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Obstacles to Transboundary Power Trade: Domestic Issue as Impasse

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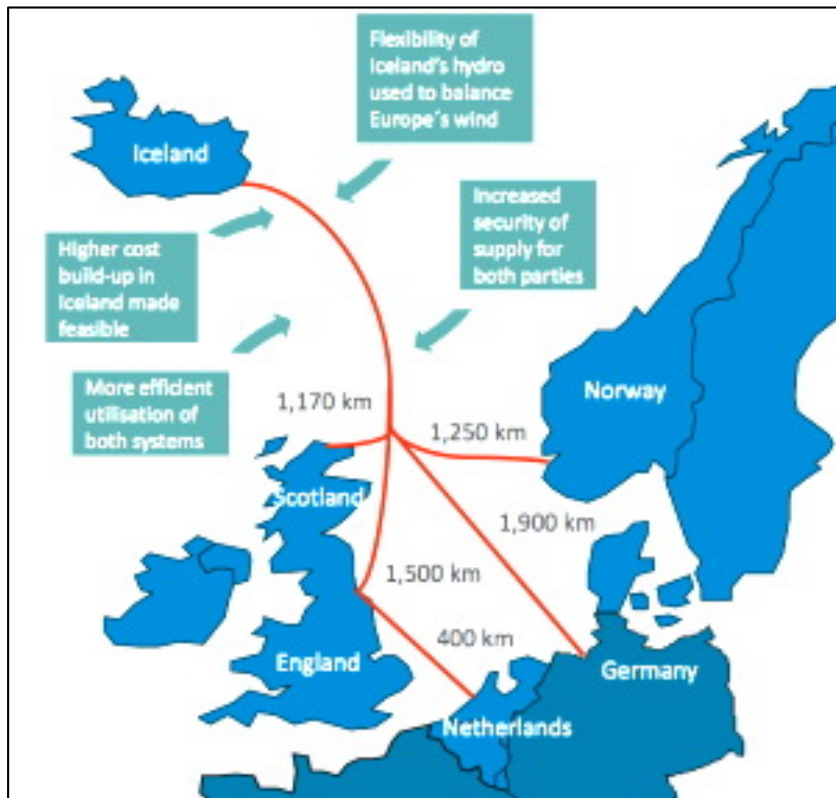
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My Messages

- **Relation between countries** should be pivotal for success or failure of power trade.
- **However . . .**
- **Domestic issues** also effectively hinder a country from exporting or importing power to/from another country.
- In some cases, **domestic issues are more problematic** than international relations.
- Needless to say, two issues are often **interlinked**.

Icelink (from Iceland to UK etc.)



- ✓ Iceland plans to sell electricity to European states since 1960s, while it has never taken place.
- ✓ Aluminum smelters in Iceland enjoy “cheap” electricity and they are afraid of electricity’s becoming expensive by commencement of power trade.
- ✓ People in Iceland have a very strong antipathy to the European states.

GCC Power Grid (in Middle East)



- ✓ Gulf Cooperation Council (GCC) are **already inter-connected** by power lines.
- ✓ Nevertheless, power trade between “connected” states has not started yet.
- ✓ Oli-rich countries are not keen to decrease the “production cost” of electricity by trade.
- ✓ Beneficiaries from the existing system **do not want a change**.

Inter-Island Power Cable Project in Hawaii



- ✓ Inter-island power cable project exists since 1970s.
- ✓ The very idea is to transfer “green electricity” generated in the Maui and Hawaii island (by wind or geothermal power stations) to the Oahu island.
- ✓ However, **environmental groups in these islands strongly object to be “victimized” by those “thriving” in the Oahu island.**

“Isolated” Japan



- ✓ The law of the country has **no provision to import electricity** from abroad.
- ✓ Regional power companies, which in fact monopolize the market, have **little incentive to reduce the “production cost”** by purchasing electricity from abroad.
- ✓ The amount of electricity to be imported may be **too small to attract regional power companies.**

Thank you very much!



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