

VIETNAM ENERGY TRANSITION WEEKLY UPDATE

29 March 2024

Key points

1. The development [strategy](#) of the coal industry to 2030 with a vision to 2045 was [approved](#) by Deputy Prime Minister Trần Hồng Hà in Jan 2024. Two months later, MoIT release its implementation [plan](#). The export and import of coal will be conducted in accordance with market demand and following the Government's direction to meet domestic coal demand, especially for electricity generation.
2. Emission [Factor](#) of VN power grid in 2022 is 0.6766 tCO₂/MWh, lower than the level of 0,7221 tCO₂/MWh in 2021.
3. From May 15, electricity prices will be considered for change every three months when input costs increase by 3% or more, according to the [Decision](#) No.05/2024/QĐ-TTg.
4. MoIT convened the first [meeting](#) of the drafting board for Electricity Law revision. In the law-formulation proposal, MoIT recommended six policies/orientations, including:
 - i. To ensure energy security for the nation.
 - ii. To develop RE and new energy.
 - iii. To refine regulations regarding the operational conditions of electricity activities.
 - iv. To manage electricity trading activities towards promoting a transparent, fair, and efficient competitive electricity market, with electricity prices determined by market mechanisms.
 - v. To encourage energy efficiency.
 - vi. To safely use electricity behind the meter and to ensure the safety of hydro reservoirs.

More details (see in links)

Themes	Contents
Generation	<ul style="list-style-type: none">• EVN's Northern Power Corporation (EVNNPC) reported that its commercial power output picked up 12.02 per cent year-on-year to 13.9 billion kWh in the first two months of 2024.• All coal-fired power plants have been operating at full throttle, generating around 526 million kWh per day. Water levels in reservoirs across the country remain low compared to the average of many years. Specifically, hydro reservoirs in the Northern region have water levels ranging from only 25% to 96% of the multi-year average.
Demand	<ul style="list-style-type: none">• Investors raised concerns over energy reliability and immediate access to renewable energy.
Market	<ul style="list-style-type: none">• HCM City has set a target of 50 percent of local houses having rooftop solar systems by 2030.
Fuel	<ul style="list-style-type: none">• Vietnam seeks LNG collaboration with Russia's Novatek Group.• Vietnam boosts coal imports as it promises investors no more power cuts.
Grid	<ul style="list-style-type: none">• The transmission project aimed at importing electricity from Laos continues to encounter significant challenges, particularly concerning land acquisition.• On March 24th, 2024, the "110kV LEGO Substation and Interconnecting Lines" project under the EPC model was successfully switched on and put into safe operation.
Planning/ others	<ul style="list-style-type: none">• Greenflation causes Indonesia and Vietnam to backtrack on renewables.• Vietnam's high-potential energy transition needs a clear policy and clean government.• Vietnam will attend the 26th World Energy Congress, which is themed "Redesigning energy for People and Planet," hosted by the Netherlands from April 22 – 25.