

VIETNAM ENERGY TRANSITION WEEKLY UPDATE

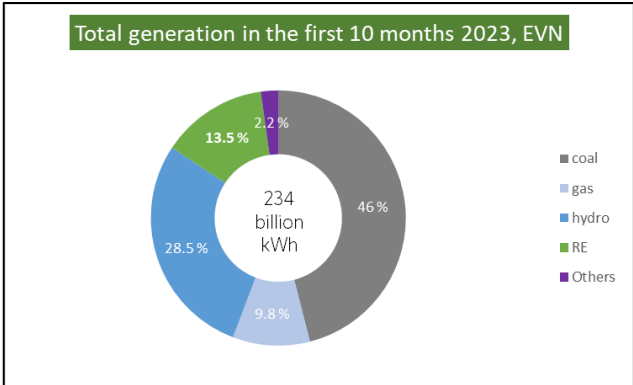
17th November 2023

Key points

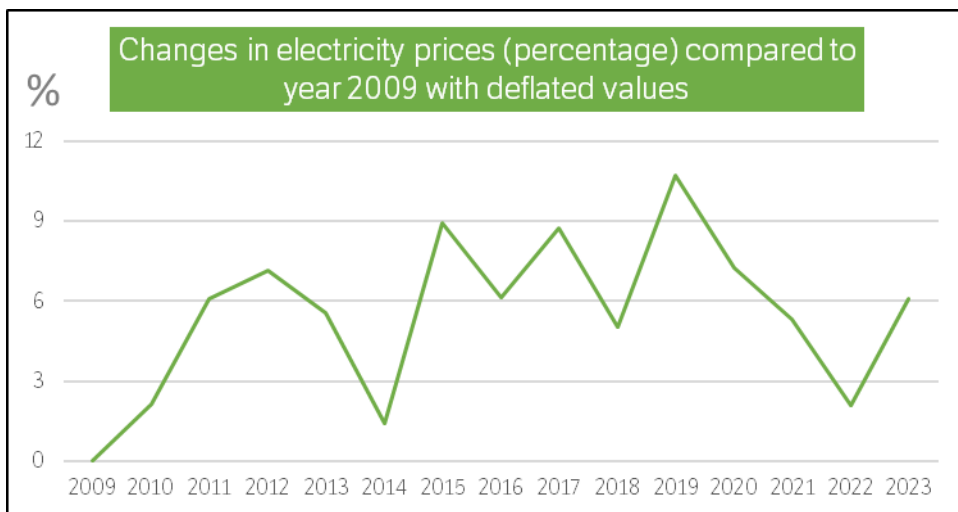
Here are some eye-catching news headlines this week

- Vietnam's plan for spending \$15.5 billion for its clean energy transition will be [announced](#) at COP28.
- Vietnam is now in Europe's [sights](#) for investment in energy transition.
- Electrifying commercial transport will [help](#) Vietnam to fulfil its net-zero commitments.
- The Government Office [issued](#) a new directive, urging the finalisation of the Action plan for PDP8.

More details (see in links)

Themes	Contents												
Generation	<ul style="list-style-type: none">• Electricity generation reaches 234 billion kWh in the first ten months of 2023. Of the ten-month total, 107.74 billion kWh was generated from coal thermal power plants, accounting for 46 per cent, 66.74 billion kWh from hydropower plants, or 28.5 per cent, and 31.58 billion kWh from renewable energy, or 13.5 per cent.  <table border="1"><caption>Total generation in the first 10 months 2023, EVN</caption><thead><tr><th>Source</th><th>Percentage</th></tr></thead><tbody><tr><td>coal</td><td>46%</td></tr><tr><td>gas</td><td>9.8%</td></tr><tr><td>hydro</td><td>28.5%</td></tr><tr><td>RE</td><td>13.5%</td></tr><tr><td>Others</td><td>2.2%</td></tr></tbody></table> <ul style="list-style-type: none">• MoIT Minister Nguyen Hong Dien asked prominent state-owned enterprises, namely EVN, PVN, and Vinacomin to strictly implement six solutions for continual power supply in 2024.	Source	Percentage	coal	46%	gas	9.8%	hydro	28.5%	RE	13.5%	Others	2.2%
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Demand	<ul style="list-style-type: none">• According to the National Load Dispatch Center (A0), Vietnam will have enough or even excess electricity in the last two months of 2023. Overall, the country's electricity system will have nearly 4,500 MW of reserve capacity per month for the remainder of this year, A0 said.• Electrifying commercial transport will help Vietnam to fulfil its net-zero commitments. However, there is a need for policy changes, including setting emission standards or quotas for commercial vehicles and as well as supporting research and development of EV technologies.												

Market	<ul style="list-style-type: none"> • After the latest power price hike announced by Vietnam Electricity (EVN), many businesses said they are seeking ways to adapt to the new situation. According to EVN, the price hike would increase household electricity bills by between 3,900 VND and 55,600 VND per month, while businesses would have to pay an additional 432,000 VND per month.
Fuel	<ul style="list-style-type: none"> • Experts at the National Summit on Green Hydrogen in Vietnam recently held in Hanoi as part of Vietnam International Innovation Expo 2023 agreed that Vietnam has great potential to develop a hydrogen energy market. According to the representative from SK E&S, Central and southern Vietnam are suited to green hydrogen, based on quality solar and wind power resources, while northern Vietnam can produce blue hydrogen using the infrastructure of the LNG hub.
Grid	<ul style="list-style-type: none"> •
Planning/ others	<ul style="list-style-type: none"> • A plan for how Vietnam will spend \$15.5 billion to transition to cleaner energy has been finalized and will be announced at the COP28 climate conference. • Prime Minister Chinh signed Decision 1447/QD-TTg dated November 22, 2023, to establish the State Steering Committee for important national and key energy projects. • The Singapore Government approved in principle the sale of 1.2GW from a 2.3GW wind farm offshore Vietnam but the latter must come up with a framework to implement the deal within the next year. • According to the latest modelling work by Wärtsilä for Vietnam, by investing in renewable-based power systems backed by grid balancing engines and energy storage, Vietnam would be able to reach net-zero by 2050, cut its LCOE by 20 per cent, and avoid nearly \$28 billion per year in forecasted carbon taxes.



Year	inflation rate (%)	Average electricity prices (vnd)	Changes (%) compared to 2009 prices with deflated values
2009	6.72	948.5	0
2010	9.21	1,058	2.14
2011	18.68	1,304	6.07
2012	9.09	1,437	7.15
2013	6.59	1,508.85	5.55
2014	4.08	1,508.85	1.41
2015	0.63	1,622.01	8.95
2016	2.67	1,622.01	6.12
2017	3.52	1,720.65	8.75
2018	3.54	1,720.65	5.03
2019	2.80	1,864.44	10.71
2020	3.22	1,864.44	7.25
2021	1.83	1,864.44	5.33
2022	3.16	1,864.44	2.11
2023	3.59*	2,006.80	6.10

(*) Inflation figure as of Oct 2023

Electricity increased twice in years 2011, 2012, 2023. The figures are the later prices in the year.

Inflation data sourced from World Bank.

Take the year 2009 as 100%, so 948.8 VND in 2009 becomes 1902.57 in 2023

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