

PRESS RELEASE

Samsung announces to go 100% renewables. The S. Korean government plans to reduce renewables.

South Korea's largest company joins the global renewable initiative. Questions remain on its feasibility.

September 15, 2022 – The world's third-largest electronics giant [Samsung Electronics](#) has committed to transitioning to 100 percent renewables by 2050. The announcement comes a few weeks after the South Korean government proposed a lowered 2030 renewable [energy target](#), a fall from 30.2% to 21.5%.

“We welcome Samsung Electronics for joining forces with 380 of the largest companies worldwide and pledging to achieve 100% renewable electricity,” said **Janghyeok Lim, a power market researcher at Seoul-based Solutions for Our Climate.**

“Its commitment demonstrates the growing importance of corporate renewable buyers to accelerate the global energy transition. As the country's second-largest energy consumer, Samsung Electronics' switch to renewables can accelerate the rest of the country's energy transition.”

In 2020, Samsung Electronics consumed [22.9 TWh of energy](#) globally, of which 17 TWh was in South Korea - on a par with the country's total solar and wind generation at 21.4 TWh.

However, there are questions on how Samsung Electronics can realistically achieve 100 percent renewables given the challenges in the market. A recent [analysis](#) of South Korea's RE100 scheme (“K-RE100”) by Solutions for Our Climate finds that corporate renewable procurement faces various barriers. This is largely due to the country's outdated power market structure and rigid regulations that limit renewable generators from entering the market and the grid.

One of the key regulatory challenges in increasing renewables in South Korea is the slow and complex permitting process. For example, it currently takes more than [seven years](#) on average for offshore wind to get approval. [Onshore wind](#) developers must go through 8 ministries and receive 22 permits. Due to the limited availability of renewable energy, K-RE100 participating companies currently rely heavily on procurement options with limited impact on the direct expansion of renewable such as [Green Premium](#).

Researchers claim that Samsung Electronics has a key role to play in advocating for a more renewable-oriented energy policy in South Korea.

“The growing corporate demand for renewables shows the urgent need for South Korea to remove structural and regulatory barriers to increase its renewable energy uptake on the grid,” said Lim. “We urge Samsung Electronics to raise its voice about the need for the government to even the playing field for renewable generators,

starting with a more streamlined permitting process. This will be a necessary step for Samsung to truly achieve its renewable energy target.”

Samsung’s net-zero announcement is expected to send a strong signal to the rest of the South Korean market and investors in support of the renewable energy transition. While being the last among five major conglomerates in South Korea to announce its RE100 participation, Samsung Electronics is the largest firm in the country in terms of market sales.

“As the South Korean government finalizes its energy plan, it must recognize that its reduced renewable energy target goes against the rising climate ambitions of Korea’s largest corporations. In an increasingly climate-conscious world, South Korea’s industrial competitiveness relies on the country’s ability to quickly decarbonize the power sector,” said Lim.

According to a [report](#) by the South Korean energy think tank NEXT Group, Samsung Electronics is expected to lose 24 trillion won if the company does not participate in RE100 by 2030. Despite joining the global renewable initiative, the company may still face challenges due to South Korea’s lagging renewable transition.

Currently, South Korea produces less than [5 percent](#) of its electricity from solar and wind, which is far below the [10 percent](#) global average. The government also plans to lower its renewable target, while still producing over 21 percent of its electricity from coal by 2030. This goes against [recommendations](#) that OECD nations must phase out coal by 2030 to meet 1.5C.

“South Korea has a huge opportunity to expand its wind and solar facilities. With rapidly growing RE100 demand from both domestic and international companies to use 100% renewable electricity for their own operations and those of their suppliers, Korea risks being left behind by regional competitors and operating against its long-term economic interests,” said **Sam Kimmins, the Director of Energy at the Climate Group, the international non-profit leading the global RE100 initiative.**

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Solutions for Our Climate (SFOC) is a South Korea-based group that advocates for stronger climate policies and reforms in power regulations. SFOC is led by legal, economic, financial, and environmental experts with experience in energy and climate policy and works closely with policymakers.

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