

VIETNAM ENERGY TRANSITION WEEKLY UPDATE

15th December 2023

Key points

- MoIT submitted Report [No.268/BC-BCT](#) regarding the implementation plan for the National Power Development Plan for 2021-2030 period, with a vision towards 2050.
- Total electricity generation in the first eleven months increased 4.3 per cent compared to the same period last year.
- Renewable companies are [struggling](#) to pay debts.

More details (see in links)

Themes	Contents
Generation	<ul style="list-style-type: none">• Total electricity generation in the first eleven months of this year reached 257.35 billion kWh, a 4.3 per cent increase compared to the same period last year.
Demand	<ul style="list-style-type: none">• On 8th Dec, the Electricity Trading Company, a subsidiary of EVN, submitted a proposal to decrease the electricity purchase price for grid-connected wind and solar power plants. However, the ETC quickly revoked the proposal.• Vietnam needs to enhance its electricity-use effectiveness, and if it does so, electricity demand in the future would only increase by 5-6 percent by 2030, not 7 percent as predicted.
Market	<ul style="list-style-type: none">• Renewable companies are struggling to pay debts. These companies all have debts several times larger than their capital, up to seven times in some cases, as they have been reporting losses.• Fitch Ratings upgraded the Long-Term Issuer Default Ratings (IDRs) of Vietnam Electricity (EVN) and six rated EVN subsidiaries, as well as Vietnam Oil and Gas Group (PVN) and three rated PVN subsidiaries to 'BB+' from 'BB'.
Fuel	<ul style="list-style-type: none">• Vietnam stands as a nation with abundant favourable prospects for LNG power, which has caught the attention of numerous enterprises and investors. However, some experts believed that Vietnam's goal of putting 13 LNG power plants into operation and replacing 18 GW of coal-fired power with 14 GW of LNG-fired power and 12-15 GW of renewable energy by 2030 is an ambitious target that faces many difficulties and obstacles, including the establishment of a suitable price mechanism for Vietnam's LNG market in electricity production.
Grid	<ul style="list-style-type: none">• MoIT proposed installing another power transmission line to Laos to increase supply. In October this year, EVN already began laying a 500-kilovolt line spanning 45 kilometers to connect the two countries.
Planning/ others	<ul style="list-style-type: none">• MoIT submitted the Report No.268/BC-BCT regarding the implementation plan for the National Power Development Plan for the period 2021-2030, with a vision towards 2050.• Vietnam will buy more electricity and coal from Laos for production and national security.• The Party Committee of Thai Binh province has given an in-principle nod to the \$2 billion LNG Thai Binh thermal power plant in Thai Thuy district.