

Recent Developments of Japanese Offshore Wind Power Projects

-An Energy Policy Perspective-

 **DBJ** Development Bank of Japan

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1. Overview of Development Bank of Japan

Overview of Development Bank of Japan (“DBJ”)

As a 100% Japanese government-owned financial institution, with either debt or equity, DBJ has long been involved in the renewable energy sector inside and outside Japan.

Overview of Development Bank of Japan (“DBJ”)

Established:	<u>October 1, 2008</u> <ul style="list-style-type: none">Former Japan Development Bank :1951Former Hokkaido-Tohoku Development Finance Public Corporation: 1956
Shareholder :	<u>100% owned by the Japanese Ministry of Finance</u>
Total assets:	<u>USD 156 billion</u> ^{*1}
Loans:	<u>USD 121 billion</u> ^{*1}
Capital adequacy ratio:	<u>15.91%</u> ^{*1}
Credit Ratings:	<ul style="list-style-type: none"><u>A1</u> by Moody's Investors Service, Inc.<u>A</u> by Standard & Poor's Corp.
Number of employees:	1,186 ^{*1}

Note : 1. As of March 31, 2019

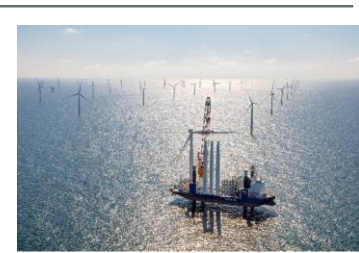
Selected Key Projects



Gunfleet Sands I & II (2013)

- DBJ purchased 49.9% equity stakes from DONG Energy (now as Ørsted A/S) jointly with Marubeni Corp (now divested to JERA)

Location: Northern Thames Estuary, 7km off Essex Coast, UK
Project Size: 172.8 MW
Commercial Operation Date: 2010



Triton Knoll (2018)

- Provide financial support through preferred equity investment toward J-POWER’s participation in UK offshore wind power project

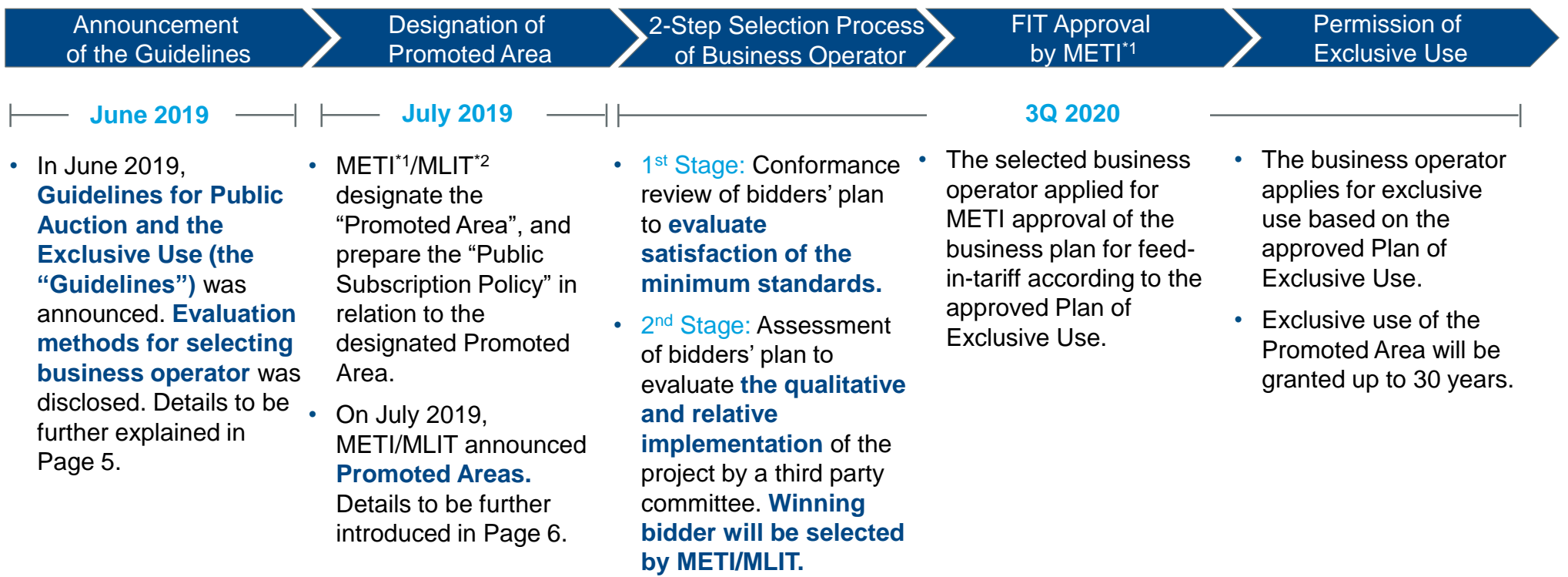
Location: 33 km off Lincolnshire Coast, UK
Project Size: 857.25 MW
Expected Commercial Operation Date: 2022

2. Recent Developments

New Law on Promotion of Use of General Sea Area

In April 2019, “Law on Promotion of Use of Marine Areas for Development of Marine Renewable Energy Generation Facilities” (the “Law”) was approved which provides an outline of project development.

Brief Outline and Expected Schedule of Project Development (First Round)



Note : 1. Ministry of Economy, Trade and Industry
2. Ministry of Land, Infrastructure, Transport and Tourism

Announcement of the Guidelines

According to the Guidelines, a comprehensive evaluation will be conducted by taking into account (I) the supply price and (II) the ability of business operator to implement a project.

1
Supply Price
[120] pts.

- The supply price being one of the most important factor, is calculated based on a formula of : Evaluation Points of Supply Price = (Lowest Bidding Price / Proposed Price) x (Full Points [120] pts)
- It is noted that the supply price and the ability of business operator to implement the project are tentatively evaluated equally and may possibly be reviewed going forward.

2
Ability to Implement the Project
[120] pts.

Ability to Implement a Project [80] pts						Business Feasibility [40] pts			
Certainty of Project Implementation [65] pts				Stable Supply [15] pts		Coordination with Local [20] pts		Impact on Economy [20] pts	
Track Record [30] pts	Certainty of Project [35] pts			Stable Supply [15] pts		Coordination with Local [20] pts		Impact on Economy [20] pts	
Track Record	Project Plan	Risk Control	Funding Plan	Stable Supply Supply Price	New Tech	Coordination with Relevant Administration	Co-operation with Fishery Companies	Impact on Local Economy	Impact on Domestic Economy
[30] pts	[20] pts	[15] pts	[0] pts	[10] pts	[5] pts	[10] pts	[10] pts	[10] pts	[10] pts
[21] pts	[14] pts	[11] pts	-	[7] pts	[4] pts	[7] pts	[7] pts	[7] pts	[7] pts
[9] pts	[6] pts	[5] pts	-	[3] pts	[2] pts	[3] pts	[3] pts	[3] pts	[3] pts
[0] pts									
Unqualified Bidder									

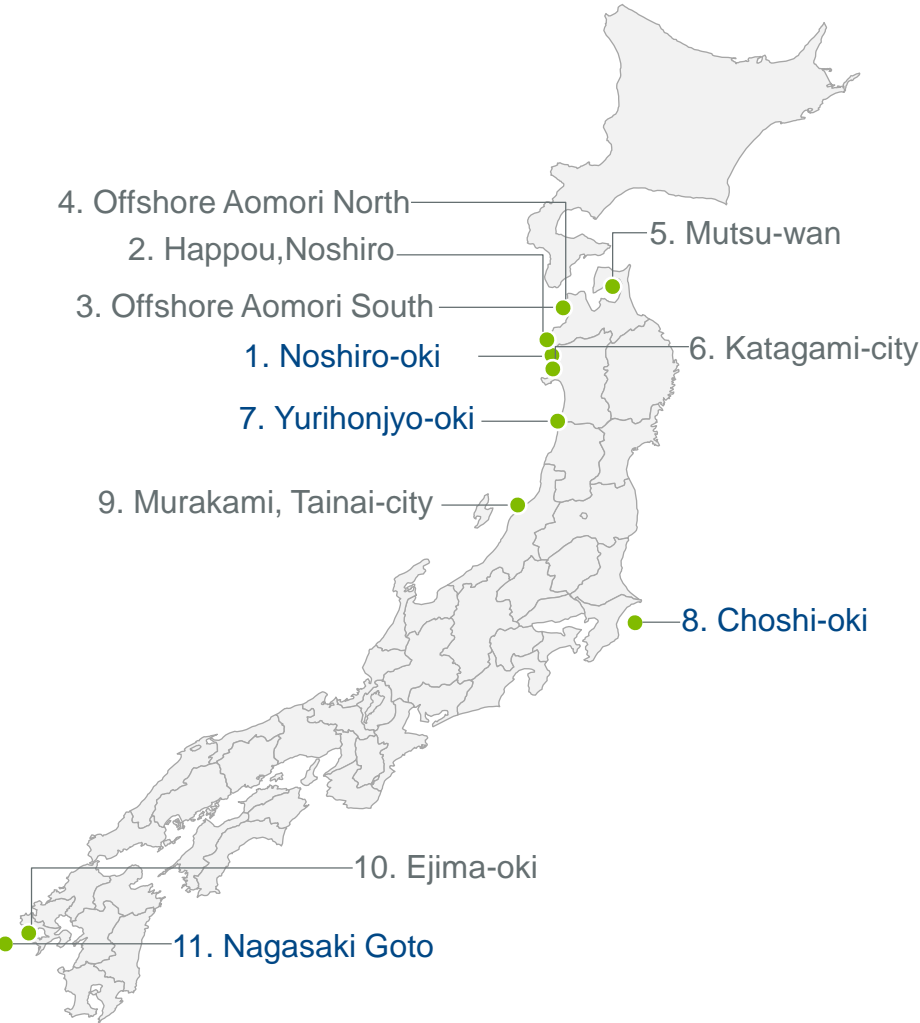
A Rank: Top class bidder
B Rank: Middle class bidder
C Rank: Minimum standard

D Rank: In between C Rank and E Rank
E Rank: Unqualified Bidder

Announcement of Offshore Wind Areas

In July 2019, 4 out of 11 promising areas as promoted areas were announced that will now be progressing to conduct wind measurement and geological surveys by the government.

Geographic Location



List of Promoted Areas

	Areas	Location	Status
1	Noshiro-oki	Akita	Designated Promoted Area
2	Happou, Noshiro	Akita	Necessary to identify and coordinate with stakeholders
3	Offshore Aomori South	Aomori	Necessary to identify and coordinate with stakeholders
4	Offshore Aomori North	Aomori	Necessary to identify and coordinate with stakeholders
5	Mutsu-wan	Aomori	Subject to defense considerations and restriction
6	Katagami-city	Akita	Subject to the progress of local agreement
7	Yurihonjyo-oki	Akita	Designated Promoted Area
8	Choshi-oki	Chiba	Designated Promoted Area
9	Murakami, Tainai-city	Niigata	Necessary to identify and coordinate with stakeholders
10	Ejima-oki	Nagasaki	Development must align with World Heritage status
11	Goto Islands	Nagasaki	Designated Promoted Area

 Promoted Area

THANK YOU FOR YOUR ATTENTION