

Welcome Address at the International Energy Agency (IEA) Photovoltaic Power Systems (PVPS) International Conference 2003 (Draft)030514

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Time: 9:45 to 10:00am

Place: Osaka International Convention Center (Grand Cube Osaka, Conference Room 1003)

## Introduction

Thank you for your introduction. As you heard, I am Sanae Takaichi, Vice Minister of Economy, Trade and Industry. First of all, let me take this opportunity to welcome to Japan all of you who have come from around the world to attend this IEA/PVPS International Conference today.

As the IEA/PVPS program celebrates its tenth anniversary this year, it is particularly significant that this conference is being held for the first time in Asia. I am delighted to be here today to express my heartfelt gratitude to all those who made this conference a reality.

Awareness of Energy and Environmental Issues Diversification of energy sources and global warming are issues shared by all humanity in the 21st century. World population is currently 6.1 billion, and is set to reach 9.3 billion by 2050. Population growth is especially rapid in the Asian region, and we can predict that economic development will certainly create increased energy demand. We have been warned that the world's energy supply structures, which depend on fossil fuels such as oil, are not sustainable in either resource or environmental terms.

In this situation, I am convinced that global joint initiatives by industry, universities and governments aimed at expanded installation of PV power generation – which does not use fossil fuels and does not emit CO<sub>2</sub> – are of the utmost importance.

## Japan Initiatives

Japan has taken powerful, globally unparalleled steps toward expanded installation of PV power generation.

Basic research on PV cells began in 1973, and the development of practical PV power generation systems prompted even greater technology development efforts aimed at reducing costs.

In 1994 we launched a scheme to subsidize installation fees for people installing PV power generation systems on the roofs of houses. This system was an unprecedented example of a government subsidizing members of the public. Combined with the effect of electric utilities beginning to purchase surplus electricity in 1992, it increased demand for PV power generation systems, costs were reduced through mass production and standardization, and this sparked a “virtuous cycle” of further expansion.

As a result, the price of PV power generation systems has fallen to about one-fifth of the 1993 level, while the installed base equaled 452,000 kilowatts as of 2001, or approximately 20 times the 1993 level. As you know, the result is that Japan now represents roughly half of the entire global installed base.

#### Future Initiatives

To meet our installed base target of 4.82 million kilowatts – more than 10 times the current base – by 2010, we are aiming at installation of PV power generation in one million homes. Moreover, in April this year we enacted the Renewable Portfolio Standard (RPS) Law obliging power companies to use new energy sources including PV power generation.

Thanks to these initiatives expansion of the installed base has been accelerating, but the road to 2010 is certainly not a smooth one. Whether or not our initiatives really take off will depend on steps taken over the next three years.

In this crucial period, private sector initiatives to achieve greater efficiency and lower costs will be combined effectively with government support for measures to develop and popularize new technologies.

#### International Cooperation

Japan has played a leading role in expanding global use of PV power generation. Since the 1990s, we have strived to promote widespread use of PV power generation around the world through programs such as joint trials with developing countries, especially in Asia, and electrification schemes for rural communities in Asia, Africa and Central and South America.

Furthermore, we have actively participated in the IEA/PVPS program since its launch and contributed to tasks such as the formulation of coordinated system guidelines for PV power generation technologies.

While encouraging the development of PV power generation technology in Japan and even greater cost reductions, we will promote widespread use of energy-saving and new energy technologies through more and better overseas trials. Moreover, while continuing to work closely with related international organizations, we will actively cooperate with the governments of developing countries to formulate plans for widespread installation and human resources development.

Hopes for this Conference

Finally, I hope that by raising collaboration within IEA and competition between companies involved in the sector to new levels, we can expand the use of these wonderful PV power generation systems throughout the world. I hope this conference will succeed in lighting our path toward that future, and I would like to close my address by wishing you all good health and success in your endeavors.

Thank you.