



Korean Diversified Energy Act and Regulations come into effect

2024.06.21

The Dispersed Energy Promotion Special Act (the “**Dispersed Energy Act**”) came into force on 14 June 2024 together with the Enforcement Decree and the Enforcement Rules. We refer to our newsletters of [16 June 2023](#) and [28 December 2023](#) for a summary of the Act and draft regulations, respectively.

Key takeaways

Since the draft Enforcement Decree and Enforcement Rules, there have been some changes and details introduced in the final Enforcement Decree and Enforcement Rules.

1. Further details on the scope of distributed energy

Electricity: For a power generation facility and an integrated energy facility, the capacity thresholds are unchanged (40 MW or less and 500MW or less, respectively).

Further criteria in relation to an integrated energy facility are set out in the Enforcement Decree and Enforcement Rules such as (i) that it has to be connected to substations through power transmission lines with a length of 15 km or less, (ii) the capacity of the connected substations must be greater than the capacity of the relevant power generation facilities, and (iii) the production of electricity does not adversely affect the reliability of the power system and the quality of electricity of the power generation facilities such as power transmission and distribution lines.

Heat energy produced by an integrated energy supplier or other energy supplier of 430 Gcal or less per hour will be considered dispersed energy.

Small and Medium-sized Nuclear Power: The Enforcement Decree has expanded the capacity per module from 300MW or less to 500MW or less.

2. Reduction of mandatory requirements

Unlike the draft, the final Enforcement Decree introduces some flexibility providing that mandatory installations by region and by year may be determined differently having regard to the electricity supply and demand conditions

Determination of the supply capacity of mandatory installations will be set out in a separate public notice. In this regard, the Ministry of Trade, Industry and Energy announced on 3 June 2024 the “Regulations on the Submission and Confirmation of Installation Plans for Dispersed Energy Facilities”, which includes the calculation method for supply capacity of mandatory installations based on the region and year. The plans are to be finalised after gathering public opinions by 23 June 2024.

3. Detailed standards for electric grid impact assessment

The Ministry of Trade, Industry and Energy is seeking to finalise the draft Electric Grid Impact Assessment Regulations after gathering public opinion by 19 June 2024.

The draft Regulations set out the assessment items, scoring tables, and detailed assessment standards for the electric grid impact assessment.

Grid impact operators who are required to conduct a grid impact assessment before obtaining approval for development activities, etc. under the Dispersed Energy Act will need to check the relevant assessment criteria and standards in due course.

It will be important to note that consent from the local government will be necessary to progress any projects that are required to conduct an electric grid impact statement.

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.

[\[Korean version\]](#) 분산에너지법 시행 및 전력계통영향평가 규정 행정예고

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