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Government Office Hydrogen Economic Policy Division
Ministry of Trade, Industry and Energy
By email: adrue@korea.kr

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Dear Sirs,

Re: Ministry of Trade, Industry and Energy (MOTIE) Announcement No. 2023-240

bp Korea welcomes the opportunity to provide feedback on Ministry of Trade, Industry and Energy (MOTIE) Announcement No. 2023-240. bp has been present in the Republic of Korea (Korea) for more than 30 years and has been supplying oil & gas products to Korea through long term business partnerships with Korean energy companies. Korea is a very important market for bp, and as a major global economy, remains a focus for bp as a market for traditional oil and gas and increasingly lower carbon energy sources. We look forward to being more closely engaged in Korea as local customers seek low carbon energy to meet company and national emission reduction targets.

About bp

bp's purpose is to reimagine energy for people and our planet. Our ambition is to become a net-zero company by 2050 or sooner; and to help the world get there, too. Globally bp aims to be net-zero across our operations (scope 1 & 2), in our oil and gas production (scope 3) and for the energy products we sell (life-cycle emissions intensity). For each of these, we have also set short-term targets (2025) and medium-term aims (2030).

Globally we are aiming to be a different company by 2030:

- reducing our oil and gas production by around 25-30% by 2030 and lowering emissions, while keeping up cash flow by high-grading our hydrocarbon portfolio and growing bioenergy;
- investing in low carbon energy to rapidly scale up in solar and offshore wind, and develop new opportunities in carbon capture and low carbon hydrogen.
- providing 100,000 EV charging points and opening more than 1,000 new strategic convenience sites.
- doubling down on five transition growth businesses, planning for more than 50% of the capital we invest to be in bioenergy, convenience, EV charging, renewables, and hydrogen by 2030.

bp has a strong global portfolio of low emissions hydrogen and ammonia projects across Asia Pacific, the Middle East, Europe, Africa, and the United States. A map of this project pipeline is attached. While Australia and the Middle East have been traditional locations for energy supply

to Korea, policy developments and incentives from elsewhere in the world mean that bp is also considering additional supply options to the Asia Pacific.

Policies to Support Low Carbon Energy

We believe hydrogen has a critical role in helping to achieve net zero – it's complementary to electrification and will be pivotal in the decarbonisation of hard-to abate transportation and industrial sectors where electrification is too expensive or not feasible. Hydrogen is one of our five transition growth engines – both 'green' and 'blue'. Low carbon hydrogen – both 'green' and 'blue' – have a role to play, and deployment will depend on regional factors including access to affordable and abundant renewables. This is a nascent sector and will require government and policy support for initial scale up and further deployment.

We support the following policy recommendations for green and blue hydrogen:

- A pragmatic regulatory framework in support of the hydrogen ecosystem
- Specific demand measures such as decarbonisation targets in hard-to-abate sectors
- CAPEX and OPEX funding for blue and green hydrogen production to drive market growth
- Targeted support which provides an incentive and distributes cost, including contracts-for-difference for both blue and green hydrogen and auctions for green hydrogen.
- Strengthened cross-border co-operation and trade of blue and green hydrogen, including its potential export and potential import countries

These mechanisms, complementary to carbon pricing and cap-and-trade schemes, are required to support first-of-a-kind projects and the subsequent activation and scale-up phase of deployment. They should address both capital and operating costs.

bp operates in jurisdictions across the globe and recognises that countries are adopting policies that are reflective of their circumstances and emission reduction ambition. Bp welcomes MOTIE's efforts to introduce low carbon hydrogen and ammonia through its Clean Hydrogen Portfolio Standard, including outlining the cumulative GWh of power to be purchased from 2025-2028. bp is engaged closely with several Korean gencos and looks forward to strengthening these relationships. Our aim is to investigate whether supply of hydrogen or ammonia can be delivered in time for this period, and if not, establish solid foundations for the supply of low emissions energy beyond this period.

bp welcomes further engagement with MOTIE as this policy progresses, including additional policies to help progress low emission hydrogen and ammonia supply to Korea and an outline of progress on bp's pipeline of hydrogen projects. As an Integrated Energy Company, bp has experience across the globe and is happy to share insights. We are also interested in helping establish a coordinated and mutually recognised form of certification for low emissions hydrogen and derived products because this is important to ensuring that products can be readily traded between jurisdictions. We welcome the opportunity to discuss this policy, other initiatives, and bp's pipeline of hydrogen projects in person. Please contact bp's hydrogen contact in Korea, Mr. Hong Seo Ju on (hong_seo.ju@se1.bp.com) to discuss further.

Yours faithfully,



Jinwook Lee
Head of Country
BP Korea Limited

bp planned hydrogen activity & partnerships

