

The National Assembly of the Republic of Korea  
1, Uisadang-daero, Yeongdeungpo-gu, Seoul  
Republic of Korea

11<sup>th</sup> July 2024

Dear Esteemed Members of the National Assembly,

**We ask you with a sense of urgency to elevate the nation's commitment to renewable energy and to accelerate efforts to reach net zero.**

We write to warmly congratulate you on becoming a member of the National Assembly. The recent general election presents a significant opportunity for the National Assembly to assert its role and influence in shaping policies that will define South Korea's future. Regardless of political affiliation, we are all stakeholders in safeguarding the environment and ensuring a sustainable future for generations to come. Committing to net zero and renewable energy requires collective action across all countries and sectors of society.

Achieving net zero also presents a bold opportunity. By investing in decarbonisation opportunities, South Korea can not only mitigate the adverse effects of climate change but also foster economic growth as well as increase exports and bolster the international effort to combat climate change. To achieve this ambition, we urge each member of the 22<sup>nd</sup> National Assembly to prioritise transitioning to net zero and work collaboratively to enact ambitious policies that will propel South Korea towards a greener, more sustainable future.

### **A focus on renewable energy**

Over 400 of the world's biggest and best-known companies are members of RE100, driving the growing international demand for renewable electricity. RE100 companies report consuming [more electricity annually than the annual electricity demand of France](#). There are over 35 South Korean headquartered members, and over 160 global members with operations in the country. These corporates are sending a clear demand signal for renewable electricity solutions, signifying the need for a supportive market environment.

In our recent [Annual Disclosure Report](#), RE100 companies report facing barriers to renewables procurement in South Korea. High costs, limited supply, and a lack of procurement options are identified as the largest barriers. Currently, RE100 members operating in South Korea source only 9% of their electricity from renewables which is significantly behind its Asia-Pacific counterparts, with China at 50%, Japan at 25%, and Vietnam at 24%.

[International Energy Agency data \(2022\)](#) shows that only 7.4% of electricity on the grid comes from renewable sources. By 2030, corporate demand for renewable electricity in Korea (solar and wind) is estimated to range from [157.5TWh to 172.3TWh](#), while the projected supply noted in the 10<sup>th</sup> Basic Plan of Long-Term Electricity Supply and Demand stands at only 97.8TWh. This covers a mere 56-62% of the anticipated demand. With global renewable energy demand set to increase, South Korea's energy transition is imperative for its global competitiveness.

Our [South Korea Policy Recommendations](#) support RE100 members to achieve their 100% renewable electricity targets. To facilitate an accelerated energy transition, we ask the South Korean National Assembly members to use these messages as guiding principles to address systemic barriers to renewables and set solid ground for the energy transition.

## **Working across all levels of government**

We commend the South Korean government for its endorsement of the Coalition for High Ambition Multilevel Partnerships for Climate Action (CHAMP). This is an inspiring example of leadership highlighting the importance of multi-level action.

To fulfil this commitment, it will be important to include subnational governments in the planning, financing, implementation and monitoring of climate strategies. This includes the Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), National Biodiversity Strategies and Action Plans (NBSAPs) and Long-Term Low-Emission Development Strategies (LT-LEDS). The South Korean government can play an internationally leading role in showcasing how multi-level action can operate in practice.

## **Driving net zero with green steel**

South Korea is also well-placed to speed up steel decarbonisation with a proud record of innovating at speed and scale across steelmaking and other sectors. South Korea's steel industry, responsible for [13% of national greenhouse gas emissions](#), underpins its infrastructure, employment market and top exports. Around [60% of the country's exports are steel or steel-containing products](#), including electrical machinery, vehicles, computers and ships.

National Assembly members should consider the opportunities to promote the decarbonisation of South Korean steelmaking and purchasing. This would support competitiveness in the global market, help mitigate regional economic losses associated with delayed action, and position South Korea as a leader in advancing the clean economy. Robust policy support for a Korean hydrogen society and the essential role of green hydrogen presents further reason to act.

In addition, trade regulations like the EU's Carbon Border Adjustment Mechanism are driving competition. For example, [failing to decarbonise puts at risk a US\\$4.4bn market for Korean steel exports to the EU alone](#). By switching to low emission steel production and procurement now, governments and companies can maintain strong trading links, shield themselves from climate-related risks and regulatory pressures, and tap into emerging green steel markets.

By mobilising finance, green public procurement, renewable electricity supply, and other market-enabling factors for achieving net zero steelmaking, National Assembly members can support the national steel industry to achieve unprecedented green growth. Urgent collective action is crucial.

We strongly believe that South Korean National Assembly members have an important role to play in addressing the issues we outline in this letter. We have a successful track record of working with government and business to advance climate action and believe we can help you achieve your goals. We would welcome an opportunity to meet with you to further discuss how we can support your important work.

Yours sincerely,

Helen Clarkson

CEO, Climate Group