

VIETNAM ENERGY TRANSITION WEEKLY UPDATE

19th Jan 2024

Key points

- PM Chinh [ordered](#) EVN to guarantee electricity supplies and develop renewables in 2024.
- Vietnam is preparing to widen a [probe](#) into alleged corruption among officials connected to the energy sector.
- MoIT [urged](#) EVN to implement two-tier electricity pricing swiftly.
- EVN kicked off circuit-3 500kV [transmission](#) line sections.

More details (see in links)

Themes	Contents
Generation	<ul style="list-style-type: none">• Prime Minister Phạm Minh Chính asked the State utility corporation Việt Nam Electricity (EVN) to "firmly ensure" no electricity shortage for production, business and consumption in any circumstance.• According to the updated forecasts of the meteorological agency, in the first months of 2024, the North of Vietnam will have more rain, enabling hydropower plants to maintain their operations. Meanwhile, the South will face a drought risk due to less unseasonal rain.• Limited supplies, a rise in demand, and exorbitant electricity purchase expenses potentially result in electricity shortage in 2024.
Demand	<ul style="list-style-type: none">• UNDP officials believed that energy efficiency should be a critical priority for Vietnam. As Vietnam faces an approximately 8.5 per cent annual growth rate in energy demand, improving energy efficiency is a foremost national priority in achieving these targets and realising carbon neutrality by 2050.
Market	<ul style="list-style-type: none">• The Ministry of Industry and Trade (MoIT) issued a directive to Vietnam Electricity (EVN) urging the swift establishment of a two-tier electricity pricing mechanism.
Fuel	<ul style="list-style-type: none">• 2023 is considered a successful year for Vietnam National Coal and Mineral Industries Holding Corporation Limited (Vinacomin), with an estimated turnover of 170 trillion VND, reaching 100.3% of the plan.
Grid	<ul style="list-style-type: none">• On January 18, Vietnam Electricity (EVN) began the construction of various 500kV circuit-3 transmission lines in the provinces of Ha Tinh, Nghe An, Thanh Hoa, and Thai Binh. They are part of a 500kV circuit-3 transmission line project which spans 519km from Quang Binh to Hung Yen.• The National Assembly agreed to spend over US\$100 million to supply electricity to Con Dao.
Planning/ others	<ul style="list-style-type: none">• The Government issued Decree 02/2024/ND-CP on transferring power projects as public assets to the Electricity of Vietnam (EVN). The Decree will take effect from March 1, 2024.• Vietnam is preparing to widen a probe into alleged corruption in the energy sector. The probe is likely to involve other officials from the finance and trade ministries and some related companies.• Vietnam is among the five Asia-Pacific economies that have exceeded the decarbonisation rate targets outlined by their Nationally Determined Contributions (NDCs), according to PwC's Net Zero Economy Index 2023.