

Voltiq co-hosted the November 21st 2017 Conference on “Technology & Finance Solutions for developing Vietnam Solar Energy” in Hanoi.



- Energy consumption has been increasing by 12% per year since 2005, and is expected to continue growing at that pace. Vietnam has almost 100 M inhabitants and more than 99% of population is connected to the power system;
- Vietnam decided in November 2016 to abandon plans for nuclear energy generation;
- Vietnam’s energy mix (2015) consists of hydropower (45%), gas, (33%) coal (20%), and oil (2%);
- On June 1st 2017, Decision 11/2017/QĐ-TTg (“Decision 11”) came into effect, promoting the development of solar PV power projects by means of a PPA-template and a Feed-in Tariff (“FiT”);
- Vietnam aims for a share of renewable energies of 10.7% in the energy mix by 2030, with a breakdown in installed base of 12,000 MW of solar PV, 6,000 MW of wind power and 6,000 MW of biomass generated energy;
- First round of solar PV project equaling 850 MW which will benefit from a FiT of USD 93.5/MWh flat for 20 years (from COD) should be operational by June 30th 2019;
- This first round is entertained by a standard PPA template between the generator and national utility EVN;
- Beyond the first round, during the 2020-‘22 period we expect the market might start to show direct PPA’s between generators and electricity users in Vietnam, on the back of the aspired market liberalization and creation of a wholesale market, which today is not existing;
- The current PPA template of EVN is perceived by the market to have some flaws that hamper at least the use of foreign lending instruments, the main ones being:

- No offshore arbitration;
 - No proper treatment of curtailment, nor compensation when it would occur;
 - No clear compensation mechanism in case of termination.
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- The system distinguishes between solar projects bigger and smaller than 50 MW. Both sizes have to be approved by the Ministry of Industry and Trade (“MOIT”) to be included in the national Solar Power Master Plans, but the ones > 50 MW also need the signature of the Prime Minister. For this reason, many developers focus on projects < 50 MW, but some market parties argue that projects > 50 MW are in a stronger position as they’ve been earmarked as strategically important projects given the PM’s approval.

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