



# Developments in Korean Hydrogen Power Generation

2023.04.07

## Background

The Ministry of Trade, Industry and Energy has intimated that the hydrogen power market will be opened once in each of the first half and the second half of 2023. The plan is to establish the clean hydrogen power generation market in early 2024.

On March 13, 2023, the Notice on the Calculation of the Annual Purchase Amount in Hydrogen Power Bidding Market was released which provides for the method of purchasing and supplying hydrogen power and the establishment of a hydrogen power bidding market.

It is expected that hydrogen power generation businesses and fuel cell businesses as eco-friendly energy sources will be given the opportunity to grow. With CF100 emerging as an alternative to RE100, hydrogen power generation is garnering closer attention. The Government argues that CF100 is a more realistic initiative for Korea.

## Issues

Many areas in relation to the hydrogen power bidding market require further consideration and review. In particular, with the planned opening of a clean hydrogen bidding market next year, the industry requires clarification of the following :

- what constitutes clean hydrogen is not set out in the Hydrogen Economy Promotion and Hydrogen Safety Management Act as low-carbon and low-hydrocarbon compounds have not yet been defined.
- we still are unclear as to whether blue hydrogen is considered clean hydrogen.
- a clean hydrogen certification system has been established, but the date for it to become effective has not yet been designated.

Under the recent notice, MOTIE stated that companies participating in RE100 are able to directly purchase hydrogen

power. However, RE100 only recognizes the use of energy generated by using renewable energy which does not include hydrogen power or fuel cells. Improvements and clarity in the relevant laws is required in order to facilitate the Government's favourable view of CF100.

With regard to the opening of the hydrogen bidding market, the current fuel cell facility capacity that has been licensed by the Government is a total of 7GW. The yearly bidding volume is equivalent to a fuel cell facility capacity of 160~200MW. As such, there are concerns about a lack of expected volume in the hydrogen bidding market. Continued support in the investment into fuel cell facility capacity should remain a focus of the Government.

The introduction of regulations to support the development of the Korean hydrogen industry is welcomed by the industry, however, further improvements and clarity is required in the relevant laws in order to achieve the Government's vision in relation to the Korean hydrogen industry.

**If you have any questions or need help with the above, please feel free to contact us. Our dedicated Project & Energy Group is recognised as a top ranking team in various international publications such as Chambers & Partners. It is the only Korean law firm that provides a one-stop service that can assist project and energy clients with regulatory advice, project finance, construction and operation and M&A.**

[\[Korean version\]](#) 수소발전 입찰시장 연도별 구매량 산정 등에 관한 고시 제정

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