SolarTech Power Solutions

Japan s small off-grid energy storage power station

48V 100Ah

Overview

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TOKYO, Japan – November 29, 2024 – ORIX Corporation (“ORIX”) announced today that it will begin commercial operation of the Kinokawa Energy Storage Plant in Kinokawa, Wakayama that was jointly constructed with Kansai Electric Power Co., Inc. (“KEPCO”) on December 1, 2024 *1. Kinokawa Energy Storage.

Japan’s energy storage sector is expanding, though growth remains uneven across segments. The overall market is expected to grow 11% annually, from USD 793.8 million in 2024 to USD 2.5 billion by 2035. Residential adoption is moving faster. Home lithium-ion battery systems generated USD 278.5.

BESS units manufactured by Japanese company PowerX at OLY Powerstorage Midoricho, another project for which electricity market participation is managed by KEPCO’s virtual power plant (VPP) subsidiary E-Flow, for customer Olympia. Image: Olympia / PowerX Regional electric utility companies in Japan.

In Japan, they kind of do—thanks to pumped storage power stations. These engineering marvels are critical for balancing the country’s energy grid, especially as it shifts toward renewable sources like solar and wind. But how do they work, and why is Japan doubling down on these projects?

Let’s dive.

Japan’s energy storage power station market is witnessing significant growth,

driven by diverse applications across grid stabilization and renewable energy integration. Grid energy storage is a dominant segment, with advancements in lithium-ion and solid-state batteries ensuring better storage.

The increasing generation of renewables on the Japanese grid has led to various support policies and CAPEX subsidy schemes to support the deployment of grid-scale Battery Energy Storage (BESS). In 2021, Japan’s 6 th Strategic Energy Plan, followed by the Green Transformation Act in 2023.
What is Japan's first fund dedicated to grid storage batteries?

Japan's first fund dedicated to grid storage batteries begins full-scale operation Raised over 8 billion yen from 11 public and private investors Norbert Gehrke Oct 02, 2024 Share this post Japan Startup Observer Japan's first fund dedicated to grid storage batteries begins full-scale operation Copy link Facebook Email Notes More Share.

Does Japan have a capex subsidy scheme for grid-scale battery developers?

Increased generation of renewables requires various forms of energy storage to manage the issues associated with intermittency. Japan has, therefore, introduced two CAPEX subsidy schemes for grid-scale battery developers, excluding co-located projects.

Does Japan need battery energy storage?

A Growing Need for Energy Storage The increasing generation of renewables on the Japanese grid has led to various support policies and CAPEX subsidy schemes to support the deployment of grid-scale Battery Energy Storage (BESS).

How is Japan's energy storage landscape changing?

Japan’s energy storage landscape is shifting, pushed by household demand, corporate ESG mandates, and domestic battery manufacturing. The residential lithium-ion market, projected to grow at a CAGR of 33.9% through 2030, remains one of the fastest-expanding segments.

What is Japan's energy storage policy?

As policy, technology, and decarbonization goals converge, Japan is positioning energy storage as a critical link between its climate targets and energy reliability. Japan’s energy storage policy is anchored by the Ministry of Economy, Trade and Industry (METI), which outlined its ambitions in the 6th

Strategic Energy Plan, adopted in 2021.

Why is energy storage important in Japan?

Japan’s government has recognised that energy storage must play a key role in delivering energy supply stability and security and meeting renewable energy targets of 36%-38% of the generation mix by 2030. The target is part of a key Green Transformation (‘GX’) policy strategy toward carbon neutrality by 2050.

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