



Update on Korean clean hydrogen power generation market

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On 24 May 2024, the Korea Power Exchange opened the clean hydrogen power generation market by releasing the “2024 Competitive Bidding for the Clean Hydrogen Power Generation Market”. This is the world’s first established bidding market for power generation utilising clean hydrogen.

The bidding market for power generation utilising hydrogen in Korea is split between general hydrogen and clean hydrogen.

Key takeaways

- The bid volume for 2024 will be 6,500GWh. There is to be only one bid per year.
- Bidders are to register between 7 October to 18 October 2024.
- Bid proposals to be lodged between 21 October and 8 November 2024.
- Bids to be reviewed in mid-November with preferred bidders notified in late November 2024. The evaluation criteria will be 60% price and 40% non-price factors. The degree of greenhouse gas reduction and the stability of fuel supply will be evaluated closely.
- A bid price must meet both the total LCOE ceiling price and the fuel cost index ceiling price.
- Final bid announcement expected to be in mid-December.
- A power generator which is eligible for bidding is:
 - - any co-fired (mixed) power generator or any hydrogen power generator, other than one that has previously registered for RPS; and
 - - one that utilizes clean hydrogen for which a certificate of clean hydrogen has been or will be obtained from a certified hydrogen operator such as the Energy Economic Research Institute.
- Businesses using blue hydrogen (carbon captured hydrogen) can choose whether to apply the Volatility Post-Adjustment Index (Henry-Hub Index) in relation to the variable bidding price.
- Clean hydrogen (LNG-hydrogen and coal-ammonia co-fired generation) will be the primary fuel sources. There is a relatively large spread in scoring based on the grade of hydrogen to be utilised (35 points for Grade 1 and one point for Grade 4).

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.

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Key Contacts

Michael Chang

Senior Foreign Attorney

+82-2-316-4653

mchang@shinkim.com

Sang-Hyun Lee

Partner

+82-2-316-4068

shlee@shinkim.com

Su-Yong Jung

Partner

+82-2-316-4345

syjung@shinkim.com

Jae Wook Ryu

Partner

+82-2-316-1635

jwryu@shinkim.com

Seungho Lee

Partner

+82-2-316-4064

sehlee@shinkim.com

So-jeong Park

Associate

+82-2-316-1809

sjepark@shinkim.com