



New Korean Government's Energy Policy Direction

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On 21 June 2025, the National Planning Commission released the “New Government Growth Policy Explanation”. The three pillars are strengthening growth engines, expanding growth areas, and enhancing growth incentives. Energy transition is a focus.

Key takeaways

(a) Structural changes to ensure carbon neutrality by 2050

- Establishment of a Ministry of Climate Change and Energy by merging the Energy Department of the Ministry of Trade, Industry and Energy ("MOTIE") with the Climate Affairs Department of the Ministry of the Environment to be the central control tower for energy and climate policies.
- Creation of a 2050 Carbon Neutral Green Growth Commission under direct supervision of the President.
- Strengthening of Government support for energy transition industries such as electric vehicles, renewable energy and green hydrogen.

(b) Support of eco-friendly industries

- Designate RE100-only industrial complexes and promote technology development to meet global RE100 demand.
- Introduce low-carbon process technologies (including R&D) for high-carbon emitting industries (steel, petrochemicals, etc.).
- Fostering new carbon-neutral technologies and new industries such as climate technology, CCUS and green mobility.
- Building a hydrogen industrial ecosystem and fostering growth centers for new energy industries by geographical region.
- Supporting a balanced phase-out of coal-fired power plants by 2040 (including job security and job skills development for residents and workers).

(c) Prepare for AI and advanced industry power demand

- Need for carbon neutrality and rational adjustment of energy mix → renewable energy + nuclear power in parallel.

(d) Expansion of renewable energy

- Create offshore wind power mecca in Jeonnam, Southwest Sea, and Jeju, foster floating offshore wind power on the east coast, and revitalize the offshore wind power shipbuilding industry.
- Solar and wind power technologies to be included as national core technologies.
- Incentives for improvement of national grid and grid connection.
- Consideration of development of green bonds and climate environmental fees to ease the financial burden on KEPCO.

(e) Construction of an “energy highway”

- Plans to build a U-shaped offshore power grid on the west coast in 2030 and on the Korean peninsula in 2040.
- Expansion of HVDC and BESS for long-distance transmission.

(f) Coexistence with the local economy

- Expansion of profit-sharing models such as solar and wind pensions to increase acceptance by local residents.
- Transformation of rural energy through electrification of farming and heating and promotion of the use of renewable energy such as RE100 agricultural products, smart farms etc.

For a more comprehensive analysis of President Lee’s campaign policies, please refer to our 10 June 2025 newsletter ([21st Presidential Election: Outcome and Impact](#)).

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](#)] “새정부 성장정책 해설서” 에너지 정책

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