of 848 kW.

・Evaluation and reporting meetings were held with those persons who installed photovoltaic power generation facilities with TEPCO's subsidies, with third parties taking part, and data, including the power output, were announced.

・Willingness-to-pay (WTP) social surveys were conducted two times. The results of the surveys suggest that Japanese people have the same degree of WTP toward green power as in foreign countries.

4. Green Power Programs

— In order to encourage the further spread of new energy, we believed it desirable to ensure that consumers, regulators and electric utilities should work together to take a flexible policy. ・At the New Energy Subcommittee of the Advisory Committee for Natural Resources and Energy on July 14, 2000, we proposed that a green power program be initiated to make best use of consumers' and business enterprises' contributions to the environment and electric utilities' support.

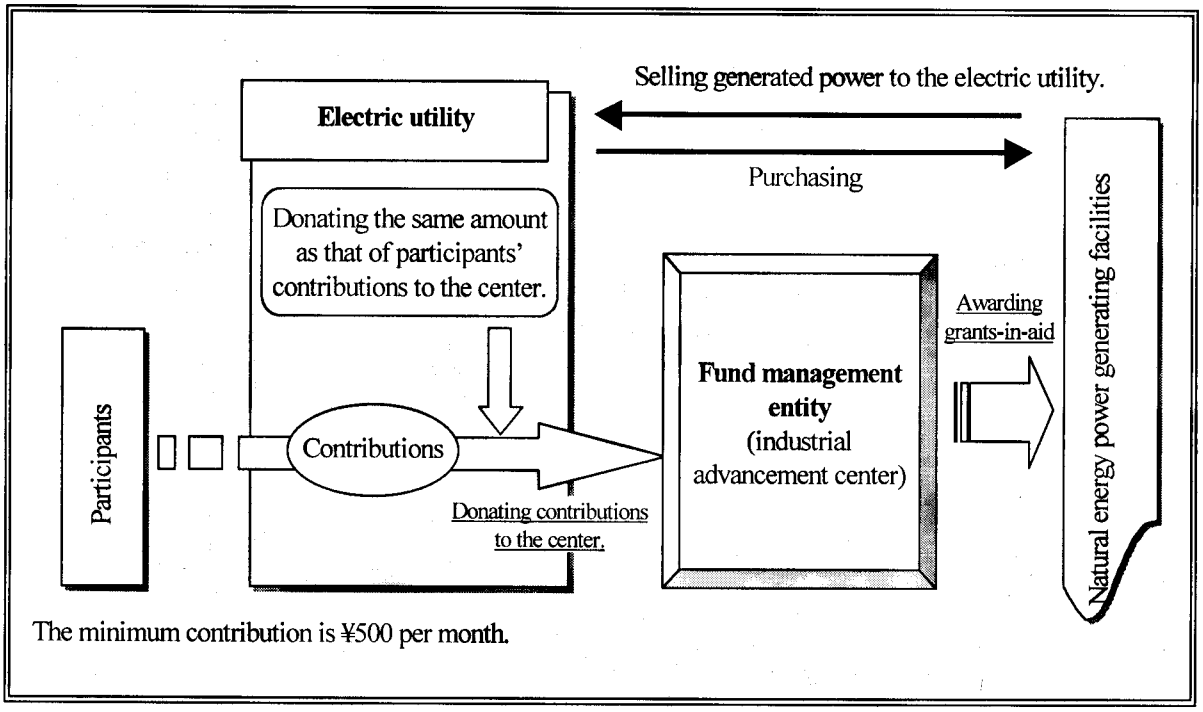
– Mechanism of the Green Power Fund

· The electric utility collects a ¥500 contribution a month from customers (a ¥100 monthly contribution in the Kansai area) together with electricity bills.

· The electric utility donates participants' contributions to the industrial advancement center, a fund management entity. Moreover, the electric utility

donates the same amount as that of contributions collected from participants to the center as a matching gift.

·As a public third party organization, the regional industrial advancement center manages the fund to secure transparency. The Green Power Fund Committee, composed of representatives of citizens' organizations and persons of learning and experience, is responsible for deliberating on fund management and assistance policies. The industrial advancement center uses contributions it has received to award grants to those persons intending to construct natural energy power generating facilities, such as photovoltaic and wind power plants.



— **As of end-March 2003, the Green Power Fund, managed by the Greater-Kanto Industrial Advancement Center (GIAC), has 16,174 participants with 19,448 shares in contributions.**

[Grants-in-aid]

- In fiscal 2001, the Green Power Fund provided a grant of approximately ¥46.5 million to a corporation that was awarded a 4,250 kW wind power supply contract. In addition, grants of ¥11.6 million were given to 12 projects to construct public-spirited photovoltaic power generation plants with a combined capacity of 116 kW.
- In fiscal 2002, the Green Power Fund provided grants-in-aid of ¥59.445 million to 30 projects to construct public-spirited photovoltaic power generation plants with a combined capacity of 422.05 kW. It provided grants of approximately ¥80 million to three corporations that received contracts to supply a total of 31,500 kW with wind power plants.
- Furthermore, the Green Power Fund provided grants of approximately ¥5 million to 5 projects for construction of natural energy power generating facilities for the purpose of environmental education.