

RENEWABLES

RENEWABLES | NEW & RENEWABLES | Feed-in Tariffs for New and Renewable Energy

Feed-in Tariffs for New and Renewable Energy

NEW & RENEWABLES

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- Informatization of Energy and Policy Assistance
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- Renewable Portfolio Standards (RPS)
- **Feed-in Tariffs for New and Renewable Energy**
- Renewable Fuel Standard (RFS)
- Renewable Heat Obligation (RHO)

This program ended as of December 31, 2011 (no new participations from 2012) and below information is for your reference.

Overview

What is new and renewable energy power generating business?

The new and renewable energy power generating business is power generating business using new and renewable energy facilities prescribed in the Act on the Promotion of the Deployment, Use and Diffusion of New and Renewable Energy

What is Feed-in Tariffs system?

The government compensates the difference between the base price of electricity notified by the Ministry of Industry, trade and Energy and traded power prices in order to encourage investment in the new and renewable energy sector.

Solar PV standard prices

(Won/kWh)

Year	Site	Duration of Feed-in Tariff system (years)	~ 30kW	30kW ~ 200kW	200kW ~ 1MW	1MW ~ 3MW	3MW ~
2010	General	12	566.95	541.42	410.77	485.23	408.62
		20	514.34	491.17	463.37	440.20	370.70
	On buildings	15	606.64	579.32	546.52	-	-
		20	550.34	525.55	495.81	-	-
2011	General	15	484.52	462.69	436.50	414.68	349.20
		20	439.56	419.76	396.00	376.20	316.80
	On buildings	15	532.97	508.96	480.15	-	-
		20	483.52	461.74	435.60	-	-

Non-Solar PV standard prices

(Won/kWh)

Energy Source	Installed Capacity	Category	Standard Price			Note
			Fixed price	Variable price (~1.1.2011)	Variable price (1.1.2011~)	

Wind		Under 10kW		-	107.29	-	-	Reduction rate 2%
Hydro		Under 5MW	General	Over 1MW	86.04	SMP+ 15	SMP+ 15	-
				Under 1MW	94.64	SMP+ 20	SMP+ 20	
			others	Over 1MW	66.18	SMP+ 5	SMP+ 5	-
				Under 1MW	72.8	SMP+ 10	SMP+ 10	
bioenergy	LFG	Under 50MW	Over 20MW		68.07	SMP+ 5	SMP+ 5	Fossil fuel ratio : less than 30%
			Under 20MW		74.99	SMP+ 10	SMP+ 10	
	Biogas	Under 50MW	Over 150MW		72.73	SMP+ 10	SMP+ 20	
			Under 150MW		85.71	SMP+ 15	SMP+ 25	
	Biomass	Under 50MW	Wood bio		68.99	SMP+ 5	SMP+ 15	
	Waste	Waste burning	Under 20MW	-		-	SMP+ 5	
RDF		Under 50MW	-		-	SMP+ 5	SMP+ 15	
Ocean	Tidal power	Over 50MW	Tidal range over	embankment	62.81	-	-	-
				No	76.63	-	-	

▸ Details of the program

▣ Power producers subject to the system

Korea Hydro & Nuclear Power, Korea South East Power, Korea Midland Power, Korea Western Power, Korea South Power, Korea East-West Power, Korea District Heating Corporation, K water, SK E&S, GS EPS, GS Power, Posco Energy, MPC Yulchon Power, Pyungtaek Energy Service

▣ Annual RPS Target

Obligatory renewable service supply ratio (Additional table no.3 of Enforcement Ordinance of the Act on the Promotion of the Deployment, Use and Diffusion of New and Renewable Energy)

※ **Total power generation (new and renewable energy generation excluded) X obligatory supply ratio**

▣ Solar PV power obligation supply

Obligatory solar PV supply (Additional table no.4 of Enforcement Ordinance of the Act on the Promotion of the Deployment, Use and Diffusion of New and Renewable Energy)

Year	'12	'13	'24	'15~
Obligatory supply (GWh)	276	723	1,353	1,971

※ **Solar PV supply obligation is to be applied until December 31, 2015 (The article 18, clause 3 of the New and Renewable Energy Act)**

※ **A plan to combine Solar PV and non-solar PV energy obligations from 2016 is under review**

▸ Penalties for non-compliance

Penalties of maximum of 150% of trading prices of renewable energy supply certificate are imposed for non-compliance. The amount of penalties varies depending on causes and frequency of the non-compliance.

► Differing the supply of obligatory new and renewable energy supply

The obligatory supply can be deferred for maximum 3 years. The deferred amount is maximum 20% of the obligatory supply.

► Renewable Energy Certificate (REC)

- REC certifies that power generators produced and supplied power using new and renewable energy facilities
- Power generators can meet their obligatory new and renewable energy supply target by purchasing REC
- REC is issued based on the weighted new and renewable energy supply (MWh)

► REC weighting scheme

category	REC weighting	Energy source and criteria	
		Facility type	Criteria
Solar PV	1.2	Facility installed on general site	Less than 100kW
	1.0		More than 100kW
	0.7		More than 3,000kW
	1.5	Facility installed on existing buildings	Less than 3,000kW
	1.0		More than 3,000kW
	1.5	Facilities floating on the water	
Others	0.25	IGCCC, Byproduct gas	
	0.5	Waste, landfill gas	
	1.0	Hydro, onshore wind, bioenergy, RDF, waste gasification, tidal power (with embankment)	
	1.5	Wood biomass, offshore wind (grid connection less than 5km)	
	2.0	Fuel cell, tidal power	
	2.0	Offshore wind (grid connection longer than 5km), geothermal, tidal power (no embankment)	Fixed
	1.0~2.5		Variable
	5.5	ESS (connected to wind power)	'15
	5.0		'16
	4.5		'17



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