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# AMT/NEWSLETTER

## Energy

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### Latest Developments in the Mega Solar Countermeasures Package and Their Practical Implications

#### *An Overview of Regulatory Developments as of March 2026*

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## 1. Introduction

On December 23, 2025, at the Cabinet Secretariat's "Ministerial Meeting on Large-Scale Solar Power Generation Projects," the "Countermeasures Package for Large-Scale Solar Power Generation Projects (Mega Solar)"<sup>1</sup> (the "**Countermeasures Package**") was decided. The

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<sup>1</sup> "Countermeasures Package for Large-Scale Solar Power Generation Projects (Mega Solar)" decided by the Ministerial Meeting on Large-Scale Solar Power Generation Projects

<https://www.cas.go.jp/jp/seisaku/megasolar/pdf/countermeasure.pdf>

Countermeasures Package is designed to comprehensively advance legal amendments, operational reviews, and strengthened coordination across multiple ministries and agencies, with a focus on protecting the natural environment, ensuring safety, preserving landscapes, and supporting regional harmonization measures.

As of the end of March 2026, a series of major measures have been taking shape, including a review of support for ground-mounted commercial solar power under the FIT/FIP schemes, strengthened regulation of the forest land development permit system under the Forest Act, the submission of a bill to amend the Electricity Business Act to the Diet, the publication of a draft amendment to the Guidelines to the Application of the Landscape Act, and considerations on reviewing the environmental impact assessment system. These developments go beyond mere policy trends and could have a broad impact on the project development, financing, construction schedules, and management practices after commencement of operation of solar power projects.

In particular, the policy to exclude ground-mounted commercial solar power from eligibility for support under the FIT/FIP schemes from FY2027 onward holds a symbolic position within the Countermeasures Package. Also, the review of the Forest Act, the Electricity Business Act, the Landscape Act, and the environmental impact assessment system will have a significant impact on the practical aspects of project development, operation, and project finance, as they directly affect site selection, obtaining permits and approvals, design and construction, and legal compliance management. The following is an explanation of these changes, focusing on those that have particularly large practical implications.

## 2. Termination of FIP Support for Ground-Mounted Commercial Solar Power

According to the announcement by the Ministry of Economy, Trade and Industry (“**METI**”) on March 19, 2026,<sup>2</sup> with respect to ground-mounted commercial solar power, while FIP certification will be given for certain categories until FY2026, it will be excluded from FY2027 onward from a support under the FIT/FIP schemes. The FY2026 FIT/FIP Guidebook<sup>3</sup> of the Agency for Natural Resources and Energy also expressly states that “commercial solar power (ground-mounted) is excluded from a support under the FIT/FIP schemes.”

In the discussions of the Calculation Committee for Procurement Price, etc., it has been indicated that the reasons for this are not only the progress made in the large-scale implementation of solar power generation and cost reductions, but also because the challenges related to regional harmonization for ground-mounted projects—such as impacts on the natural environment, safety concerns, deterioration of landscape, and friction with local communities—have become

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<sup>2</sup> METI, “METI Sets the Surcharge Rate for FY2026, Renewable Energy Procurement Prices for FY2026 Onward, and Other Details Relating to the FIT and FIP Schemes”

<https://www.meti.go.jp/press/2025/03/20260319004/20260319004.html>

<sup>3</sup> Agency for Natural Resources and Energy, “Renewable Energy FIT/FIP Schemes Guidebook 2026”

[https://www.enecho.meti.go.jp/category/saving\\_and\\_new/saiene/data/kaitori/2026\\_fit\\_fip\\_guidebook.pdf](https://www.enecho.meti.go.jp/category/saving_and_new/saiene/data/kaitori/2026_fit_fip_guidebook.pdf)

increasingly apparent. In other words, it can be said that the review indicates a policy shift toward the formation of more regionally harmonized and self-reliant projects, by de-emphasizing ground-mounted solar power from the governmental support.

Moreover, the practical implications are also significant. While conventional FIT/FIP projects offered a certain degree of revenue predictability supported by the schemes, it is expected that in the future, more and more ground-mounted type projects will be structured on the premise that revenues will be subject to risks arising from corporate PPAs, bilateral power sales, and/or market electricity prices. As a result, it will become increasingly important to consider the creditworthiness of the power purchaser, the contract term, price revision clauses, a floor price, the possibility of contract renewal, and the treatment of output curtailment risk, etc. Project finance lenders will also need to examine more carefully whether and how the revenues are stabilized through long-term power sales agreements, the sponsor support for price fluctuations, and the additional equity contribution obligations or dividend restrictions.

### 3. Amendment to the Forest Act

With respect to the Forest Act, the regulation of the forest land development permit system under the amended Forest Act was tightened from April 2026. It includes the establishment of new penalties for violations of permit conditions<sup>4</sup> and a new publication system for those who fail to comply with suspension orders or restoration orders<sup>5</sup>. The relevant penalties are imprisonment for up to three years or a fine of up to JPY 3 million (with dual penalties applicable to corporations).

These amendments were also prompted by cases where forest land development for the purpose of installing solar power generation equipment was carried out without adequate site formation, drainage, disaster-prevention measures and the like, resulting in problems involving disaster risk and the continued existence of violations. According to the material published by the Forestry Agency<sup>6</sup>, there is also a risk that violations may become even more difficult to be rectified if relevant land in such violation is sold to a third party. It is understood that the publication system is also intended to serve a deterrent function in transactions in such situations.

Furthermore, alongside these amendments, the Forestry Agency also revised the standards for forest land development permits related to solar power generation (including raising the forest retention rate, requiring municipal mayors to conduct a hearing from interested parties to development activities, and encouraging the submission of notice for cancelation of dormant or uncompleted projects for a long period after a permit is granted). The review goes beyond merely strengthening responses to violations and can be seen as tightening a regulation from a preliminary stage through the construction and operation stages.

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<sup>4</sup> Article 206, Item 2 of the Forest Act

<sup>5</sup> Article 10-3, Paragraph 2 of the Forest Act

<sup>6</sup> Forestry Agency, "Report of the Study Group on Standards for Forest Land Development Permits Related to Solar Power Generation"  
[https://www.rinya.maff.go.jp/j/tisan/tisan/attach/pdf/con\\_4\\_6\\_1-51.pdf](https://www.rinya.maff.go.jp/j/tisan/tisan/attach/pdf/con_4_6_1-51.pdf) ([rinya.maff.go.jp](http://rinya.maff.go.jp))

In practice, for forest site development projects, greater emphasis should be placed than ever before not only on the likelihood of obtaining permits at initial stage, but also on whether a construction and operation can be continued with complying with permit conditions. Specifically, it is necessary to verify site formation plans, rainwater drainage plans, slope protection, disaster prevention measures, construction sequencing, and the feasibility of restoring the site to its original condition through both legal and technical due diligence. Furthermore, it is necessary to have a clearer understanding than ever before, in the event of a violation of the Forest Act, whether such violation constitutes a breach of representations and warranties, a breach of compliance obligations, a material violation of permits and licenses, or an event of default under the related financial transactions.

#### **4. Amendment to the Electricity Business Act**

On March 24, 2026, METI announced that the Cabinet had approved the “Bill for the Partial Amendment of the Electricity Business Act.”<sup>7</sup> The bill includes a provision to make support structures and other components subject to pre-construction verification of conformity with technical standards by a third-party organization (a registered conformity verification organization), in order to prevent accidents caused by design flaws in photovoltaic power generation equipment. It is also stated that it will introduce an obligation of manufacturers, importers/distributors, and contractors to make necessary cooperations in cases involving product defects, construction defects, or the like, where it is difficult for the installer alone to identify the cause or prevent recurrence.

The Countermeasures Package states that, for all photovoltaic power generation equipment with an output of 10 kW or more, a mechanism will be established under which a third-party organization with expertise in civil engineering and construction will verify, prior to construction, conformity with technical standards relating to structure. The submission of the present bill constitutes a concrete step toward implementing this mechanism. Under the current system, while certain plants above a certain scale are subject to governmental review (i.e., the preparation and submission of a construction plan notification and the pre-use safety confirmation review for solar power plants with an output of 2,000 kW or more), other smaller plants are left to self-confirmation by the installer (i.e., the pre-use self-confirmation system for solar power plants with an output of 10 kW or more but less than 2,000 kW). However, in light of recent accidents and related circumstances, the view has emerged that it is necessary to introduce an external expert verification system.

In practice, the impact on the EPC schedule is significant. If third-party verification prior to the commencement of construction becomes required, it may directly affect the timing of finalization of the design, costs, conditions for commencement of construction, the construction schedule, and the scheduled COD. In particular, for projects involving sloped land, developed land, large-scale mounting structures, or the like, the burden of reviewing structural safety is likely to increase,

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<sup>7</sup> METI, “The Cabinet has approved the ‘Bill for the Partial Amendment of the Electricity Business Act’” <https://www.meti.go.jp/press/2025/03/20260324006/20260324006.html>

and it may become necessary to reconsider the scope of review by technical advisers engaged by project finance lenders and the content of construction monitoring. Furthermore, with respect to establishing a new system for requesting cooperation in cases of product defects or construction defects, manufacturers, importers/distributors, and contractors of relevant equipment will be required to establish internally a framework how to respond to such request on the premise that they will be subject to such a legal obligation to cooperate. In addition, in warranty provisions in EPC contracts, equipment sale and purchase agreements, and similar agreements, there will be an increasing need to stipulate more clearly a provision for a cooperation with accident investigations, submission of relevant documents, on-site response, and the treatment of warranties when components are opened or inspected.

At present, as the proposed amendment is still at the bill stage, details such as the scope of equipment subject to this third party verification system, the verification procedures, the required documentation, and the schedule will need to await future subordinate legislation and application; however, relevant parties and project finance lenders will need to design project schedules and relevant conditions on the premise that the pre-construction verification will become a new construction milestone.

## **5. Amendment to the Guidelines to Application of the Landscape Act**

The Countermeasures Package calls for the “promotion of the utilization of the Landscape Act,” and envisages that municipalities and other local authorities will formulate landscape plans setting forth clear landscape formation standards and will regulate and guide relevant parties as necessary. Following this, in March 2026, the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Agriculture, Forestry and Fisheries, and the Ministry of the Environment amended the Guidelines to Application of the Landscape Act to clarify how the Landscape Act should be utilized in relation to renewable energy facilities such as solar power generation facilities and wind power generation facilities<sup>8</sup>. In this amendment, certain methods were presented for establishing landscape formation standards for renewable energy facilities to ensure that such facilities are not visible within the range in which they would affect the view. The amended Guidelines state that, by using this method, it is possible to encourage improvements based on the recommendations under Article 16, Paragraph 3 of the Landscape Act, and that it is expected to have a good impact to some extent from the perspective of landscape conservation, while also mentioning that it needs to avoid an over-regulation. In addition, the amended Guidelines expressly state that, in light of the fact that in recent years, serious concerns have arisen regarding renewable energy facilities from the perspectives of the natural environment, safety, and landscape, it is also possible to impose upper limits on the size of such facilities. The amended Guidelines further state that it is desirable to require a prior notification for not only the act of

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<sup>8</sup> Ministry of Land, Infrastructure, Transport and Tourism, “Background to Amendment to the Guidelines to Application of the Landscape Act, amended on March 31, 2026”  
<https://www.mlit.go.jp/toshi/townscape/content/001993433.pdf>

installing the facility itself, but also changes in land characteristics and the planting and felling of trees and bamboo carried out prior to the installation of renewable energy facilities, so that relevant parties will be made aware of applicable landscape regulations from the stage prior to the commencement of the project. In addition, the amended Guidelines state that, from the perspective of preventing disputes, it is desirable for landscape administrative bodies to make relevant parties aware of such standards even at preliminary stage prior to the commencement of the project under other laws and regulations, such as the Environmental Impact Assessment Act and related ordinances, and the Forest Act. These amendments may be regarded as indicating an intention to effectively apply the relevant landscape regulations in early stage.

What is important in practice is that landscape regulations have now been clearly positioned not as ancillary regulations that become problematic only at a later stage, but as regulations that directly affect at the initial stage of a project such as site selection and development feasibility. Going forward, the relevant parties must check, from the stage of acquisition of project sites or the early stage of development, not only whether there are any applicable landscape plans, landscape ordinances, landscape priority districts, viewpoints, prior consultation requirements, and notification requirements, but also whether there are visibility-based regulations or upper limits on size, and whether changes in land characteristics are subject to notification, otherwise they might face a greater risk of taking steps that are difficult to be rectified later. In particular, in tourist areas, mountainous areas, coastal areas, or areas with historic landscapes, it frequently poses landscape regulations issues as well as issues from a viewpoint of local acceptance concurrently, which make necessary to assess legal risk and community relations risk in an integrated manner. It should also be noted that these amendments apply not only to solar power generation facilities, but also to other renewable energy facilities such as wind power generation facilities.

## **6. Review of Environmental Impact Assessment**

On January 26, February 20, and March 23, 2026, the Ministry of the Environment held the “Study Group on Environmental Impact Assessment for Solar Power Generation Projects.”<sup>9</sup> The focus of the study was a review of the scope and thresholds of the environmental impact assessment for solar power generation projects under the Environmental Impact Assessment Act and the Electricity Business Act. At the first meeting, the purpose of convening the study group and the matters for consideration were discussed, and at the second and third meetings, hearings were conducted with relevant organizations, local governments, and others, and certain issues concerning the review of the scope and thresholds were discussed. The overview of the Countermeasures Package also expressly states that, with respect to the Environmental Impact Assessment Act and the Electricity Business Act, the scope of projects subject to environmental impact assessment will be reviewed and their effectiveness strengthened.

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<sup>9</sup> Study Group on Environmental Impact Assessment for Solar Power Generation Projects  
[https://assess.env.go.jp/4\\_kentou/4-1\\_kentou/reportdetail.html?page=4\\_kentou/index&kid=1085](https://assess.env.go.jp/4_kentou/4-1_kentou/reportdetail.html?page=4_kentou/index&kid=1085)

In practice, any expansion of the scope of projects subject to environmental impact assessment or any tightening of the review process would directly affect the structuring of the projects such as development timelines, the timing of obtaining permits and approvals, commencement of construction, financing disbursement, bridge periods and other financing-related matters. In particular, for projects involving large-scale site formation or located in environmentally sensitive areas, it is desirable, even before any regulatory amendments are implemented, to set schedules with a view to the possibility that such projects may become subject to assessment in the future or to prolonged review periods.

## 7. Expansion of the Monitoring Framework

According to the progress materials for the Countermeasures Package<sup>10</sup> (“**Progress Materials**”), with respect to the reporting system for violations of relevant laws and regulations and the renewable energy task force, which had previously mainly covered FIT/FIP projects only, a policy has been indicated to add non-FIT/non-FIP projects as reportable targets from April 2026. In addition, according to METI’s webpage on the “Liaison Meeting on Renewable Energy and Regional Coexistence,”<sup>11</sup> the first meeting of the Liaison Meeting was held on March 18, 2026, and information was shared with local governments.

Such developments may be understood as indicating a direction toward strengthening the monitoring framework to ensure legal compliance across solar power generation projects, including not only projects receiving support under systems such as FIT/FIP, but also corporate PPA projects and bilateral power sales projects. The Countermeasures Package states that a “cross-ministerial renewable energy project monitoring framework” will be established, and the concept of comprehensively understanding and monitoring, at both the national and local government levels, regional coexistence, safety, landscape, the environment, and compliance with permits and approvals has become clearer.

In practice, it does not mean that the regulatory compliance burden on a non-FIT/non-FIP project are any lighter; rather, there is an increasing need to continuously manage the legal compliance framework, responses to local governments, responses to residents, and the corrective action and reporting framework in the event of violations, including after the commencement of operation. From the perspective of project finance lenders, in addition to due diligence prior to loan disbursement, it will be important to consider how to incorporate into the monitoring provisions such as periodic reporting, accident reporting, and notification obligations in the event of violations of applicable laws and regulations after loan disbursement.

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<sup>10</sup> METI, “Execution Status of Measures in the Mega Solar Countermeasures Package (as of the end of March 2026)”

[https://www.meti.go.jp/shingikai/energy\\_environment/chiikikyosei/pdf/execution\\_status.pdf](https://www.meti.go.jp/shingikai/energy_environment/chiikikyosei/pdf/execution_status.pdf)

<sup>11</sup> METI, “Liaison Meeting on Renewable Energy and Regional Coexistence”

[https://www.meti.go.jp/shingikai/energy\\_environment/regional\\_symbiosis/index.html](https://www.meti.go.jp/shingikai/energy_environment/regional_symbiosis/index.html)

## 8. List of Progress on Other Measures

It would also be beneficial to keep track of progress on the following measures, as they may affect site selection, development management, O&M, or future decommissioning or repowering practices for solar power plant projects.

[List of Progress on Other Measures<sup>12</sup>]

Measures	Current Status
Consideration of the Species Conservation Act	A study group established in October 2025 is currently considering issues including the challenges in introducing renewable energy and conserving rare species and the promotion of the designation of protected areas such as habitats. The study group is scheduled to compile its findings around summer 2026, based on which necessary regulatory amendments will be implemented.
Issuance of Administrative Notice in Relation to the Act on Protection of Cultural Properties	The points for consideration when local governments provide advice to relevant parties regarding the confirmation of the impact of construction work on natural monuments were compiled and an administrative notice was issued to local governments at the end of March 2026.
Expansion of the Kushiro-Shitsugen National Park under the Natural Parks Act	With the goal of expanding the park area during FY2026, a coordination is taking place with the relevant local governments and other relevant parties regarding specific expansion areas, based on the basic policy formulated in November 2025.
Strengthening of Cybersecurity for Solar Power Generation Systems	A policy to review the technical requirements for connecting solar power generation and storage batteries to the power transmission and distribution grids and to mandate the use of "JC-STAR"-compliant equipment was decided in December 2025. This will take effect in April 2027 (and in October 2027 for low-voltage connections), and manufacturers have been requested to obtain "JC-STAR★1" compliance labels for their products by that time.
Appropriate Designation of Areas Subject to Land Use Regulations	The government plans to continue promoting the appropriate designation of various land use regulation areas through collaboration between the national and local governments. Additionally, regarding areas designated for the promotion of introduction of renewable energy under the Act on Promotion of

<sup>12</sup> See Progress Materials.

Measures	Current Status
	Global Warming Countermeasures, the FY2025 supplementary budget includes measures to support zoning and foster understanding.
Appropriate Enforcement of Relevant Laws and Regulations	The government intends to ensure strict enforcement through full utilization of relevant laws and regulations, including the Forest Act, the Act on Protection of Cultural Properties, the Soil Contamination Countermeasures Act, and the Embankment Regulation Act, even for projects that have already commenced development. Regarding FIT/FIP-certified projects, FIT/FIP subsidies have been suspended for a total of 427 projects as of the end of March 2026.
Ensuring Proper Disposal and Recycling of Solar Panels	In addition to the strict enforcement of existing systems, the status of considerations regarding a proposed legal system to enable efficient recycling was reported at a joint meeting of the Central Environment Council and the Industrial Structure Council on January 23, 2026. The government aims to submit a bill at an early stage. Furthermore, the FY2026 budget proposal includes funding to support technological development, equipment installation, and installation of storage facilities with the aim of reducing recycling costs.

## 9. Conclusion

As discussed above, actual regulations based on the Mega Solar Countermeasures Package may be regarded as reframing regulatory risk in solar power projects from a mere risk of obtaining permits and approvals into a comprehensive regional harmonization risk encompassing the natural environment, safety, landscape, and community relations. In particular, the exclusion of ground-mounted commercial solar power from eligibility for FIP support is notable point that symbolically illustrates the direction of solar power policy, and, when combined with the amendment to the Forest Act, the bill to amend the Electricity Business Act, the draft amendment to the Guidelines to Application of the Landscape Act, and the review of the environmental impact assessment system, it will have concrete implications across project structuring, financing terms, construction schedules, and operational management.

Accordingly, in future practice, it will become increasingly important to consider, in an integrated manner, matters ranging from siting regulations, local ordinances, pre-construction review, and power sales schemes to legal compliance management after commencement of operation, from the initial stage of a project. From a practical perspective, it is beneficial not only to understand each individual system, but also to identify the specific implications, including how due diligence

items, contractual terms (such as conditions precedent and covenants), and monitoring items should be adjusted.

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