



Federal Ministry
for Economic Affairs
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MITTELSTAND
GLOBAL
ENERGY SOLUTIONS
MADE IN GERMANY

Japanese Offshore Wind Market: Recent Developments and Opportunities for German Companies

East Asia Wind Energy | Hamburg

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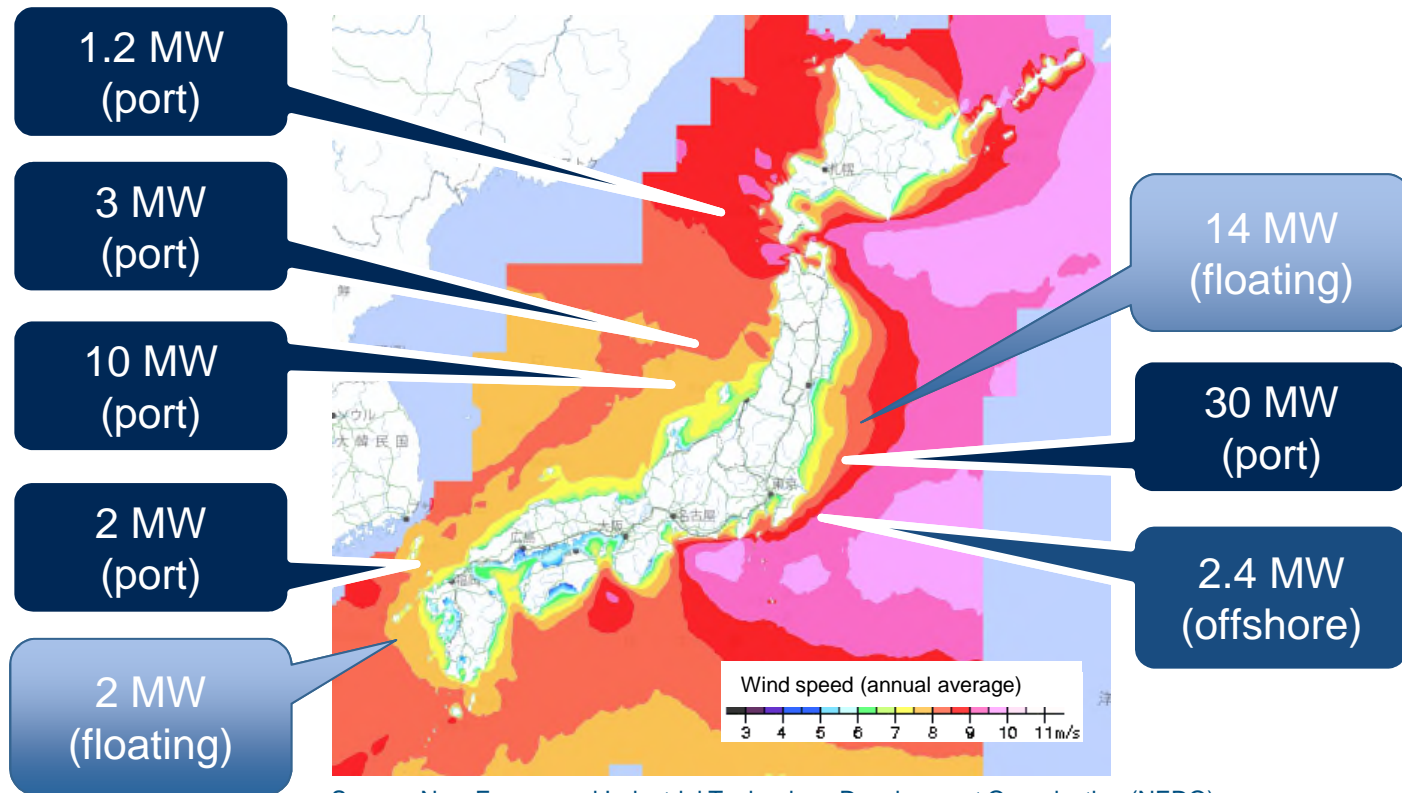
Baker McKenzie

Tokyo office



Current status of offshore wind in Japan

Any wind resources? Any operating offshore wind projects?



Source: New Energy and Industrial Technology Development Organization (NEDO)

Facilitator

Challenges for offshore wind in Japan

What are the obstacles for large-scale offshore wind development?

deep sea
waters



poor grid
infrastructure



lack of
national law

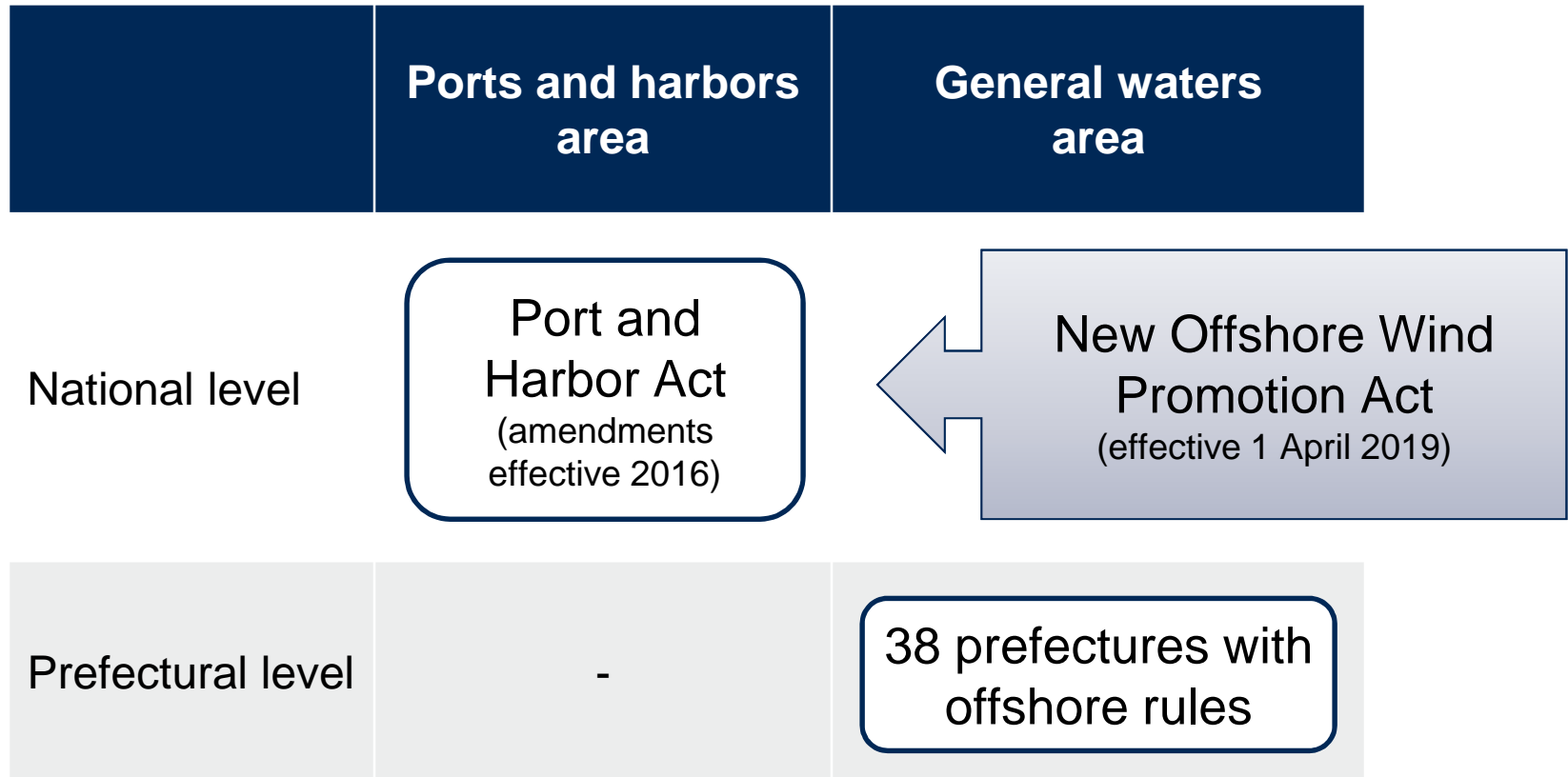


Facilitator



New offshore wind law

What are the key legislation for offshore area lease?



New offshore wind law

What are the key characteristics of the new law?

Area subject to lease

- General waters

Procedure to grant lease

- Two-step process

Lease period

- Maximum 30 years

Feed-in Tariff

- FIT granted under same procedure

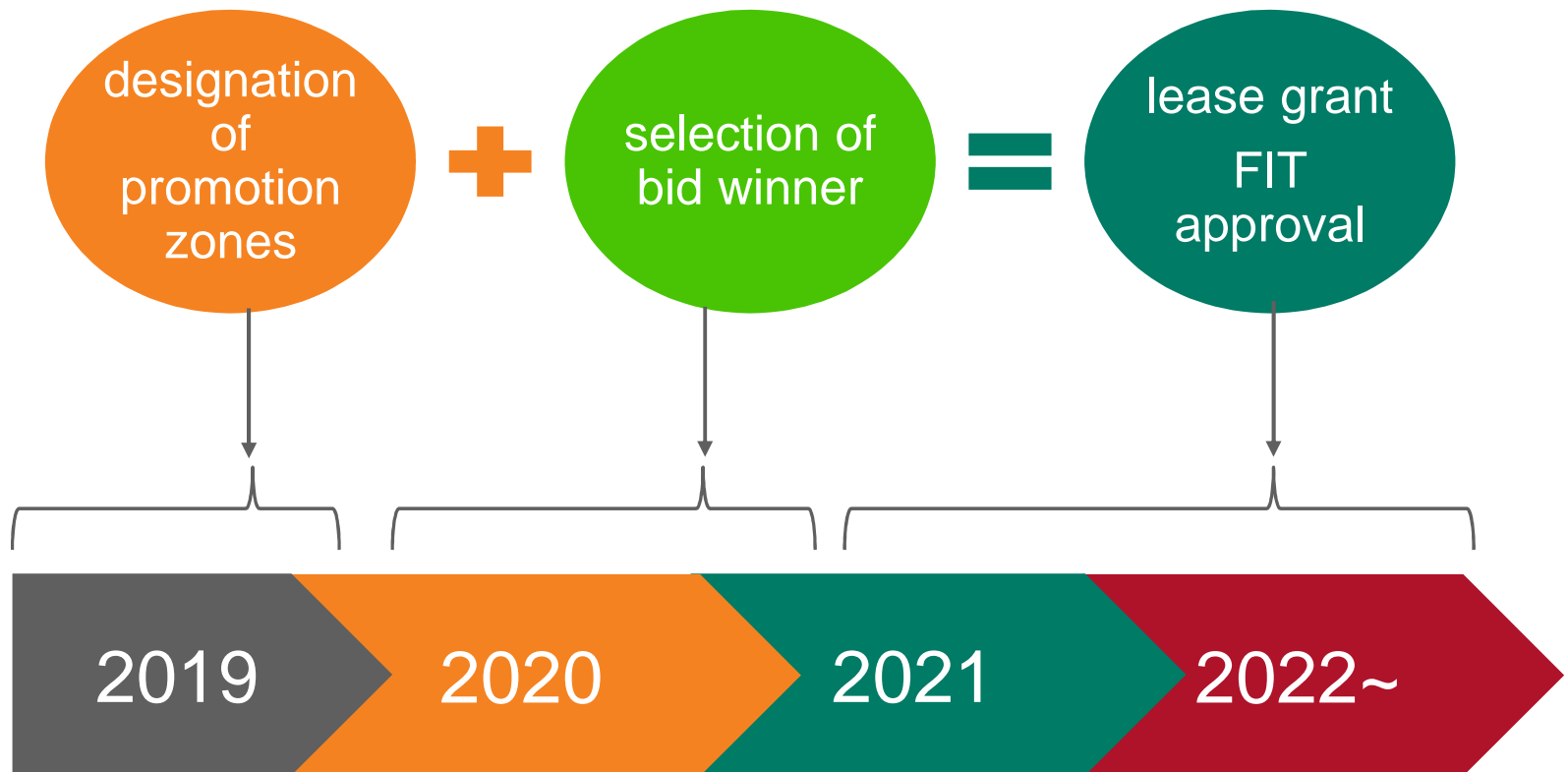
New offshore wind law

What is a two-step process?



New offshore wind law

When will the first round likely occur?



1st step: designation of promotion zones

What are the key steps for designating “promotion zones”?

(1) Information gathering by national gov.

(2) Discussion by expert committee

(3) Discussion by local “council”

(4) Site survey by national gov.

(5) Further discussion by expert committee

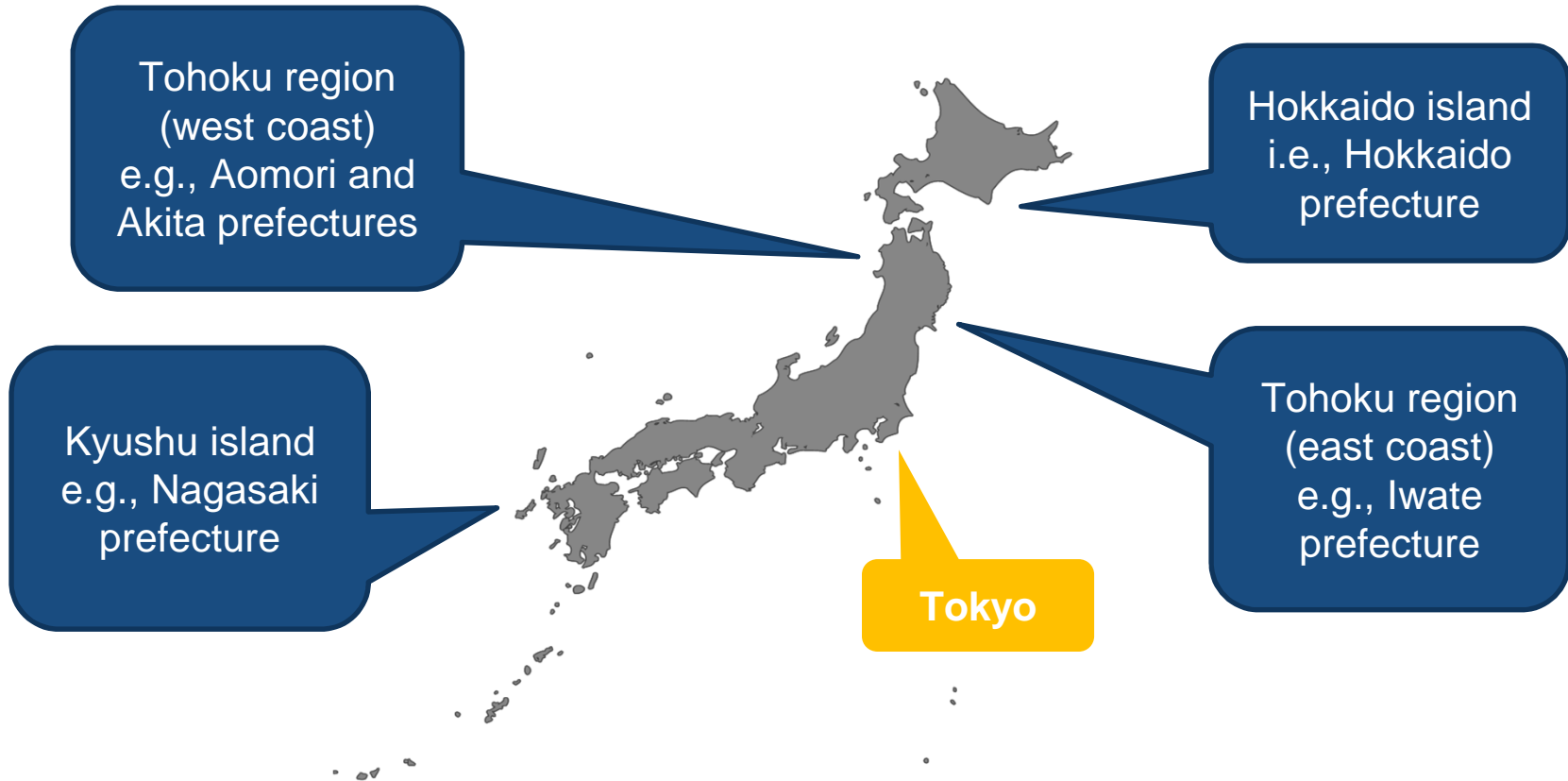
1st step: designation of promotion zones

What are key criteria for “promotion zones”?

Natural conditions	<ul style="list-style-type: none">• 7 m/s wind speed• ~30 m depth (for fixed foundation)
Potential output	<ul style="list-style-type: none">• Minimum 30 MW?• Most likely 200+ MW?
Potential grid connection	<ul style="list-style-type: none">• E.g., utility accepts application• E.g., auction process in progress
Fishery groups	<ul style="list-style-type: none">• Discussion before “council” starts• Consent before lease grant

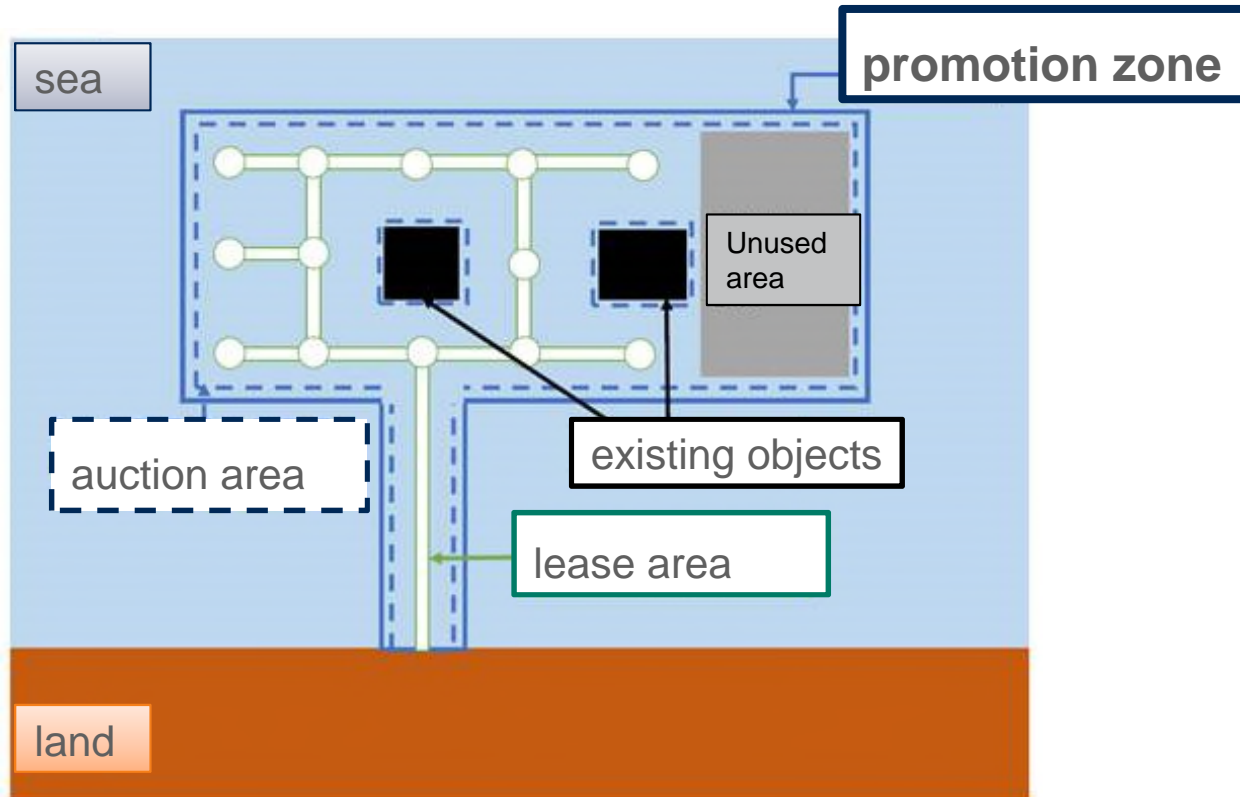
1st step: designation of promotion zones

Where are the potential “promotion zones” located?



1st step: designation of promotion zones

What will “promotion zones” look like?



Source: Ministry of Economy, Trade and Industry (METI) / Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

2nd step: selection of bid winner

What are the key steps for selecting a bid winner?

(1) Auction guidelines by national gov.

(2) Commencement of auction

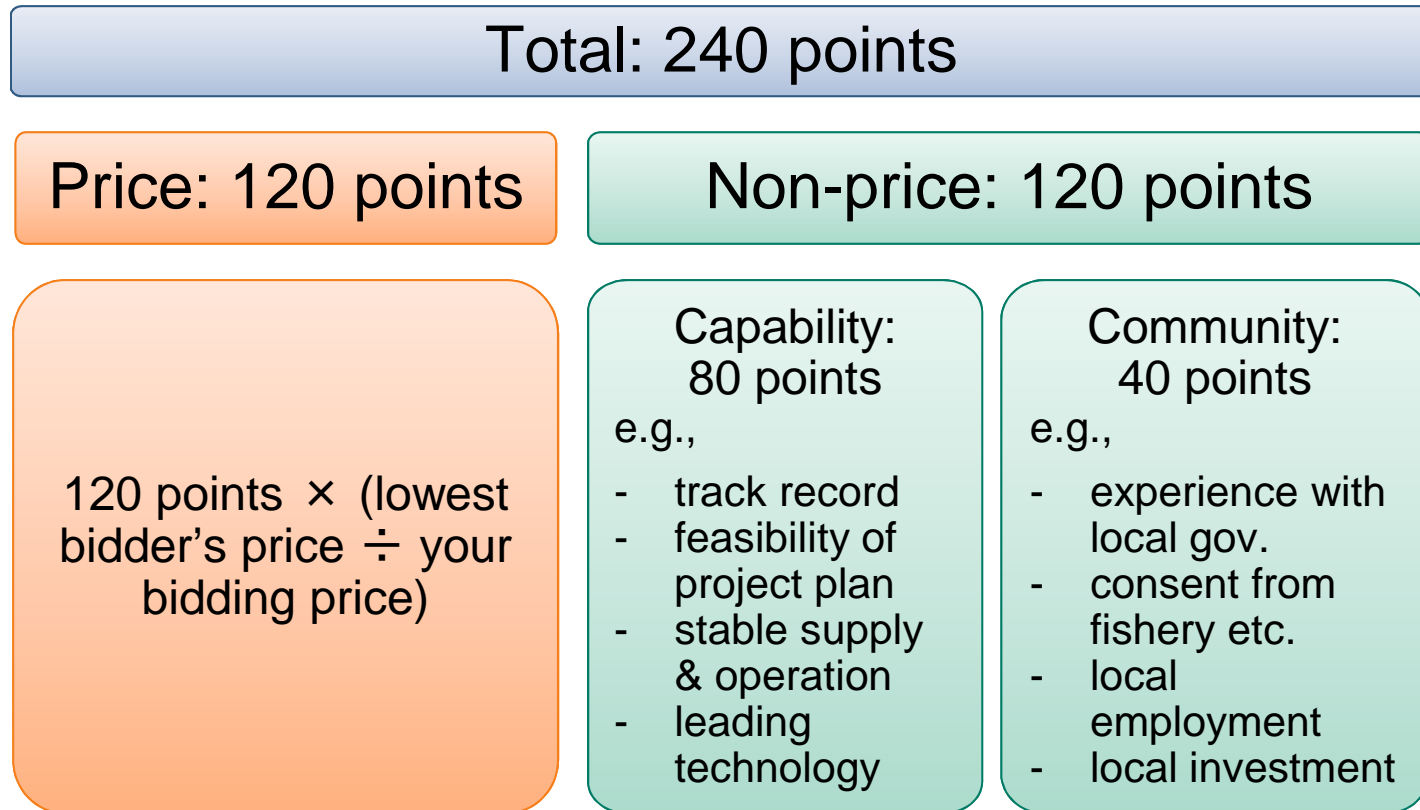
(3) Submission of development plans

(4) Review by administrative office

(5) Assessment by expert committee etc.

2nd step: selection of bid winner

What are the criteria for selecting a bid winner?



Opportunities for German companies

Where are the opportunities to enter the Japanese market?



Developers

Japanese companies not yet sufficiently experienced.

Overseas track records considered positively in auction.



EPC contractors

Japanese companies not yet sufficiently experienced.

Overseas track records considered positively in auction.



Suppliers

Supply chain not yet established in Japan.

No stringent local content requirements.



Marine companies

Not sufficient number of specialized vessels.

Currently, push for relaxation of cabotage law.

Challenges for German companies

What are the likely challenges when entering the Japanese market?



Developers

Auction participation requirements



EPC contractors

Local permit requirements



Suppliers

Local procurement preferred in auction



Marine companies

Strict rules under cabotage law



Employment law

Very employee friendly



Contract drafting

Generally dislikes details



Language barriers

Generally not fluent in English

Conclusion:



Thank you!



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For updates on the Japanese offshore wind market, please visit:
<https://www.bakermckenzie.co.jp/en/newsletter>