

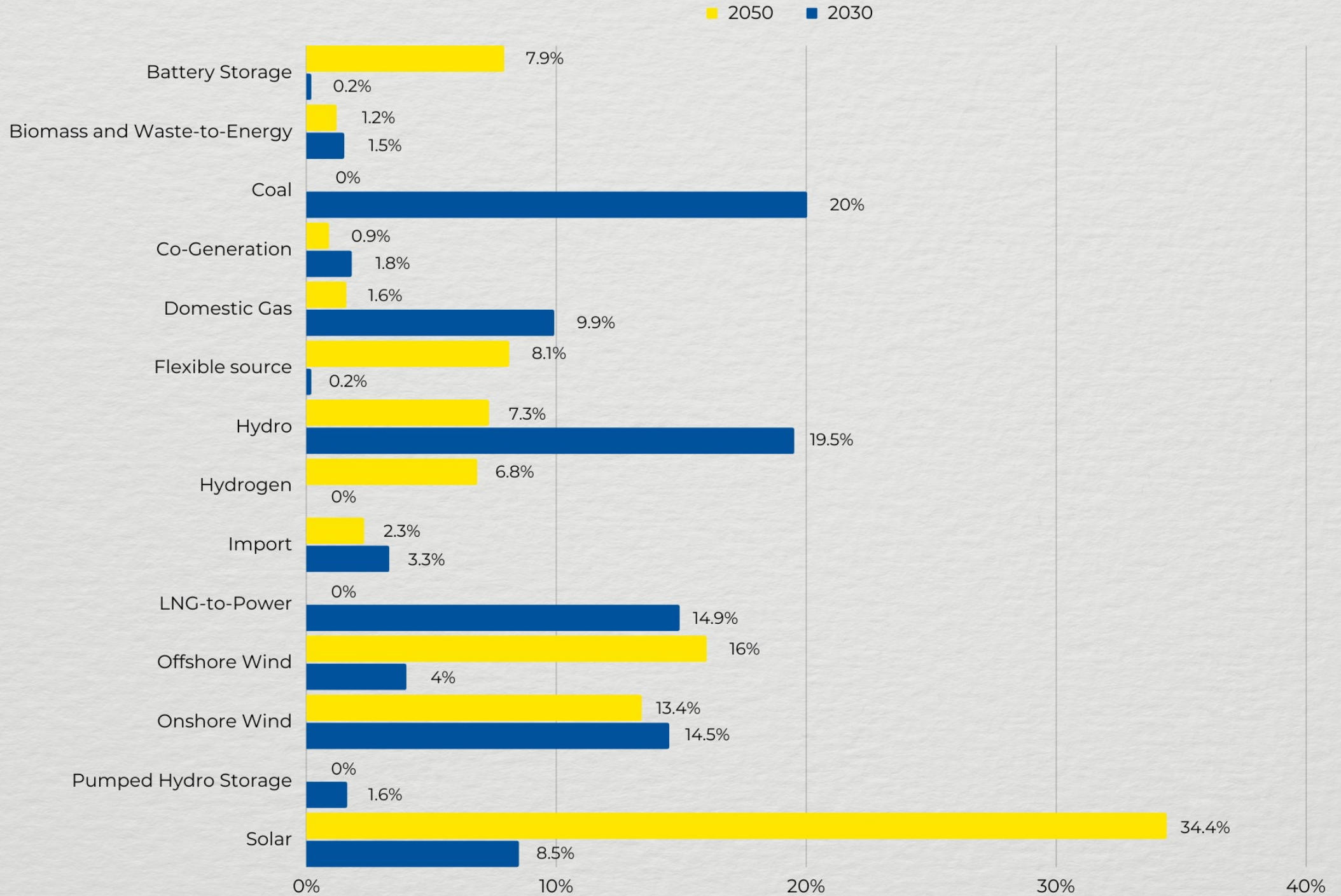
PDPVIII Approved:
What's in it? What's next?

National Power Development Plan for the period from 2021 to 2030 with a Vision to 2050 (“PDPVIII”)

Highlights

1. Vietnam’s PDP VIII was approved by the Appraisal Council on 13 May 2023 and finally issued by the Prime Minister under Decision No. 500/QD-TTg on 15 May 2023 as proposed by the Ministry of Industry and Trade (“**MOIT**”) under Statement No. 2842/TTr-BCT dated 14 May 2023 and Letter No. 2851/BCT-DL dated 15 May 2023.
2. PDPVIII sets out the objectives and solutions with respect to power sources and transmission grids for power development during the period from 2021 to 2030 with a vision to 2050 in consideration of Vietnam’s commitments in COP26 and Just Energy Transition Partnership (“**JETP**”), including:
 - a. Diversify power sources with an appropriate structure to ensure energy security, enhance the independence of the power sector, and reduce reliance on imported fuels;
 - b. Promote the development of renewable energy, new energy, and clean energy, especially self-consumption power;
 - c. Exploit and use domestic and imported fossil fuels in an appropriate manner, reduce coal-fired power, prioritise domestic gas-fired power, develop LNG-to-power with suitable scale, and implement energy transition;
 - d. Develop power sources with an orientation to balance regional supply and demand, allocate regional power sources to reduce distant power transmission;
 - e. Develop new power sources with modern technology and innovate the technology of the existing plants; terminate the operation of power plants that fail to comply with environmental standards;
 - f. Diversify investment forms for power development to enhance competitiveness and economic efficiency.
3. The total investment capital required for the development of power sources is set at US\$119.8 billion for the period from 2021 to 2030 and in the range of US\$364.4 billion to US\$511.2 billion for the period from 2031 to 2050. The total investment capital required for the new construction and renovation of transmission grids and substations is set at US\$14.9 billion for the period from 2021 to 2030 and in the range of US\$34.8 billion to US\$38.6 billion for the period from 2031 to 2050.
4. There will be no new coal-fired power projects to be developed after 2030. Six (6) coal-fired power plants that have been included in the revised National Power Development Plan for the period of 2011 to 2020 with a vision to 2030 (“**Revised PDP VII**”) and in the construction phase will be included in the planned capacity for coal-fired power projects under PDP VIII. Such projects include Na Duong II, An Khanh – Bac Giang, Vung Ang II, Quang Trach I, Van Phong I and Long Phu I. MOIT will work with investors of five other coal-fired power plants (Cong Thanh, Nam Dinh I, Quang Tri, Vinh Tan III, Song Hau II) to terminate such projects if they have not been implemented by June 2024.
5. There will be no new LNG-to-power plants to be developed after 2035. Fifteen (15) LNG-to-power projects have been included in PDPVIII most of which have been also included in the Revised PDPVII. Such projects will be converted to hydrogen and green ammonia by 2050.
6. The development of hydropower will align with environmental protection, forest protection, and water source security.
7. With respect to renewable energy (i.e. wind, solar, biomass, or waste-to-energy), there are no particular projects included in PDPVIII. It is possible to develop over and above 6,000 MW of offshore wind by 2030 if technology and transmission capacity and costs are satisfied. Twenty-seven (27) solar projects included in the Revised PDP VII without having selected investors will be considered for development after 2030.
8. There is no limitation on the planned capacity for self-consumption power, production of new energy (hydrogen and ammonia), export, or otherwise not connected with the grids.
9. Two (2) industrial and renewable energy service centers will be established in the North, the South Central, and/or the South by 2030.

Power Source Structure



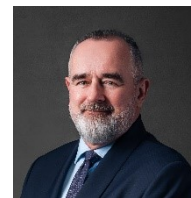
Transmission Grids and Substations

		2021 - 2030	2031 - 2035
Substations	HVDC ¹		New built: 40,000 – 60,000 MW
			Renovation: 5,200 ~ 8,300 km
	500kV	New built: 49,350 MVA	New built: 90,900 ~ 105,400 MVA
		Renovation: 38,168 MVA	Renovation: 117,900 ~ 120,150 MVA
	220kV	New built: 78,525 MVA	New built: 124,875 ~ 134,125 MVA
		Renovation: 34,997 MVA	Renovation: 105,375 ~ 106,750 MVA
Transmission grids	HVDC		New built: 40,000 – 60,000 MW
			Renovation: 5,200 ~ 8,300 km
	500kV	New built: 12,300 km	New built: 9,400 ~ 11,152 km
		Renovation: 1,324 km	Renovation: 801 km
	220kV	New built: 16,285 km	New built: 11,395 ~ 11,703 km
		Renovation: 6,484 km	Renovation: 504 ~ 654 km

Next Steps

1. MOIT made an announcement of PDPVIII on 19 May 2023.
2. MOIT will formulate the PDPVIII Implementation Plan and submit it to the Prime Minister in June 2023.
3. MOIT will prepare a draft amended Law on Electricity, and a draft Law on Renewable Energy and submit them to the National Assembly in 2024.
4. MOIT will formulate and submit direct power purchase agreement policies to the Government for consideration.
5. Provincial People's Committees will organise the selection of investors for power generation projects.

Contact



Mark Fraser
Managing Partner
mark.fraser@frasersvn.com
+84 28 3824 2733

¹ HVDC: high voltage direct current