**South Korean government must go further to support businesses wanting to use renewables**

*RE100 launches six Localised Policy Messages to support the transition*

**London, Seoul 15March 2023** - The South Korean government needs to remove barriers that currently stop companies from fully switching to renewable electricity, RE100 said today. To be able to fully transition to the use of renewables, companies need better direct access to energy suppliers, and clear targets for renewables. Also, the Government needs to improve the investment climate for renewables in the country.

Until these barriers are taken down, the government needs to take action to make progress in the transition to a cleaner, cheaper future, according to the renewable energy initiative RE100, which was set up by Climate Group to accelerate the transition to net zero energy.

To support these policy changes, RE100 has today launched its new Localised Policy Messages, that will lead to increased corporate access to renewable electricity in South Korea. The six policy messages are designed to help RE100 members achieve their 100% renewable electricity targets. They were developed between RE100, Solutions for Our Climate (SFOC) and Korea Sustainability Investing Forum (KoSIF).

RE100 worked with members and expert stakeholders to develop the key policy asks, which highlight specific barriers in South Korea.

South Korea is [regularly cited](https://www.there100.org/driving-renewables-time-change) by RE100 members as one of the most challenging markets to buy renewable electricity, with nearly a third of members operating in the country citing issues. Global corporates flag the lack of procurement options, the high cost or limited supply, and grid inflexibility as significant barriers to investing in the local energy market. Overall, RE100 members get just 2% of their electricity from renewables in South Korea, compared to 32% in China, 26% in Singapore, 15% in Japan.

“Korea is at a cross-road. It can either keep investing in sunset and highly polluting industries like coal and gas, or be part of a cleaner, greener, cheaper future. RE100 has nearly 30 major Korean companies as members, all aiming to achieve 100% renewable electricity before 2050, and over 50 global corporates with operations in the country. With the current energy plans, none of these companies will be able to achieve their goals and South Korea will continue to block global climate progress. The time to take meaningful action is now.”, said Sam Kimmins, Director of Energy and Head of RE100, Climate Group.

"Businesses in Korea realise the huge economic potential of renewable energy as its cost continues to fall globally. There is a long line of companies that would switch to RE100 if they could. The main problem here is on the supply side, as the power market and regulatory environment is heavily skewed toward fossil fuels, a lot of which are state-owned. The government must democratize how our energy is being produced and allow renewables a fair chance at competing in the market.", said Joojin Kim, Executive Director of Solutions for Our Climate (SFOC).

“Transitioning from a high-carbon economy to a decarbonized economy, renewable energy is the core energy source that defines corporate competency and sustainability. Global corporates worldwide are showing leadership by announcing and committing to their RE100 goals, and moreover, requiring suppliers to do so as well. However, many Korean companies are experiencing hardships when procuring due to the natural circumstance in Korea, along with obstacles that could be solved policy-wise. The government should help Korean companies stay competitive in the market by solving such obstacles throughout the whole stages from renewable energy generation, supply, to usage.” said Jong-O Lee, Director of Korea Sustainability Investing Forum.

The Localised Policy Messages are:

1. **Create a policy environment with a fair and transparent power market structure to enable renewables to compete on an equal footing to fossil fuels.**
2. Shift pricing to ensure it reflects the true cost of renewable energy production.
3. Strengthen independence and sustainability considerations within the electricity systems operator.
4. **Increase the renewable energy target and implement stable policy frameworks to accelerate corporate uptake of renewable electricity.**
5. Increase renewable energy target in line with 2050 Carbon Neutrality Goal.
6. Include wording around the expansion of Power Purchase Agreements (PPAs) in any government roadmaps.
7. **Remove obstacles to improve accessibility of Power Purchase Agreements for corporates.**
8. Ensure network usage fee and incidental costs are fair and transparent.
9. Remove unfair contractual obligations.
10. Simplify negotiation procedures and provide clear guidelines to support corporates through the procurement process.
11. **Enhance grid flexibility and fairness for renewable electricity generators to scale the domestic supply of renewable electricity.**
12. Ensure equal grid access and fair compensation for renewable electricity generators.
13. Promote investment in systems that increase grid flexibility to allow renewables to rapidly scale up.
14. **Improve the renewables investment environment for on-site and off-site PPAs.**
15. Streamline siting and permitting rules.
16. Improve cost effectiveness of investment.
17. Provide clarity around incidental costs associated with on-site and off-site PPAs.
18. **Enhance transparency, sustainability and additionality of renewable electricity certificates and tracking systems.**
19. Differentiate between different renewable sources of power under Green Premiums in advance of auctions.
20. Improve the use of Green Premium proceeds towards additional renewable capacity.
21. Increase frequency of Green Premium auctions

In November 2022, [RE100 wrote to President Yoon](https://www.there100.org/our-work/news/re100-businesses-call-accelerated-action-renewable-energy-republic-korea), urging him and his government to take swift, decisive action on renewable electricity. RE100 recognises the steps that successive governments have already made to increase renewable electricity procurement, including through the introductions of PPAs. More must be done however to ensure greater access to renewables.

MEMBER QUOTES

**About RE100**

[RE100](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.there100.org%2F&data=04%7C01%7Cnringrow%40climategroup.org%7C986f2124bf8c45fd202e08da1c5f0635%7Cdc6bc025abec4b55b2a05a63afca742b%7C1%7C0%7C637853491723406199%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=IWddTgSCnLRG9X9JnocKPUGOyIILk5hKVYAxc248pfw%3D&reserved=0) is a global initiative bringing together the world’s most influential businesses committed to 100% renewable electricity. Led by [Climate Group](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.there100.org%2F&data=04%7C01%7Cnringrow%40climategroup.org%7C986f2124bf8c45fd202e08da1c5f0635%7Cdc6bc025abec4b55b2a05a63afca742b%7C1%7C0%7C637853491723406199%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=IWddTgSCnLRG9X9JnocKPUGOyIILk5hKVYAxc248pfw%3D&reserved=0), in partnership with [CDP](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.cdp.net%2Fen&data=04%7C01%7Cnringrow%40climategroup.org%7C986f2124bf8c45fd202e08da1c5f0635%7Cdc6bc025abec4b55b2a05a63afca742b%7C1%7C0%7C637853491723406199%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=PAHlUGbO%2BP7SwAWe%2FlYDMgQ%2BRvlSLblLjsg5kJVds%2B8%3D&reserved=0), our mission is to drive change towards 100% renewable grids, both through the direct investments of our members, and by working with policymakers to accelerate the transition to a clean economy. The initiative has over 370 members, ranging from household brands to critical infrastructure and heavy industry suppliers. With a total revenue of over US$6.6 trillion, our members represent 1.5% of global electricity consumption, an annual electricity demand higher than that of the UK.

**About SFOC**

**About KoSIF**