

보도시점 2026. 8. 26.(수) 13:00 배포 2026. 8. 26.(수)

New Industrial Regional Electricity Pricing Plan Unveiled to Drive Balanced Regional Development and Strengthen Industrial Competitiveness

- Four major power grid regions and four balanced-growth zones combined to create 11 regional zones
- Industrial electricity rates outside the capital region to be cut by up to 10% without any increases, supporting the recovery of industrial competitiveness
- Targeting implementation within the year alongside regional pricing in the electricity market to promote balanced development through local production for local consumption

The Ministry of Climate, Energy and Environment (MCEE, Minister Kim Sungwhan,) and Korea Electric Power Corporation (KEPCO, President Kim Dongcheol) will hold a public hearing on August 26 at KEPCO's Namseoul Headquarters in Yeongdeungpo-gu, Seoul, to unveil the proposed design for an "industrial regional electricity pricing system."

The "industrial regional electricity pricing system" is being presented two years and two months after the underlying legislation, the Special Act on Activation of Distributed Energy, took effect in June 2024. The system was developed through expert research, internal government reviews, and closed-door meetings with industry and experts.

This public hearing marks the first official presentation of the proposed system design and has been organized to share the rationale behind its

introduction and the details of the design, while gathering broad input from a wide range of stakeholders. Approximately 300 people are expected to attend, including Minister Kim Sungwhan of the MCEE, KEPCO President Kim Dongcheol, representatives from the Korea Power Exchange, academia and expert groups, as well as industry, power generation companies, local governments, and the public. The event will proceed with a presentation of the proposed system design, followed by discussions among experts and industry representatives and a question-and-answer session.

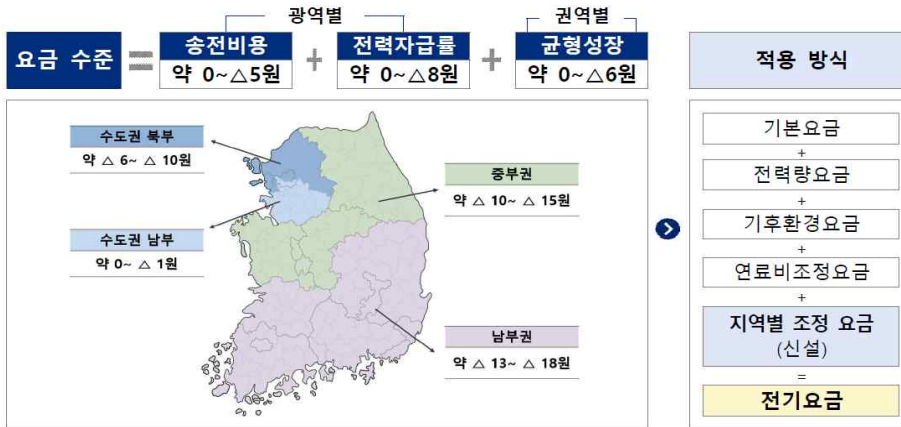
■ Public Hearing Overview ■

- ▶ Date/Location: 1 p.m., August 26, 2026 (Wednesday) / Korea Electric Power Corporation (KEPCO) Namseoul Headquarters
- ▶ Attendees: Approximately 300 participants, including the Minister of Climate, Energy and Environment, KEPCO President, businesses and economic organizations, power generation companies, and local governments
- ▶ Agenda : ① Presentation of the proposed design for the industrial regional electricity pricing system
② Panel discussion with experts and industry representatives, Q&A, and collection of feedback

1. Key Features of the Proposed Design

System Overview

“산업용 요금의 최대 10% 인하하여 지역 산업 경쟁력 제고”



※ 지역 간 요금 격차는 일정기간(예: 4년) 유지하여, 안정적인 가격 신호 제공

The key objectives of the proposed reform are local production for local consumption, balanced growth, and restoring industrial competitiveness.

A new “regional adjustment charge” will be added to the current electricity pricing structure, which consists of basic charges and electricity usage charges, applying different rates by region. Using the least expensive region (Southern Region, Zone 4) as the benchmark, rates will be reduced by approximately 18 won, equivalent to about 10% of the average industrial electricity sales price of 181.9 won per kWh in 2025.

This will establish a structure that attracts businesses and investment to regions with abundant power, while supporting the recovery of competitiveness among businesses based outside the capital region through a local production-for-local-consumption power system.

Scope of Application

The “industrial regional electricity pricing system” will apply to “industrial electricity,” which accounts for more than half of total national electricity consumption (51% as of 2025). Unlike residential households, businesses can be expected to consider regional differences in electricity rates when choosing where to locate, while the system can also help distribute electricity demand.

Keith Campbell 2026/08/28 02:33

“산업용 요금의 최대 10% 인하하여 지역 산업 경쟁력 제고” -

“Cut industrial electricity rates by up to 10% to strengthen regional industrial competitiveness”

요금 수준 - Electricity Rate Level

광역별 - By Major Region

송전비용 약 0-5원 - Transmission Cost: Approx. 0-5 won

전력자급률 약 0-8원 - Electricity Self-Sufficiency Rate: Approx. 0-8 won

권역별 - By Zone

균형성장 약 0-6원 - Balanced Growth: Approx. 0-6 won

수도권 북부 약 6-10원 - Northern Capital Region: Approx. 6-10 won reduction

수도권 남부 약 0-1원 - Southern Capital Region: Approx. 0-1 won reduction

중부권 약 10-15원 - Central Region: Approx. 10-15 won reduction

남부권 약 13-18원 - Southern Region: Approx. 13-18 won reduction

적용 방식 - Calculation Method

기본요금 - Basic Charge

전력량요금 - Electricity Usage Charge

기후환경요금 - Climate and Environmental Charge

연료비조정요금 - Fuel Cost Adjustment Charge

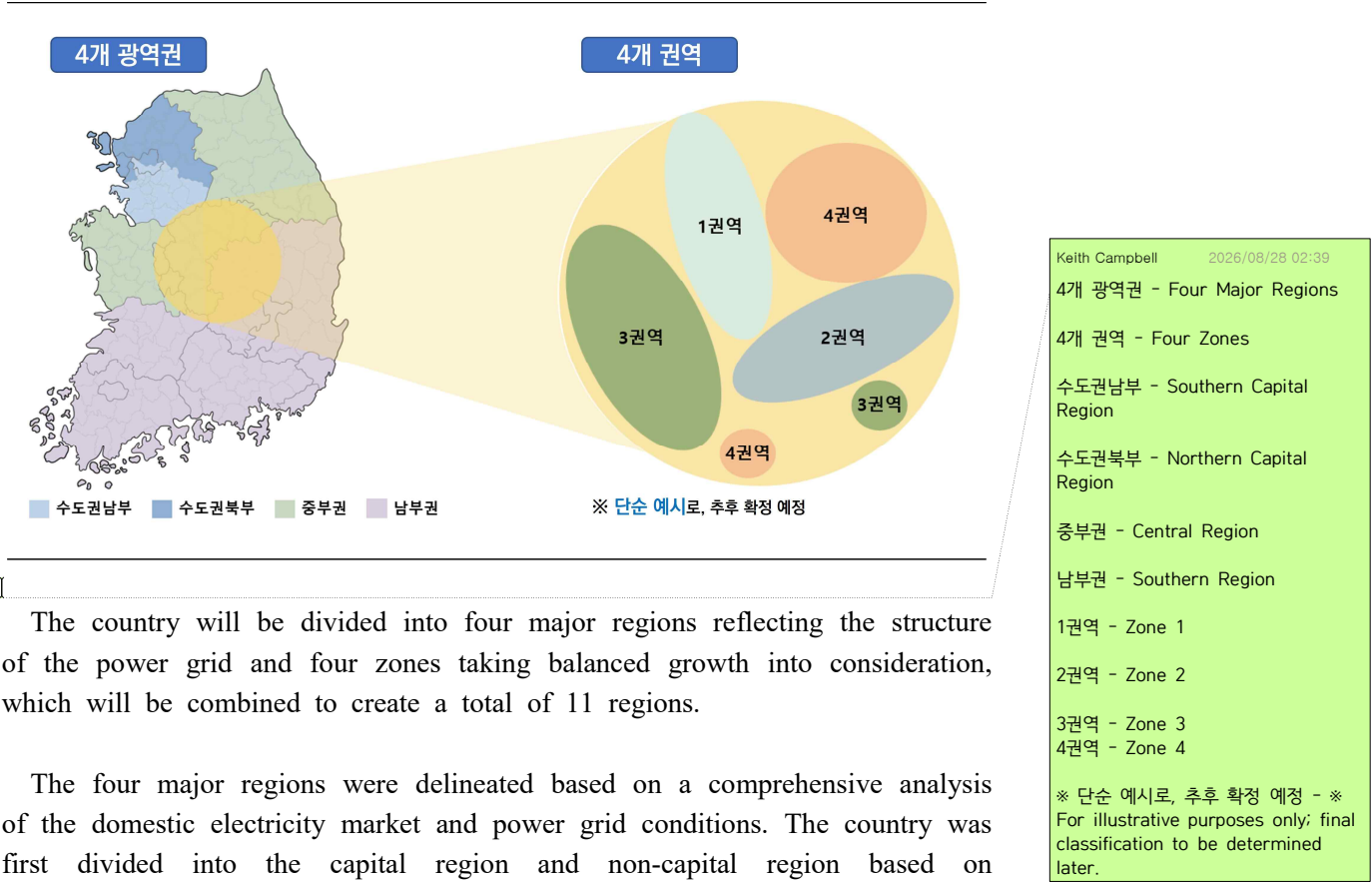
지역별 조정 요금 (신설) - Regional Adjustment Charge (New)

전기요금 - Electricity Rate

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 - ※ Differences in electricity rates between regions will be maintained for a set period (e.g., four years) to provide stable price signals.

If this leads to actual relocation and investment in regional areas, it is expected to make a significant contribution to job creation and revitalization of local industries, making it the most suitable sector for advancing the goal of balanced national development.

Regional Classification



The country will be divided into four major regions reflecting the structure of the power grid and four zones taking balanced growth into consideration, which will be combined to create a total of 11 regions.

The four major regions were delineated based on a comprehensive analysis of the domestic electricity market and power grid conditions. The country was first divided into the capital region and non-capital region based on transmission congestion. Each was then further divided into two zones, taking into account factors including power flows and electricity consumption patterns. Ultimately, the country will be classified into four major regions: Southern Capital Region, Northern Capital Region, Central Region, and Southern Region.

The four zones will ultimately be delineated by comprehensively considering industrial factors, including the Regional Priority Index developed by the Ministry of the Interior and Safety, as well as designated industrial crisis

areas.

Meanwhile, Jeju has been excluded from the scope of the industrial regional electricity pricing system, taking into account its status as an island region and the unique characteristics of its electricity supply and demand.

Rate Calculation

Electricity rates for each region will be calculated based on regional differences in the wholesale market and transmission grid, comprehensively taking into account transmission costs, electricity self-sufficiency rates, and balanced growth factors.

Regional differences in transmission costs associated with the use of the transmission grid will be reflected in rates as a priority, while regional power generation and consumption conditions will also be taken into account based on electricity self-sufficiency rankings across the major regions. In addition, the pricing system will incorporate price signals to stimulate local economies by comprehensively considering factors such as the Regional Priority Index.

Based on the calculation, electricity rates in the Southern Capital Region, where power demand is concentrated, will remain unchanged or be adjusted slightly by around 1 won. The Northern Capital Region, which includes Incheon, is expected to see rate reductions of up to approximately 10 won, while the Central Region, which includes Gangwon and Chungcheong, could see reductions of up to approximately 15 won. In the Southern Region, where nuclear and renewable energy facilities are concentrated, rates are expected to be reduced by up to 18 won, equivalent to approximately 10% of the average industrial electricity rate of 181.9 won in 2025.

The reduction in the electricity cost burden on industrial users resulting from the introduction of the system is estimated at approximately KRW 2.8 trillion, although this amount may change depending on the final zone classifications and other factors.

The MCEE and KEPCO plan to minimize the financial impact on KEPCO by simultaneously pursuing improvements to the electricity market system,

including the introduction of regional pricing in the wholesale electricity market*, as well as government financial support.

- * The electricity market, in which electricity is traded between power generators and KEPCO, will be divided into the capital region and non-capital region, with separate transaction prices applied to each → providing power generators with price signals that reflect regional supply and demand conditions.

2. Expected Benefits and Future Schedule

Expected Benefits

Once implemented, the system is expected to help alleviate regional imbalances in electricity supply and demand, while also promoting balanced growth and enhancing industrial competitiveness.

With the introduction of regional pricing in the electricity market, the system is expected to simultaneously incentivize the relocation of electricity demand to regions outside the capital area and the geographic distribution of power generation facilities, thereby accelerating efforts to address regional imbalances in electricity supply and demand.

If lower electricity rates outside the capital region serve as a catalyst for regional investment in high-tech industries, this could also help create jobs and revitalize local economies. In addition to new investment, existing businesses already located in regional areas could see their production cost burdens eased, potentially strengthening their export competitiveness.

Future Schedule

As an unprecedented electricity rate reduction measure, the economic and industrial sectors are calling for the system to be implemented as soon as possible. In response, the MCEE and KEPCO plan to move swiftly to introduce the system, with the goal of completing the process within this year.

Based on the feedback gathered at the public hearing, the government plans

to finalize the proposed design for the industrial regional electricity pricing system as soon as possible and swiftly proceed with follow-up procedures, including issuing the relevant notice and revising the electricity rate terms and conditions.

Minister Kim Sungwhan of the MCEE said, “Following the electricity rate reform by time of use implemented last April, the introduction of an industrial regional electricity pricing system is a key component of electricity rate reform aimed at creating a mutually beneficial outcome for KEPCO and the industrial sector. By incentivizing power-intensive industries to invest outside the capital region, it will fundamentally reduce the burden of transmission grid construction on the nation as a whole and serve as an opportunity to further advance balanced national development and enhance the long-term competitiveness of our industries.”

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4개 광역권 - Four Major Regions

4개 권역 - Four Zones

수도권남부 - Southern Capital Region

수도권북부 - Northern Capital Region

충부권 - Central Region

남부권 - Southern Region

1권역 - Zone 1

2권역 - Zone 2

3권역 - Zone 3

4권역 - Zone 4

※ 단순 예시로, 추후 확정 예정 - ※ For illustrative purposes only; final classification to be determined later.