



**CASE**  
for Southeast Asia

On behalf of



Federal Ministry for the  
Environment, Nature Conservation  
and Nuclear Safety

of the Federal Republic of Germany

# Energy transition in Vietnam

## Progress and prospects

**Vietnam Initiative for Energy Transition**

*Energy transitions in Southeast Asia*

*BETD official side event*

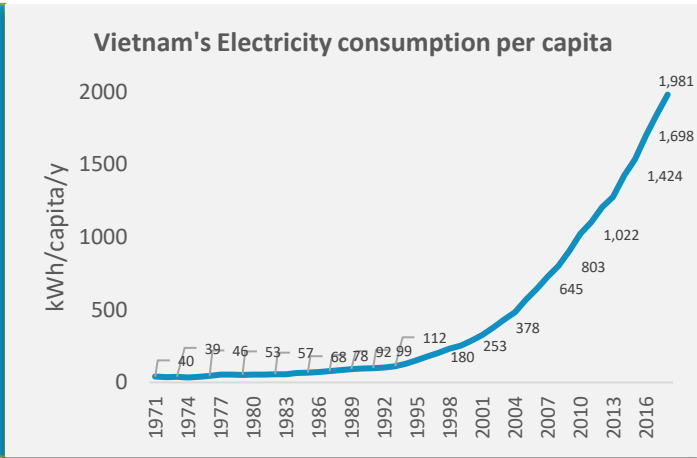
March 19, 2021



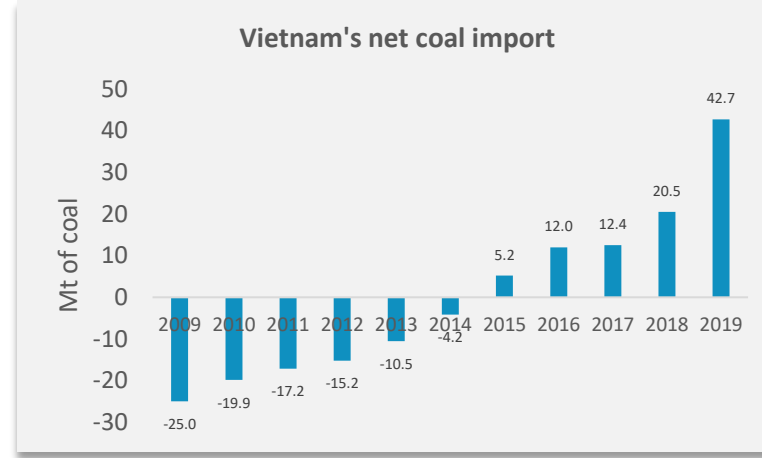
Vietnam Initiative for Energy Transition

# Drivers of Energy Transition in Vietnam

**Growing energy demand coupled with urbanization and industrialization**



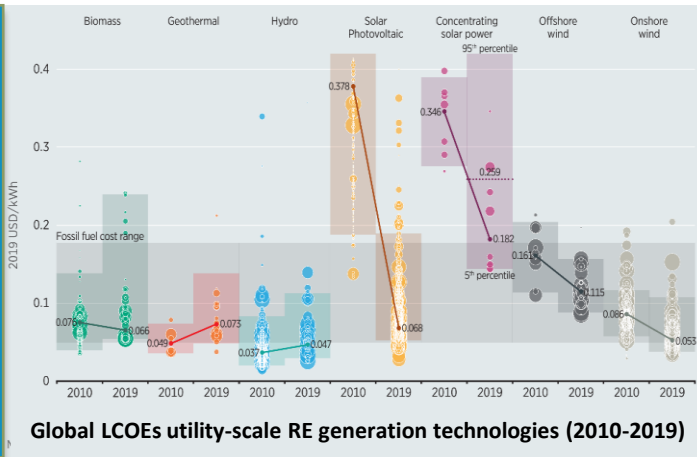
Source: World Bank/GSO



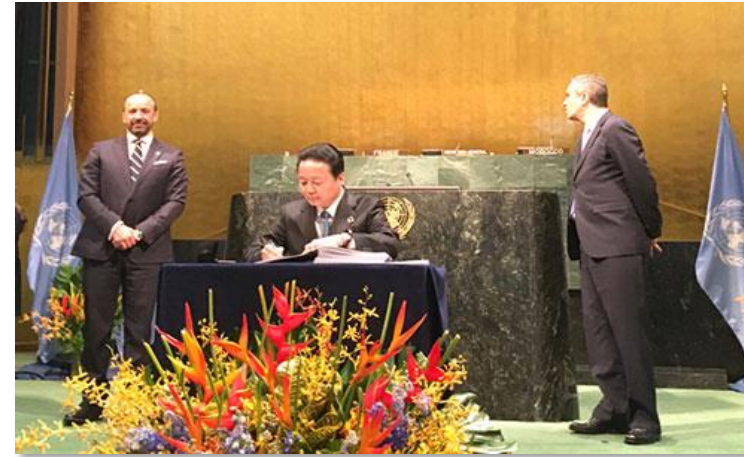
Source: VIET plots with data from Custom of Vietnam

**Energy security: insufficient domestic fossil fuels production capacity & exposure to international fossil fuel price risks**

**RE technology costs decreasing**



Source: IRENA



Minister Tran Hong Ha signed the landmark Paris Agreement

**International commitment on cutting GHG emissions**

# Gov. Targets: Toward cleaner and more reliable system

2015	2016	2019
<p><b>RE development Strategy (VREDS)</b></p> <ul style="list-style-type: none"> <li>PM's Decision 2068/QD-TTg</li> </ul>	<p><b>PDP7 revised</b></p> <ul style="list-style-type: none"> <li>PM's Decision 428/QD-TTg</li> </ul>	<p><b>VNEEP III</b></p> <ul style="list-style-type: none"> <li>PM's decision 280/QD-TTg</li> </ul>
2/2020	12/2020	2/2021
<p><b>Resolution 55</b></p> <ul style="list-style-type: none"> <li>Resolution 55-NQ/TW of the Politburo</li> </ul>	<p><b>Draft Energy Master Plan (EMP)</b></p> <ul style="list-style-type: none"> <li>Waiting for approval</li> </ul>	<p><b>3<sup>rd</sup> Draft PDP8</b></p> <ul style="list-style-type: none"> <li>Waiting for approval</li> </ul>

## 2030 targets for energy

### RE share in total primary energy supply

- 🌿 **16.2%** (EMP)
- 🌿 **15-20%** (Resolution 55)
- 🌿 **32.3%** (VREDS)

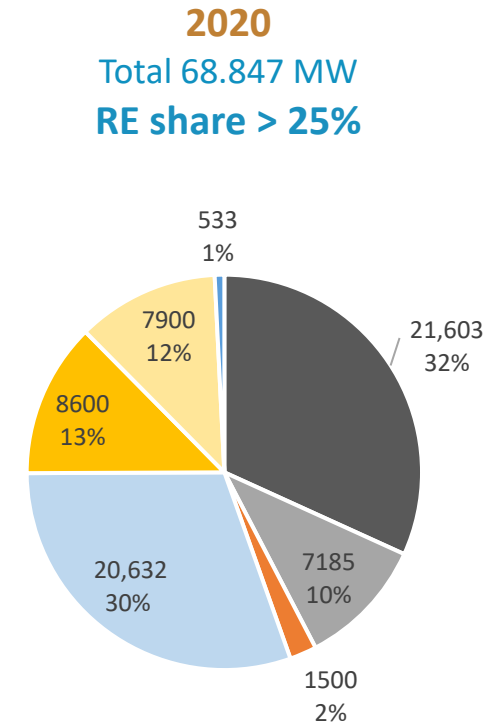
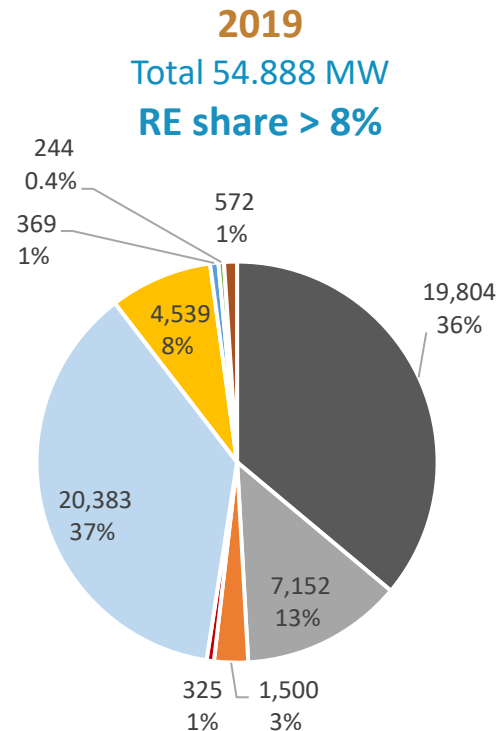
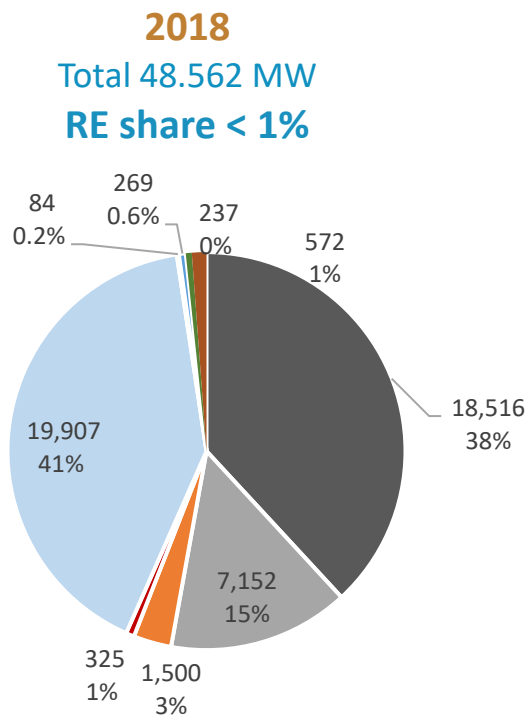
### RE share in power mix (installed capacity)

- 🌿 **29%** exclude hydro (Draft PDP8)
- 🌿 **10%** exclude large hydro (PDP7 revised)
- 🌿 **32%** include large hydro (VREDS)

### EE on final energy consumption

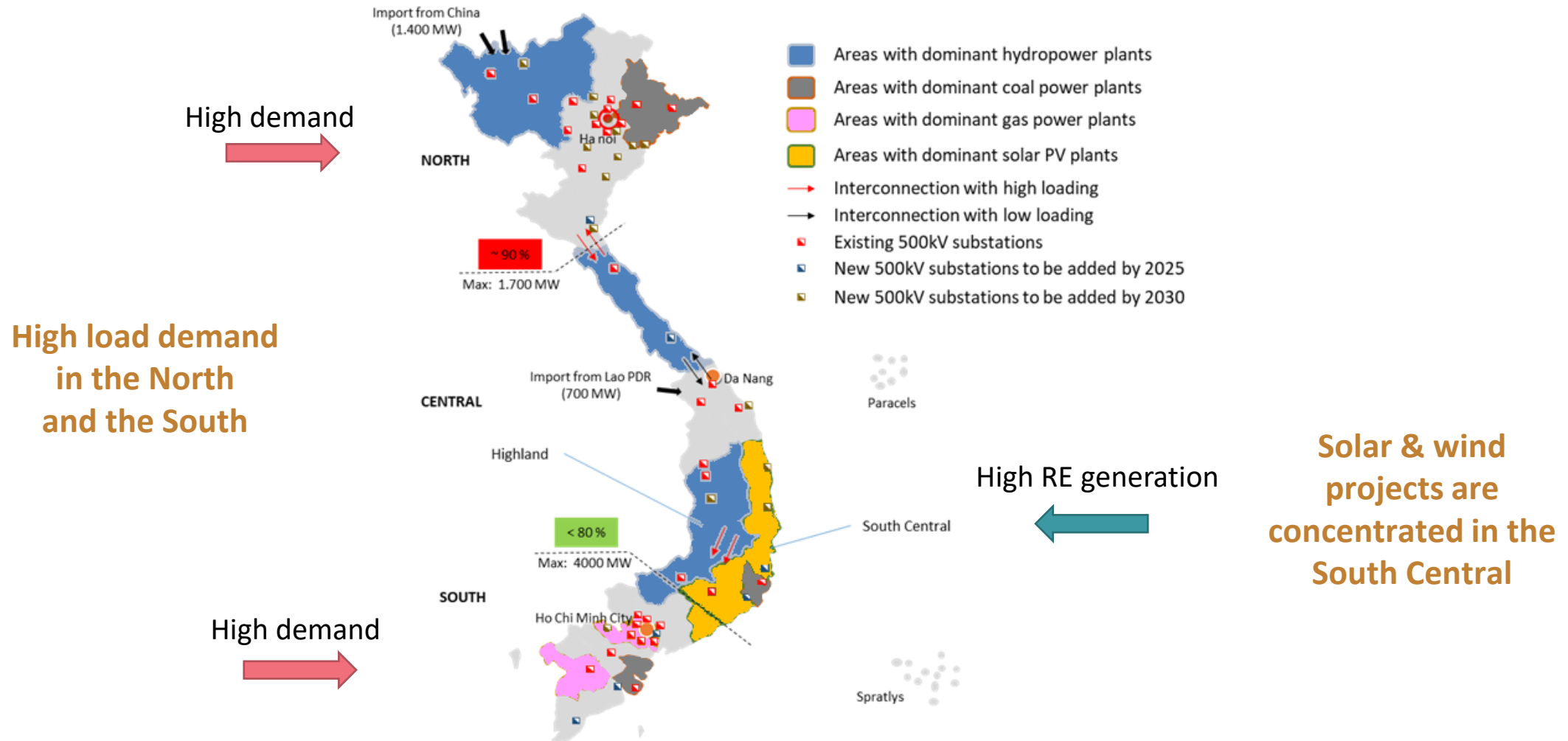
- 🌿 **7%** compared to BAU (Resolution 55)
- 🌿 **8-10%** compared to BAU (VNEEP)

# Vietnam's RE share by installed capacity is increasing rapidly in recent years



■ Coal ■ Gas ■ Oil ■ Diesel ■ Hydro ■ Solar ■ Rooftop solar ■ Wind ■ Other ■ Import

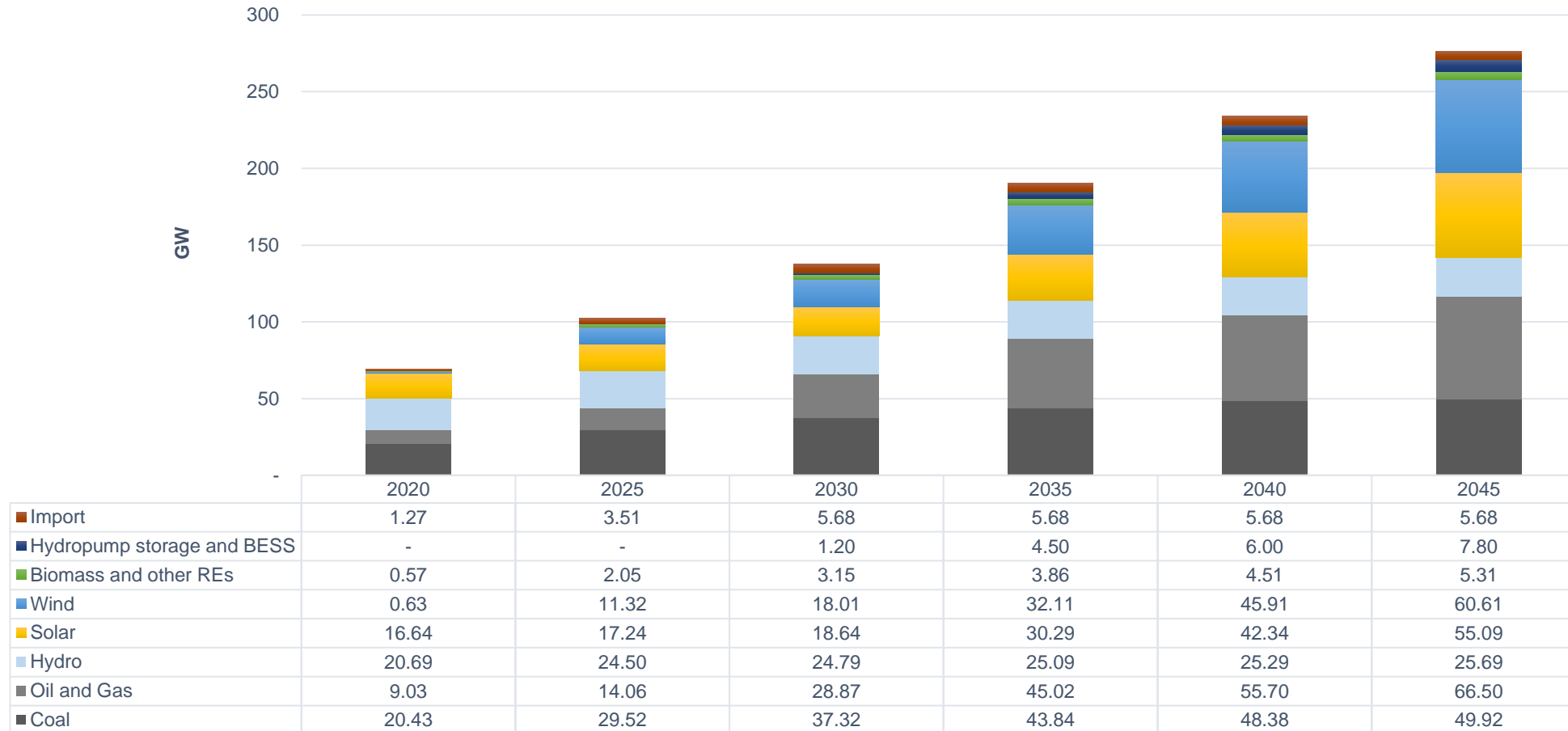
# Regional distribution of power sources & interconnection



Source: VIET 2020. Integration of Offshore wind power to the grid by 2030

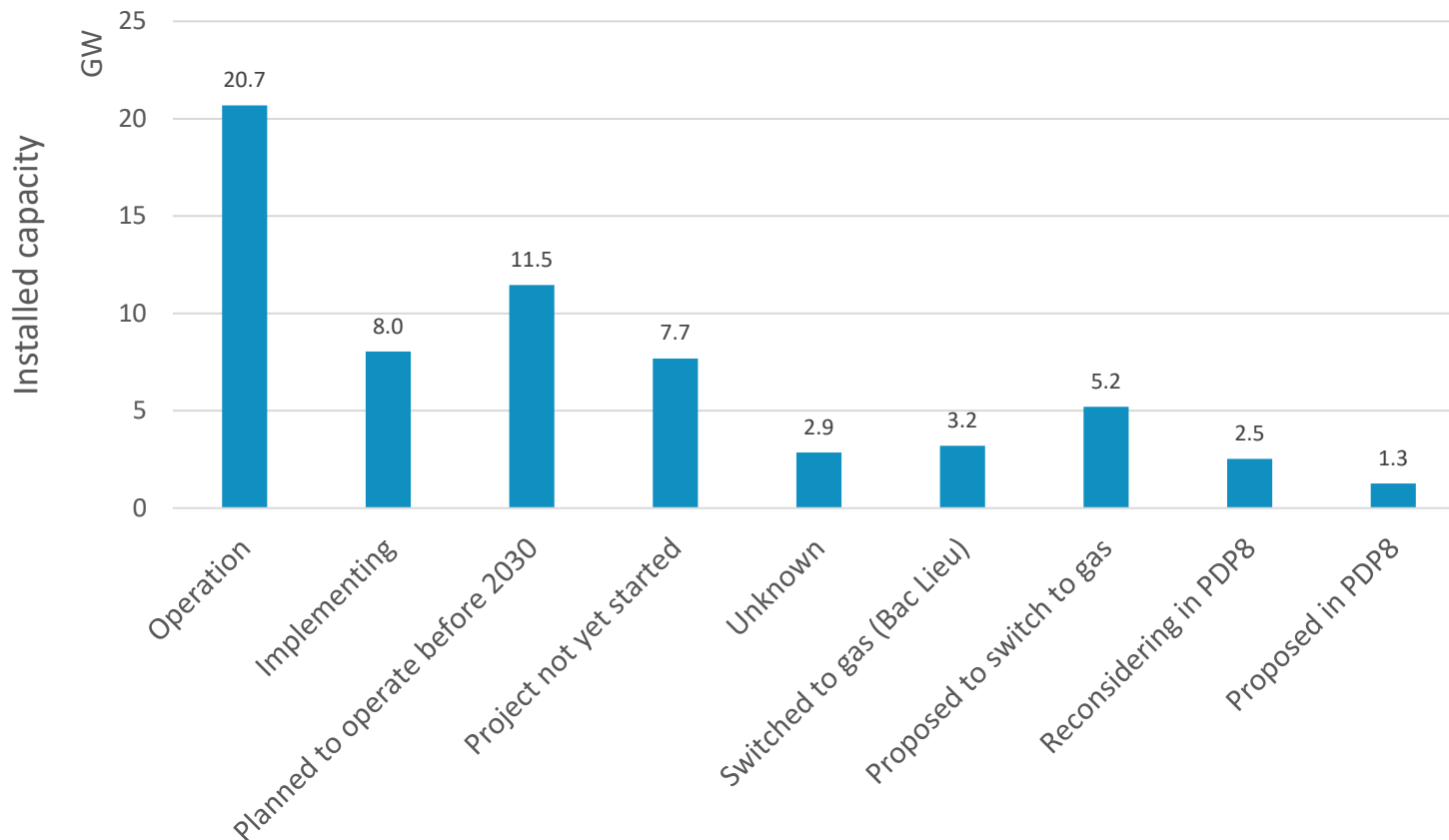
# RE capacity is planned to by-pass coal and gas by 2045 Yet, fossil fuels still account for a significant share in the plan

Power mix of Vietnam to 2045 according to Draft PDP8



# Prospects of building coal power plant as planned in PDP8

Coal capacity by status – updated in Feb 2021  
 Total 62.9 GW



**ENERGY**

## Mitsubishi pulls out of Vietnam coal plant amid climate concerns

Vinh Tan 3 project hit by backlash against carbon-intensive fuel

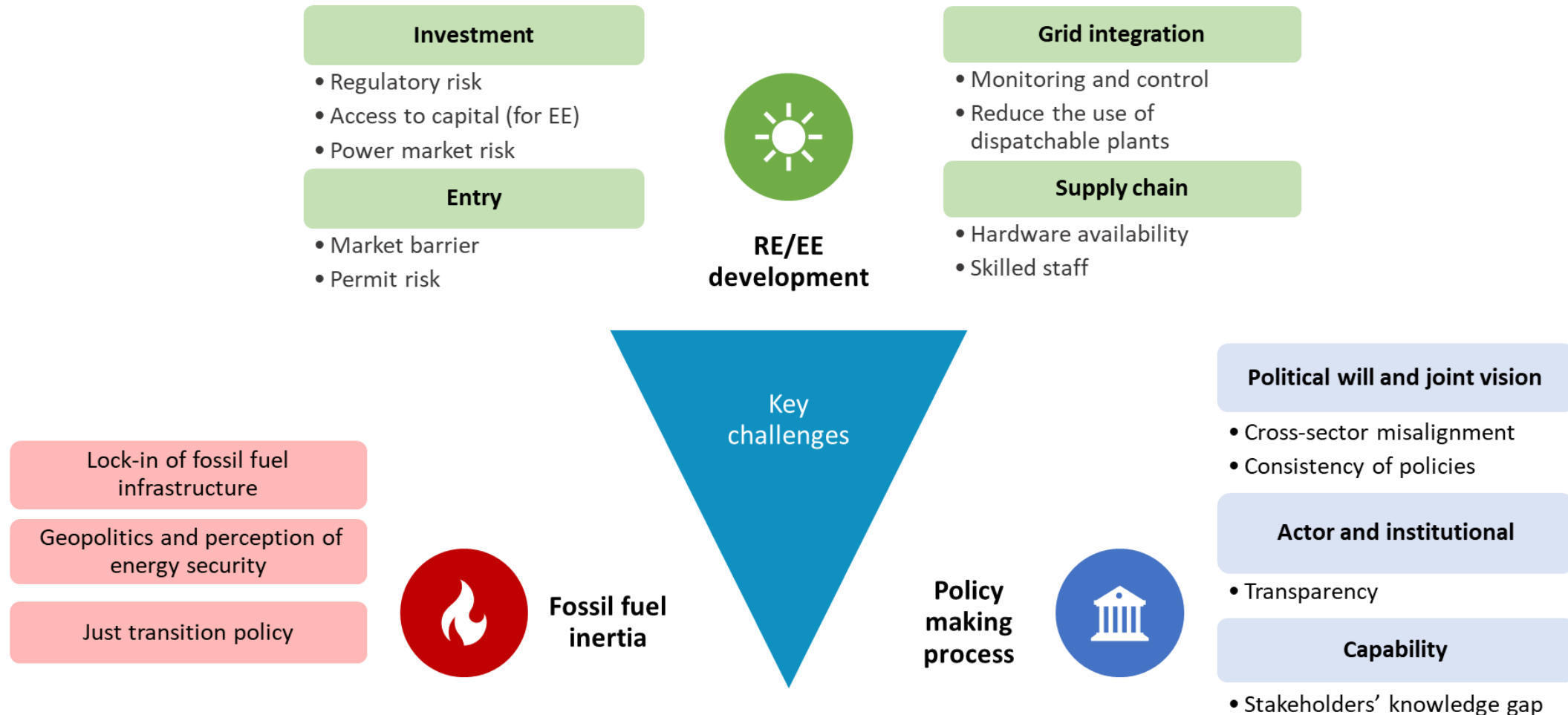


Mitsubishi Corp.'s headquarters in Tokyo: The trading house faces growing international pressure to withdraw from coal-fired power plants. © Reuters

Nikkei staff writers  
 February 25, 2021 22:55 JST • Updated on February 26, 2021 06:09 JST

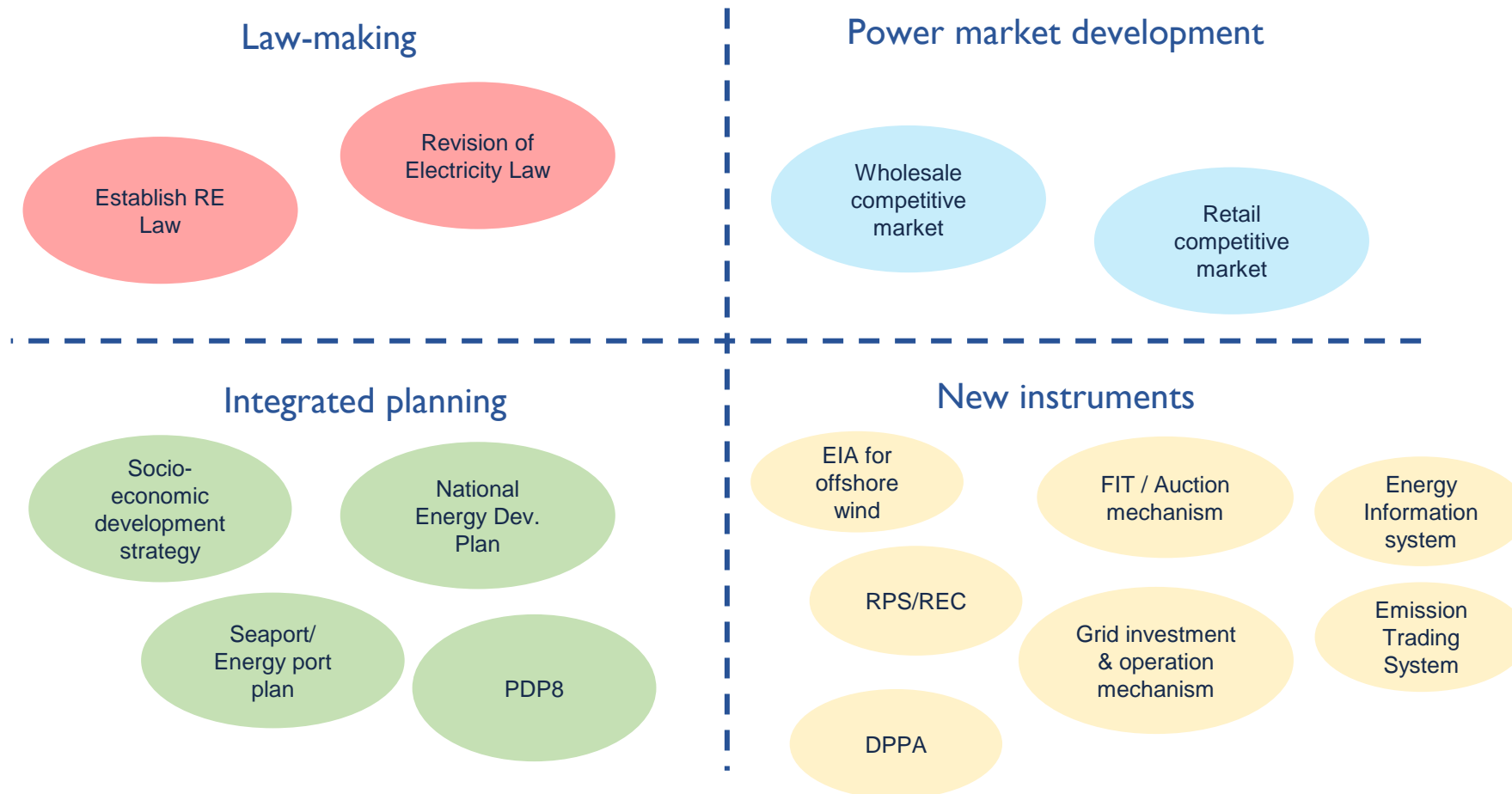
TOKYO -- Japanese trading house Mitsubishi Corp. decided Thursday to withdraw from the Vinh Tan 3 coal-fired power plant project in Vietnam amid growing international concern about climate change, Nikkei has learned.

# Key challenges for energy transition in Vietnam





# How Vietnam will transform its energy sector into a reliable and climate-friendly system in the next decades?





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 [www.vietse.vn](http://www.vietse.vn)

 [info@vietse.vn](mailto:info@vietse.vn)

**Thank you!**

