

Energy Management Programmes

South Korea

1. GHG·Energy Target Management (Mandatory for energy-intensive companies)

- **Timeline & History : 2011 ~**
Korean government announced this policy in 2009 and launch the pilot program in 2010 with 48 energy-intensive companies in 2010. Policy came into effect in March, 2011.
- **System of this policy**
Basically, it follows MRV step.
First, energy-intensive companies consuming more than 125,000tCO₂-eq and plants consuming more than 25,000tCO₂-eq annually are designated by the government. Designated companies should report the amount of emission and energy use of last 3 years to the government with third party's verification by March, next year. In September, the government negotiates with companies to set the target. Throughout this process, companies are allocated the amount of emissions and energy use of next year. After that, companies should make a plan for meeting this target and submit it by December. Throughout the third year, companies work on reducing emissions and energy use, and submit the result report in March, Fourth year.

2. Supporting programs for Energy Management

Korean government runs a variety of supporting programs for helping companies' energy management. These Programs also could be useful means for companies within the system of 'Target Management' for reducing emissions and energy.

- **Disseminating EnMS(Energy Management System, ISO 50001)**
Korean government has been making an effort to promote EnMS among companies. Since 2008, the government has been running the Pilot program with 20 plants and 3 buildings, and 8 plants were certificated. In July, 2011, legal basis was established for pushing ahead with EnMs by amending the law 'Energy Utilization Rationalization Master Plan'. It says, the government could provide the support for energy suppliers and energy users who want to adopt energy Management System. The government is working on the making specific official manual and developing EnMS specially customized for SMEs.
- **Energy Audit**
Energy Audit is mandatory for companies which use more than 2,000TOE annually. However, the government is providing subsidies up to 90% of total fee for SMEs which use less than 10,000TOE a year. Small companies less than 2,000TOE also could get the subsidies when applying for voluntary audit.
- **Loan with low interest rate**
Governmental loan is ready for those who want to set up the energy efficient facilities. The interest rate is low almost less than half of current market rate. Also, ESCO(Energy Service Company) is promoted as the one of the key policies to improve energy efficiency for industry.