



Renewable energy storage and sales in Korea

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On October 31, 2023, the Electric Utility Act recognises a renewable energy storage and sale business as an electricity business allowing ESS businesses to supply electricity to consumers without having to go through the electricity market. In addition, the latest amendments allow an electric vehicle charging business to charge electric vehicles using renewable energy without going through the electricity market. These amendments become effective on May 1, 2024.

These amendments complement the amendment to the Special Act on the Promotion of Dispersed Energy on June 13, 2023 (effective on June 14, 2024) to recognise a battery-type ESS (BESS) as a dispersed energy business to stabilise the supply and demand of electricity. A pilot project has been launched in Jeju Island.

We have identified a number of issues that require monitoring.

Key issues

- Heightened interest in BESS as one way to address the output control issues due to seasonal demand volatility of renewable energy.
- The recent amendments to the Electric Utility Act only allows renewable energy storage businesses to supply electricity directly to consumers by using “renewable energy” only and does not from other energy sources (eg fuel cells).
- As noted in a previous newsletter, under an amendment of certain safety standards, fuel cells are permitted to be installed within a gas station. However, fuel cells are not considered “renewable energy”. Accordingly, an electric vehicle charging business is unable to operate a business of providing charging services from electricity generated through fuel cells.
- One of the current issues is how suppliers and consumers settle electricity prices. The Jeju Island BESS pilot project settles electricity prices based on the amount of charge and discharge orders fulfilled. By contrast, electricity prices under the amended Electric Utility Act are freely determined by the relevant parties. This lack of certainty is an important issue that needs further consideration.
- Two-way charge and discharge services using electric vehicles such as a V2X either (V2G) appliances (V2G) or electric vehicles (V2V) has drawn a lot of attention in Korea. The amended Electric Utility Act is unclear as to how a V2X business should be classified. The market is developing rapidly through regulatory sandbox exceptions.

Accordingly, the trends in this area will need to be observed within the context of the latest regulatory amendments.

- An electricity supply certificate is not issued if electricity is not supplied through the electricity market. In calculating the electricity sales price for electricity not supplied through the electricity market, the price of the supply certificate that can be issued when supplying electricity through the electricity market should be considered.

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.

[\[Korean version\]](#) 재생에너지전기저장판매사업 도입

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