



Improving the Renewable Energy Industry in Korea

2024.05.31

On 16 May 2024, the Ministry of Trade, Industry and Energy announced “Strategies for Expanding Supply and Strengthening Supply Chain for Renewable Energy”.

- promotion of a wholistic offshore wind power ecosystem through infrastructure development and the establishment of a system for the construction of installation ships and co-operation with domestic and international shipping companies and developers;
- bolstering the solar power industry through identification of optimal sites and the stabilisation of the relevant supply chain; and
- maximising market strengths through revisions to the RPS/PPA schemes.

MOTIE has announced plans to work together with relevant ministries to establish policies to implement the above.

Key takeaways

- **Offshore wind power:** MOTIE seeks to shore up the stammering offshore wind power industry by creating a wholistic offshore wind power ecosystem. In July, a roadmap for the next two years will be released for strengthening the offshore wind power supply chain, including bidding volume, timing, and evaluation criteria.
- **Solar power:** To address issues with the location of solar power projects, there has been a focus on locating projects in industrial parks and agricultural sites and to improve varying standards applied by local governments on the minimum distance to separate solar power projects. MOTIE has also announced mandatory zero-energy buildings (ZEB) by requiring building-integrated solar power generation systems (BIPV) and to incentivise solar power projects in locations that have capacity.
- **RPS:** The Government seeks to restructure the RPS system through government-led bidding for facilities and long-term fixed-price contracts between electricity suppliers and renewable energy generators. The objective is to enable bids for facility capacity having regard to the supply goals for each source of power generation, to manage supply chains, and to provide greater certainty for financing and investment. However, this development is being

viewed as a move to the eventual abolition of the RPS system raising issues for existing operators and other interested parties. It is expected that consultation with the National Assembly, interested parties, and experts will begin in the second half of this year.

- **PPAs:** Easing of PPA-related regulations and capacity standards to facilitate PPA transactions are expected to be implemented. In particular, the relaxation of PPA capacity standards is expected to facilitate RE100 implementation by allowing small renewable energy generation facilities and small-scale electricity users to enter the PPA market. MOTIE has announced that it will allow the resale of RECs from excess PPA generation. MOTIE has also sought collaboration between the public and private sectors for the establishment of a PPA brokerage market and transition to a private-led market in the medium to long term. This is expected in the second half of 2024.

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.

[\[Korean version\]](#) 「재생에너지 보급 확대 및 공급망 강화 전략」 발표

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