



2024 Competitive Bid for Korean Fixed Price Wind Power Contracts

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The Korea Energy Agency New and Renewable Energy Center released a notice on 25 October 2024 to provide guidelines and clarity in relation to the competitive bid for fixed price wind power contracts.

Key takeaways

- **Decrease in the total bidding volume.** It is 1,800MW for 2024, down from 1900MW in 2023. The total has been allocated approximately 300MW for onshore wind power, 1,000MW for fixed offshore wind power, and 500MW for floating offshore wind power. This reflects the market demand and limits to the transmission network.
- **Change in price ceilings.** For onshore wind power, the price ceiling has decreased and the price ceiling for offshore wind power has increased. We believe it is a consequence of taking into consideration rising material costs and the global increase in Levelised Cost of Energy (LCOE).
- **Further detail on assessment criteria.** Rise in importance of qualitative criteria such as industrial and economic effect in Korea, resident acceptance and localisation of maintenance. We expect bidders will consider increasing the use of domestic supply chains and investing in infrastructure.
- **Extension of installation completion period.** The installation completion period for an offshore wind power project with a capacity of 100MW or less has been significantly eased from 54 months to 60 months. For projects with a capacity of above 100MW and up to and including 300MW, the installation period has increased from 60 months to 72 months and to 78 months for projects over 300MW. There are no changes to the extension periods granted for onshore wind power projects.

In the case of a project that is determined by the Wind Bid Committee unable to complete within the relevant installation completion period due to reasons not attributable to the operator, further extensions of up to 12 months per extension may be granted subject to a cap on the number of extensions depending on the capacity of the project.

The ability to have the installation completion period extended alleviates the adverse effect on the REC sales price for failing to meet the relevant deadline due to reasons not attributable to the operator.

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.

[\[Korean version\]](#) 2024년 풍력 고정가격계약 경쟁입찰 공고

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

Na Yu

Partner

+82-2-316-1757

nyu@shinkim.com