



## DEA and MOIT jointly launch Vietnam Energy Outlook Report 2017

*UPDATED 26 SEPTEMBER 2017*

Today Mr. Thomas Egebo, Permanent Secretary of State, Danish Ministry of Energy, Utilities and Climate and Mr. Hoang Quoc Vuong, Vice Minister of the Ministry of Industry and Trade (MOIT) in Vietnam signed the Programme Document of the Energy Partnership Programme between Viet Nam and Denmark. The signing marks the beginning of another three years of close cooperation between the Danish Energy Agency and Ministry of Industry and Trade with a total budget of 21.6m DKK.

Following the marking of the new phase of the cooperation, the Vietnam Energy Outlook Report (EOR) 2017 was launched at an event with participation of MOIT's vice minister, a broad range of stakeholders and the Vietnamese press. The Vietnam EOR 2017 lays out alternative energy sector development pathways for Vietnam and identifies possibilities for lower-carbon future. The study finds that the Nationally Determined Contributions of Vietnam following the Paris Agreement with a conditional 25 % reduction target in greenhouse gasses could be achieved through strengthening energy efficiency and exploiting RE sources with international support.

### **144 GW wind power potential to lift renewable energy target**

Based on in-depth modelling of the electricity system the EOR also indicates that it is possible to operate the Vietnamese electricity system with very high levels of variable renewable energy without incurring curtailment of RE generation. With long-term national technical potential estimated at 144 GW, wind power is projected to play a very important role towards achieving the goal of 43% RE in power generation in 2050 as set out in the RE Strategy of Vietnam. The analysis also suggests that this could be achieved at minor additional cost, with annualized total system cost difference of under 6% compared to a business-as-usual case in 2050.

Based on the analysis the EOR recommends that Vietnam improves the legal framework RE development, develop an appropriate policy for power tariff, and ensure a fair competitive environment to attract domestic and foreign private investors in power generation. It is specifically recommended that a RE bidding mechanism is developed and that the current FIT mechanism should be evaluated at fixed periods to ensure an appropriate level of support to accomplish RE development targets at the lowest possible cost.

### **Long-term advisor from the Danish Energy Agency will be stationed in Vietnam**

As a new initiative the cooperation will include a long-term advisor from the Danish Energy Agency who will be stationed directly at MOIT to assist with long-term energy planning. The cooperation will support Vietnam in long-term planning of green transition of the energy system with emphasis on the electricity system, integration of renewable into the electricity system and improving energy efficiency in the industrial sector.

Moving forward the Danish Energy Agency will seek to further boost the energy modelling work in Vietnam by utilizing successful experiences from the

Danish Energy Agency's cooperation with China where Children's Investment Fund Foundation (CIFF) have supported the modelling of RE integration in the Chinese power system. The Danish Energy Agency is already in close dialogue with CIFF on the possibilities for further impacting the development of the Vietnamese energy system e.g. by strengthen the modelling of the positive impact of RE on security of supply.

## Contact

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## Documents

- [Vietnam Energy Outlook Report 2017](#)
- [Renewable energy scenarios for Vietnam - Technical Report](#)
- [Note on Energy Outlook Report for Vietnam](#)

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