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Insights

CHAPTER

04

Climate, Energy, Environment and Labor Committee:

New Leadership and
Shifting Renewable Energy Market Rules

New Leadership Takes Shape



The National Assembly’s Climate, Energy, Environment and Labor Committee has begun its work for the second half of the 22nd National Assembly under new leadership and with an expanded policy mandate. The committee oversees the Ministry of Climate, Energy and Environment (MCEE), the Ministry of Employment and Labor (MOEL), and the Korea Meteorological Administration (KMA), among other agencies. Its role in energy policy has expanded significantly since the 2025 government reorganization transferred much of the energy portfolio previously held by the former Ministry of Trade, Industry and Energy(reformed into the Ministry of Trade, Industry, and Resources) to the MCEE, giving the committee greater responsibility for the electricity market, renewable energy, power grids, and the broader energy transition.

For the second half of the Assembly, the committee has expanded from 22 to 26 members. Kim Jung-ho of the Democratic Party (DP) serves as chair, while Lee So-young of the DP and Kim Hyung-dong of the People Power Party (PPP) serve as executive secretaries for their respective parties.

When the new committee began its term, Enforcement Decree of the Special Act on the Promotion of Offshore Wind Power Deployment and the Development of Related Industries (Special Wind Power Act) had already entered into force, and follow-up rules were under development. The National Assembly then passed legislation reforming the Renewable Portfolio Standard (RPS) on August 20, ushering Korea’s renewable energy market into a period of regulatory transition. With restructuring of the government-owned power generation companies also under discussion, the committee is expected to become a key stage not only for legislation but also for shaping the detailed market rules governing Korea’s energy transition.

Expanded members 22 → 26 Members Members	Oversees  MCEE • MOEL • KMA and other agencies	Leadership Chair Kim Jung-ho (DP) Exec. Sec. Lee So-young (DP) Exec. Sec. Kim Hyung-dong (PPP)
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Climate, Energy, Environment and Labor Committee

Chair and executive secretaries



Kim Jung-ho (DP) | Chair

Kim Jung-ho, the committee chair, is a third-term DP lawmaker representing Gimhae B in South Gyeongsang Province. At the committee's first plenary meeting for the second half of the Assembly, Kim highlighted rising electricity demand driven by the expansion of AI alongside the need to respond to the climate crisis, identifying renewable energy deployment and power-grid expansion as key priorities. In January, Kim introduced legislation to address structural issues in the existing RPS, including volatility in Renewable Energy Certificate (REC) prices and supply-demand imbalances, by introducing a government-led contract market. The core provisions of his proposal were incorporated into a committee alternative, which passed the National Assembly in plenary session on August 20.



Lee So-young (DP) | Secretary

Lee So-young, the DP's executive secretary, is a second-term lawmaker and former lawyer specializing in climate and energy who has focused on carbon neutrality and the energy transition. At the committee's first plenary meeting, Lee linked Korea's competitiveness in the AI era to power supply and consumption, stressing the need for new rules and policy alternatives. On August 30, Lee was nominated as minister of SMEs and Startups. If appointed following the confirmation hearing, the DP is expected to appoint a new executive secretary.



Kim Hyung-dong (PPP) | Secretary

Kim Hyung-dong, the PPP's executive secretary, is a second-term lawmaker representing Andong and Yecheon in the North Gyeongsang Province and continues in the role he held during the first half of the Assembly. Active on labor, environmental and meteorological policy, Kim introduced legislation in June to expand climate-monitoring information and strengthen regional climate-risk monitoring and forecasting. His committee experience is expected to make him a principal negotiating channel on energy, environment and labor legislation.

Members to watch



Park
Ji-hye

First-term
DP lawmaker



POLICY FOCUS

- Electricity Market / Renewable Energy
- Distributed Energy / Industrial Decarbonization



KEY FOCUS

Park Ji-hye of the DP also practiced as a lawyer specializing in climate and energy issues before entering politics and has focused on the electricity market, renewable energy, distributed energy and industrial decarbonization.

In 2024, Park jointly hosted a policy forum on the Special Wind Power Act with Kim So-hee. This year she has also worked with Committee Chair Kim Jung-ho on discussions over regional electricity pricing and the geographic distribution of electricity demand.

She remains one of the committee members most actively engaged in electricity-market and renewable energy policy.

Kim
So-hee

First-term
PPP lawmaker



POLICY FOCUS



- Renewable Energy Auctions
- Coal Phase-out

KEY FOCUS



Kim So-hee of the PPP is one of the party's leading climate and energy specialists, having previously served as Secretary General of the Climate Change Center. As her first bill after entering the National Assembly in 2024, Kim introduced offshore wind legislation based on a government-led planned-site model, under which the government identifies suitable locations and selects developers.

Her proposal was subsequently incorporated, together with related bills introduced by lawmakers from both parties, into a committee alternative bill that led to enactment of the Special Wind Power Act.

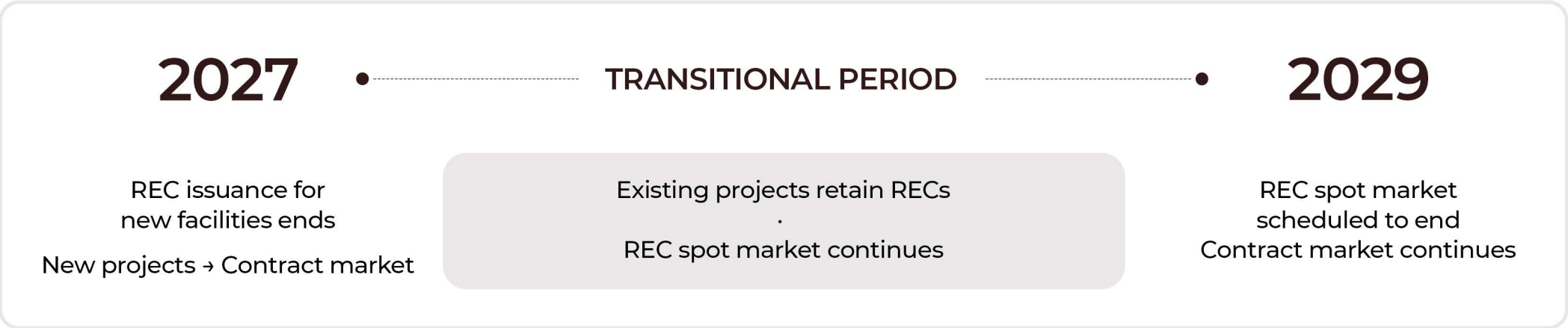
Kim has also remained closely involved in renewable energy auction reform and the transition away from coal-fired generation. Given her sustained engagement with these issues, she will be a key lawmaker to watch as the committee develops the detailed framework for offshore wind and the broader energy transition.

RPS Reform

Korea’s renewable energy market is set to shift from the existing RPS and REC-based framework toward a government-led long-term fixed-price contract market. The amendment passed by the National Assembly on August 20 introduces a framework under which the government determines deployment volumes by generation source in connection with the “11th basic plan for electricity supply and demand”. Projects will then compete through auctions, with obligated purchasers entering into long-term contracts to purchase electricity from selected facilities.

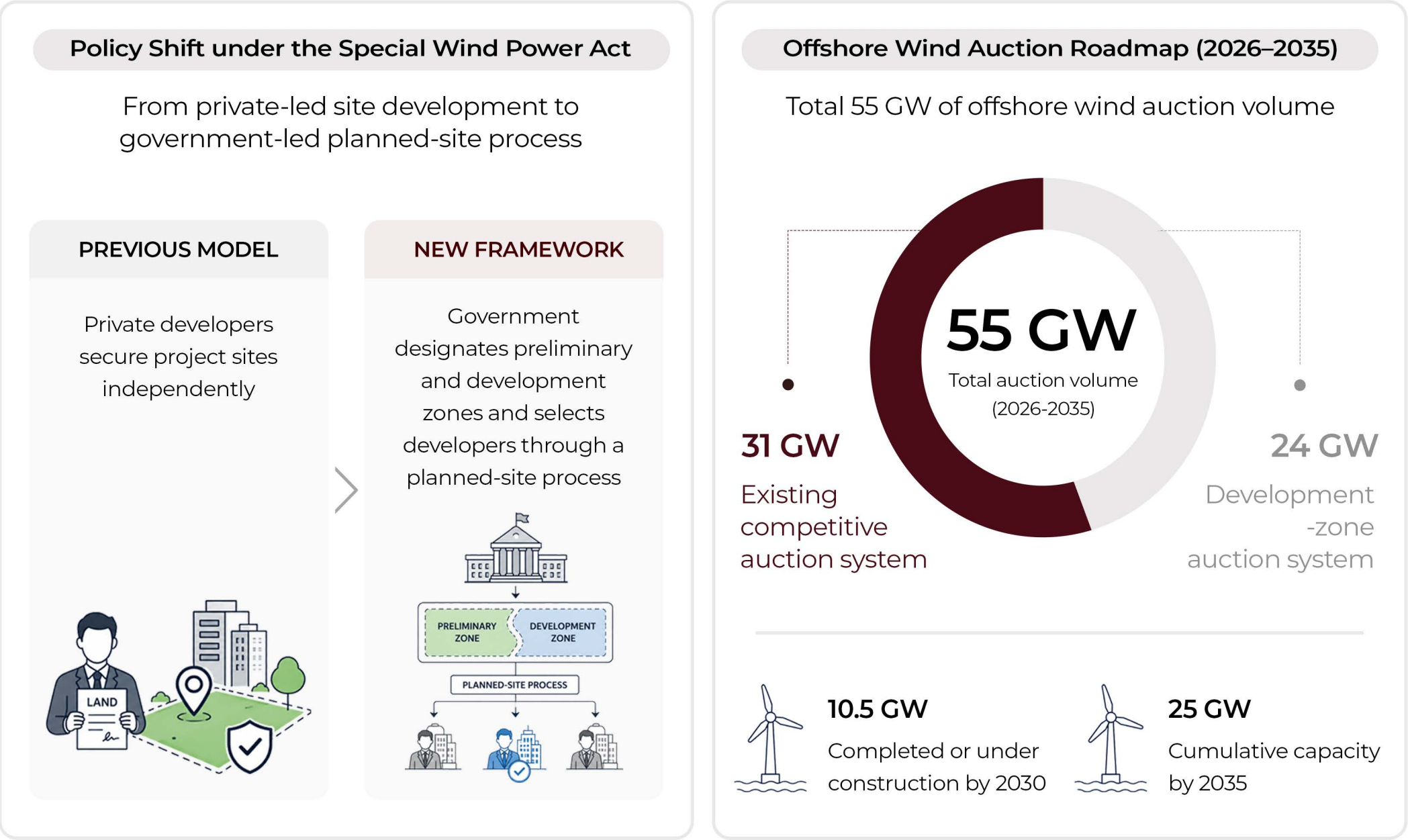
If the amended law takes effect as planned, REC issuance for new facilities will cease beginning in 2027, with new projects transitioning to the contract market. Facilities already issued RECs by the end of 2026 will continue to retain RECs, while the REC spot market is expected to remain in operation during a transitional period before being abolished at the end of 2029.

As a result, renewable energy project economics are likely to depend less on REC spot-market prices and more on government decisions on technology-specific auction volumes, ceiling prices, contract periods, eligibility and evaluation criteria, and clearing prices formed through competitive bidding.



Offshore Wind Transition

Offshore wind is undergoing a similar transition from legislation to detailed market implementation. The Special Wind Power Act, which took effect in March, shifts Korea away from the previous model in which private developers secured project sites independently. Under the new framework, the government designates preliminary and development power generation zones and selects developers through a planned-site process. The existing fixed-price competitive auction system will continue in parallel until 2033, while competitive auctions for development zones under the Special Wind Power Act are scheduled to begin in the second half of 2029. In its long-term roadmap announced in June, the government set out 55 GW of offshore wind auction volume between 2026 and 2035. Of this, 31 GW is expected to be offered through the existing competitive auction system and 24 GW through development-zone auctions under the new framework. Separately, the government has set deployment targets of 10.5 GW completed or under construction by 2030 and 25 GW of cumulative capacity by 2035.



What to watch

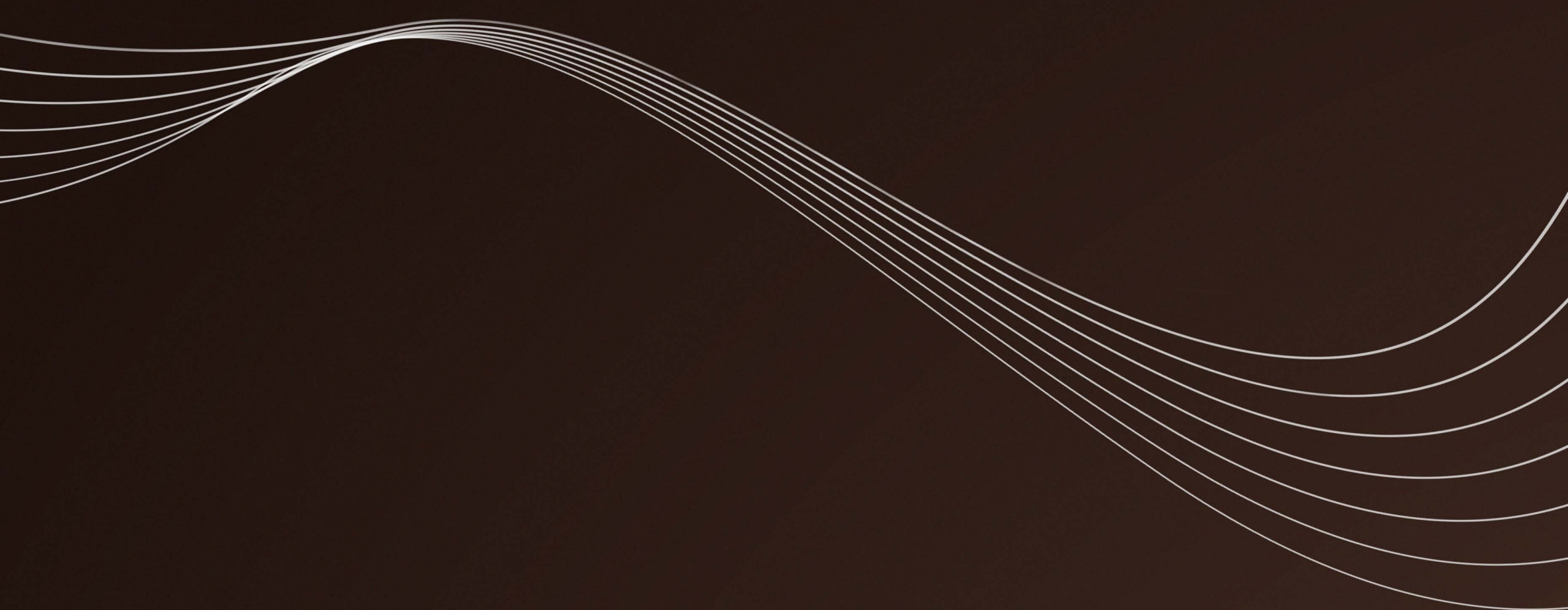
RPS reform - detailed market design

How subordinate regulations and future auction rules for the 2027 contract market will define auction volumes, ceiling prices, contract terms and project-selection criteria.

Offshore wind - implementation rules

How existing projects and offshore wind clusters will be incorporated into the planned-site framework, and how non-price criteria such as supply-chain and industrial-economic contributions will be applied in future auctions.





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