

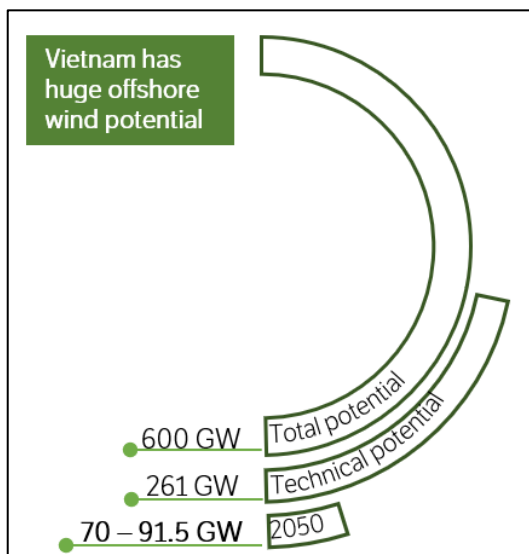
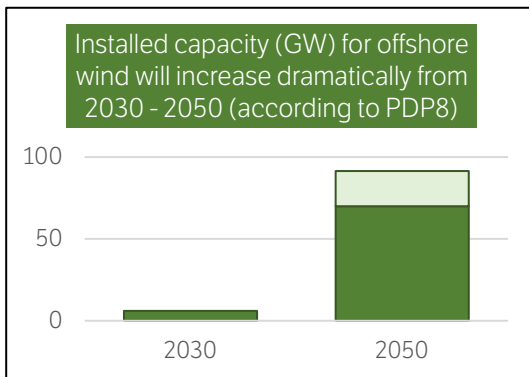
# VIETNAM ENERGY TRANSITION WEEKLY UPDATE

10th November 2023

## Key points

E.T. update this week focuses on the offshore wind in Vietnam.

- Currently, there have been no offshore wind farms in Vietnam.
- The Power Development Plan 8 envisages that by 2030, the country will reach 6 G.W. of offshore wind capacity, equalling 4 per cent of the total capacity. However, Vietnam may not succeed in [achieving](#) the target by 2030 due to various technical and legal [constraints](#). According to PDP8, Vietnam will have at least 70 GW in installed capacity of offshore wind by 2050.
- Right after the PDP8 was approved, Orsted – Denmark's largest energy group, [suspended](#) its business development activities in Vietnam market. This movement implies that offshore wind in Vietnam may look very competitive in the short-term. However, another Denmark's developer, CIP, has been [looking](#) to cooperate with Vietnamese partners on large-scale (of 500 MW or more) offshore wind power projects. Also, some U.K. businesses are [eyeing](#) wind farm projects in Vietnam.



- The Prime Minister has asked that the Electricity of Vietnam (EVN) and Vietnamese enterprises develop offshore wind power on a trial basis, but the Ministry of Industry and Trade (MOIT) says there is [insufficient](#) legal foundation to do this.
- On 24 Oct 2023, Singapore's Energy Market Authority (EMA) [announced](#) that it had given tentative approval for plans to import 1.2 gigawatts (G.W.) of primarily wind-generated electricity from Vietnam. In February, PTSC (an affiliate of PVN) and Singapore's Sembcorp Utilities signed an investment cooperation agreement for energy export to Singapore from offshore renewable energy in Vietnam.

## More details (see in links)

Themes	Contents
<b>Generation</b>	<ul style="list-style-type: none"><li>An <a href="#">update</a> on DPPA program is provided by the law firm Allens. A number of the program's design features have changed recently, including the addition of a private wire option.</li></ul>
<b>Demand</b>	<ul style="list-style-type: none"><li>A remote village, which is trapped between two provinces, is still living <a href="#">without</a> electricity.</li></ul>
<b>Market</b>	<ul style="list-style-type: none"><li>Electricity shortage is unlikely, but prices must <a href="#">rise</a>. Starting from Thursday this week, electricity prices <a href="#">increased</a> by 4.5% to over VND 2,000 (8.2 U.S. cents) per kWh, the second time they went up this year.</li><li>Electricity prices must be market-based to <a href="#">promote</a> investment in the energy sector. According to some experts, the subsidized electricity prices have caused a market imbalance, where power producers such as Vietnam Electricity suffer heavy losses, and the market experiences a supply shortage.</li></ul>
<b>Fuel</b>	<ul style="list-style-type: none"><li>Petrovietnam's restructuring scheme was <a href="#">approved</a>. The goal of the scheme is to build and develop Petrovietnam into a leading energy conglomerate in the country and the region. Petrovietnam will continue to maintain its position as Vietnam's leading supplier of various gas sources; promote oil refining, deep processing of gas products, and high-quality petroleum services; develop renewable energy, clean and new energy sources such as offshore wind power, marine energy, H2, NH3, in line with the orientations to energy transition and environmental protection.</li></ul>
<b>Grid</b>	
<b>Planning/ others</b>	<ul style="list-style-type: none"><li>The European Union has <a href="#">released</a> \$23.6 million of budget support to the Vietnamese government in the framework of the E.U. - Viet Nam Sustainable Energy Transition Programme (SETP).</li><li>Vietnam-Denmark Green Strategic Partnership will help Vietnam <a href="#">transition</a> from fossil reliance.</li><li>Many people from EVN and MOIT were <a href="#">arrested</a> for abuse of power, including the Director of EPC/EVN.</li></ul>