

BEP may sign another REC supply contract by June

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South Korean solar development and independent power producer Brite Energy Partners (BEP) is in discussions with one of the largest conglomerates in Korea to secure its second solar renewable energy certificate (REC) supply contract by June 2023, a company official told *IJGlobal*.

Last month (13 March 2023), the BlackRock Alternatives-backed BEP entered into a 25-year REC supply contract with Mirae Asset Securities, which is part of the global RE100 initiative to commit to 100% renewable energy by 2050.

According to RE100's website, 30 Korean companies including Korea's largest securities house Mirae, Hyundai Motor Co, KB Financial Group, Korea Zinc, LG Innotek, Samsung Electronics and SK Telecom are part of the initiative.

"BEP has been in talks with many big household names in Korea that need to be compliant with their RE100 initiatives," said the company official.

The official declined to reveal the pricing details of the 25-year term fixed-price contract with Mirae.

Private power purchase agreements (PPAs) such as those being entered by BEP are a relatively new phenomena in South Korea, which is still dominated by fossil fuels-generated power producers, and had state-controlled Korean Electric Power Corporation (Kepco) as the sole off-taker in the market due to regulations.

In early 2022, the country allowed IPPs to enter into corporate PPAs directly. However, these agreements have not taken-off fully due to various legal and structural issues such as grid usage charges, equal grid access and other contractual agreements that become hurdles for private companies to buy renewable from IPPs through separate agreements.

IPPs are still selling power to state utilities on 20-year fixed priced contracts awarded through semi-annual auctions. It is seen as a "safe route" to secure the off-take contract with a government entity in South Korea, said the BEP official. Nonetheless, corporate PPAs will see an uptake due to the global call on clean energy transition.

BEP aims to have a portfolio of operational assets generating over 500MW of renewable power by 2025.

The South Korean firm has also branched out to become a Charge Point Operator (CPO) for EV segment. Under the brand name "Water", the company opened its first fast charging station in November 2022 and aims to open 13-14 such stations by end of 2023 across South Korea.

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