



Roadmap for Auction for Korean Offshore Wind Power Supply

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The Ministry of Trade, Industry and Energy announced on 8 August 2024, a roadmap for the auction or competitive tendering for the supply of offshore wind power in Korea.

Key takeaways

- The auction for the supply of offshore wind power is scheduled for October 2024. From 2025, the auction will occur in the second quarter, and if there are insufficient volumes after this auction, an additional auction will be conducted in the fourth quarter.
- From the second half of 2024 to the first half of 2026, a total of 7 to 8GW is up for bid through three separate auctions. The proposed supply volume is higher than the market expected.

Proposed Offshore Wind Power Volume

Type	H2 2024 (once)	H1 2025 (1-2 times)	H1 2026 (once)	Total (3-4 times)
(General) Fixed	1~1.5GW	2~2.5GW	1~1.5GW	4.5~5GW
(Separate) Floating*	0.5~1GW	0.5~1GW	1~1.5GW	2.5~3GW
(Separate) Public-led	-	Introduced in H1 2025		
Total	1.5~2GW	3~3.5GW	2~3GW	7~8GW

* (Floating type in H2 2024) If there is no successful bidder after the auction, the announced quantity will be carried over to 2025.

- The auction will now be in two phases. Phase 1 will be based on non-price factors based on 120 to 150% of the announced supply volume. Phase 2 will be based on price. The upper price limit was disclosed in 2022, but not disclosed in 2023. To assist with the predictability of the auction, the upper price limit will be disclosed again in 2024. However, whether it will disclose for floating offshore wind projects will be determined in due course.

- Taking into account the weakness in price competitiveness of the floating offshore wind power, the auction for the supply of floating offshore wind power will be separated from that of fixed offshore wind power.
- To address industry concerns that the weighting for price in last year’s auction undermined the development of domestic supply chains, the evaluation criteria has been amended so that (a) the overall weighting for non-price factors were adjusted from 40 points to 50 points, and (b) industrial economic effects, including consideration of safety and the public, has increased from 16 points to 26 points. Maintenance of the facilities is a new factor that will be taken into consideration.

The following is an overview of the evaluation criteria.

Proposed Auction Bid Evaluation

Indicators	Current			New		Phase 1	Phase 2
Price Indicators	Bid Price	60	60	Bid Price	50	-	50
Non-price Indicators	Resident Acceptance	8	40	Resident Acceptance	4	50	50
	Industrial Economic Effects	16		Industrial Economic Effects	26		
				Maintenance	8		
	Domestic business performance	4			0		
	Project Progress	4		Project Progress	4		
	System Acceptability	8		System Acceptability	8		

- The deadline for completion of offshore wind power projects has been extended to 60 months for projects having a capacity of 100MW or less. For projects with a capacity of over 100MW up to 300MW and over 300MW, the deadlines are now 72 months and 78 months, respectively. This amendment has been in response to the delays in construction and supply chain issues.

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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