

Distributed Power Supply O & M Outsourcing Market in Japan: Key Research Findings 2013

◆ Research Outline

Yano Research Institute has conducted a study on the domestic distributed power supply O&M (Operation & Management) outsourcing market with the following conditions:

1. Research period: April to June, 2013
2. Research target: Companies in the business of distributed power supply operation & management services
3. Research methodologies: Face-to-face interviews by the specialized researchers, surveys via telephone/email, and literature research

<What is Distributed Power Supply?>

Distributed power supply in this research indicates the following six types of power generation systems: Cogeneration (Combined heat & power), Photovoltaic power generation, Wind power generation, Biomass power generation, Waste power generation, and Small hydroelectric generation. All of these systems are for industrial and business use, and no systems for residential use are included.

<What is Distributed Power Supply O&M Outsourcing Market, or Comprehensive O&M Market?>

The size of distributed power supply O&M (Operation & Management) outsourcing market in this research is calculated based on O&M service commission fees paid to O&M service providers by distributed power suppliers (or power producers).

Distributed power supply comprehensive O&M (Operation & Management) market in this research is one of the business forms of O&M outsourcing business, calculated based on O&M commission fees paid to O&M service providers who provide long-term, comprehensive O&M services covering the entire power generating systems one-stop under comprehensive O&M service contract closed between the power producer and the O&M service provider. The distributed power supply comprehensive O&M market is included in the size of the O&M outsourcing market.

◆ Key Findings

■ Size of Distributed Power Supply O&M Outsourcing Market in FY2012 Rose by 4.0% to Achieve 300.5 Billion Yen

The size of distributed power supply O&M (Operation & Management) outsourcing market in FY2012 grew by 4.0% from the previous fiscal year to attain 300.5 billion yen, calculated based on the commission fees. Especially, comprehensive O&M market within the entire distributed power supply O&M market rose significantly by 12.2%, reaching 100.2 billion yen, based on the commission fee.

■ Renewable Energy Feed-in Tariff Caused Influx of New Power Suppliers to Enter Market, Generalizing O&M Outsourcing Business for Distributed Power Supply

The electricity procurement cost was set high in the Feed-in Tariff for renewable energy that started in July 2012. This has induced rapid increase of new market entrants of photovoltaic power and other power suppliers, popularizing the outsourcing of construction, setting, and O&M of power generation systems to the specialized enterprises. Also increasing is the number of contracts for power suppliers to be provided one-stop with long-term and comprehensive O&M services covering the entire power generating systems by a single O&M service provider. This is considered as one of the service forms of the distributed power supply O&M (Operation & Management). In addition, there are growing cases of on-site energy services provided by O&M service providers who possess power generating systems from which they supply energy to the users.

■ Estimated Size of Distributed Power Supply O&M Outsourcing Market in FY2020 Expand to 423.7 Billion Yen

Future of distributed power supply O&M outsourcing market is likely to expand prominently along with increasing introduction stock volume from each of power production systems. The estimated size of the market in FY2020 reaches 423.7 billion yen (up by 41.0% from FY2012, calculated based on the commission fee). Also, the distributed power supply comprehensive O&M (Operation & Management) market in FY2020 is expected to burgeon by 118.5% from FY2012 to attain 218.9 billion yen, based on the commission fee.

◆ Report format:

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Price: 126,000 yen (6,000 yen of consumption tax shall be charged for the sales in Japan.)

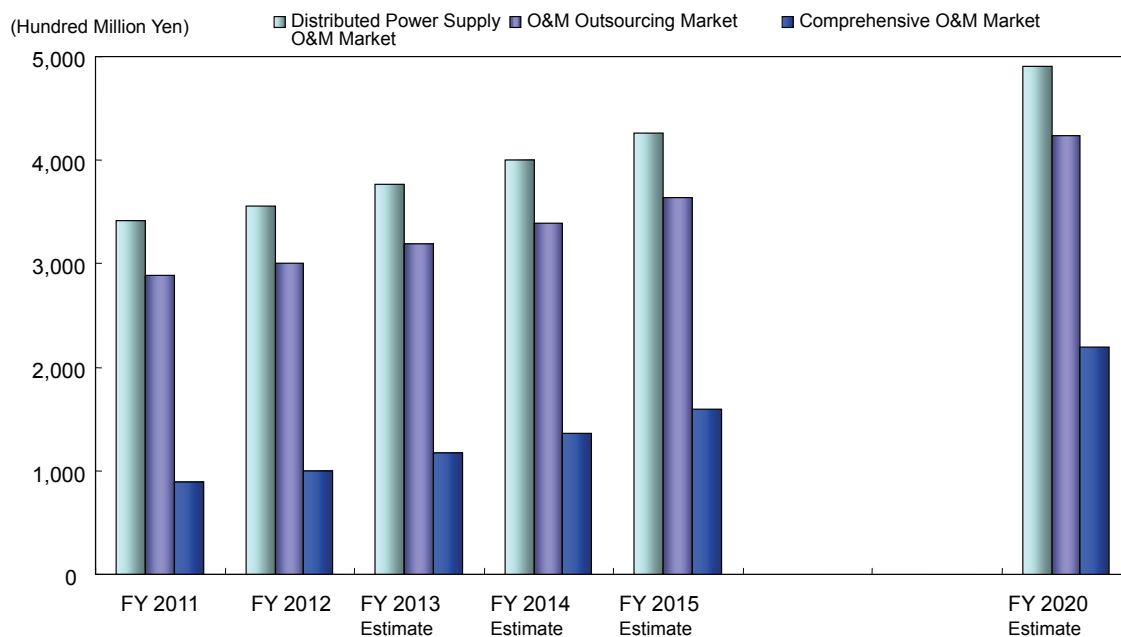
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■ **Figure 1: Transition of Size of Distributed Power Supply Operation & Management Market**



(Hundred Million Yen)

	FY 2011	FY 2012	FY 2013 Estimate	FY 2014 Estimate	FY 2015 Estimate	FY 2020 Estimate
Distributed Power Supply O&M Market	3,419	3,560	3,772	4,004	4,264	4,908
O&M Outsourcing Market	2,889	3,005	3,191	3,397	3,639	4,237
Comprehensive O&M Market	893	1,002	1,175	1,366	1,595	2,189

Estimated by YRI

Notes:

1. The figures in distributed power supply O&M market are based on O&M costs, and the figures in O&M outsourcing market and comprehensive O&M market are based on commission fees.
2. The size of distributed power supply O&M (Operation & Management) market is calculated by adding distributed power suppliers' in-house O&M fees to the size of O&M outsourcing market.
3. The size of O&M (Operation & Management) outsourcing market is calculated based on O&M commission fees paid by distributed power suppliers to O&M service providers.
4. Distributed power supply comprehensive O&M (Operation & Management) market in this research is one of the business forms of O&M outsourcing business, calculated based on O&M commission fees paid to O&M service providers who provide one-stop long-term, comprehensive O&M services covering the entire power generating systems under comprehensive O&M service contract closed between the power producer and the O&M service provider. The distributed power supply comprehensive O&M market is included in the size of the O&M outsourcing market.