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Status of the JETP in Vietnam

Minh Ha-Duong

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INETTT
International Network of Energy Transition Think Tanks

THE
JUST ENERGY TRANSITION PARTNERSHIPS
IN SOUTH AFRICA, INDONESIA AND VIETNAM

WEBINAR

Status of the JETP in Vietnam

Ha-Duong Minh, 2023-04-18

PARI PUBLIC AFFAIRS RESEARCH INSTITUTE
IESR Institute for Essential Services Reform
VIET Vietnam Initiative for Energy Transition
Agora

Vietnam JETP deal

Negotiations started at COP26, ended with Political Declaration in Brussels on December 14, 2022

- IPG countries mobilize $15.5 billion, half public - half private.
- Vietnam aligns its power sector development with its net-zero pledge

Pledges

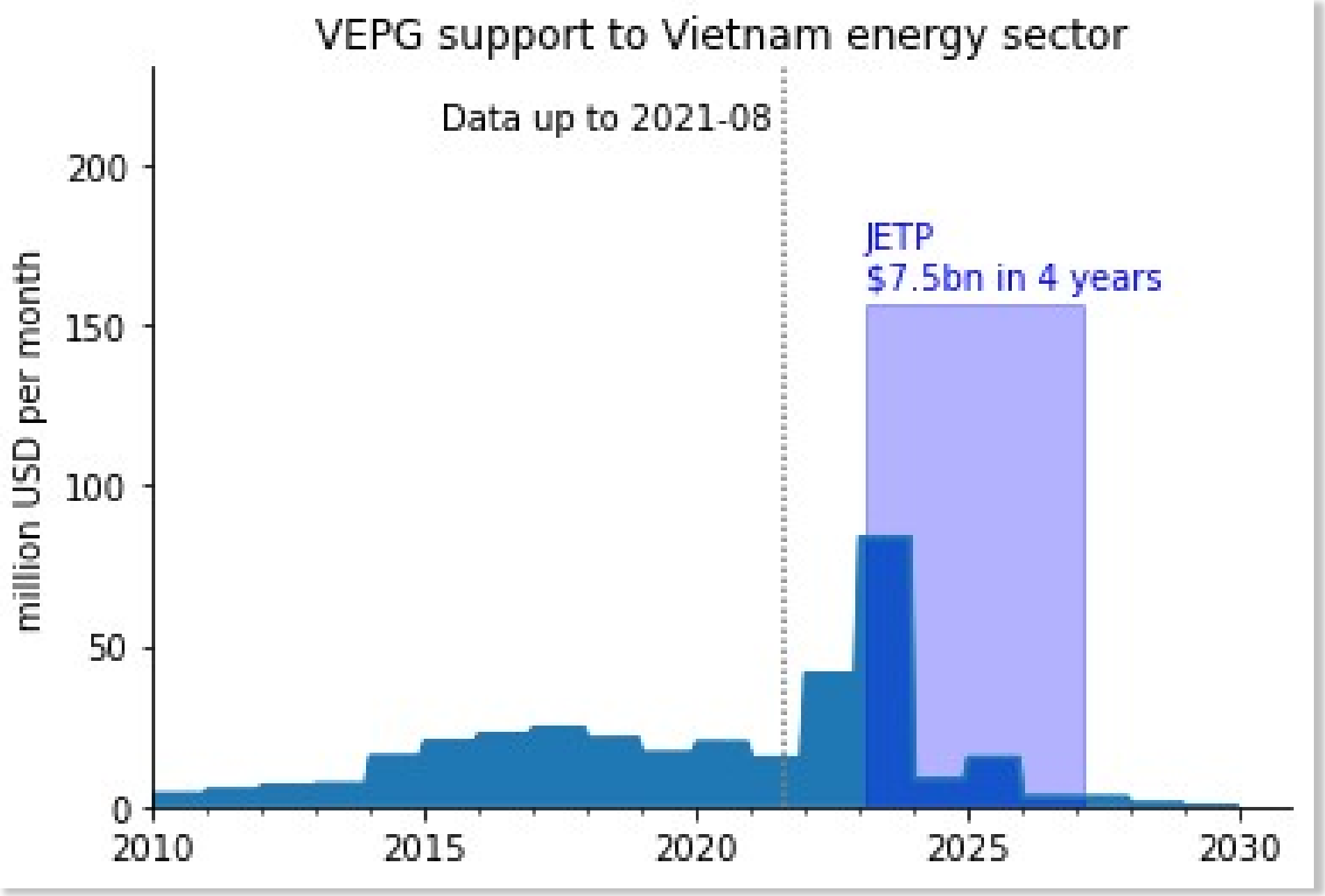
G7+

- Mobilize $7.75 billion in public sector financing at more attractive terms than private capital markets.
- Private financial institutions consortium “Glasgow Financial Alliance for Net Zero (GFANZ)” to raise at least $7.75 billion.

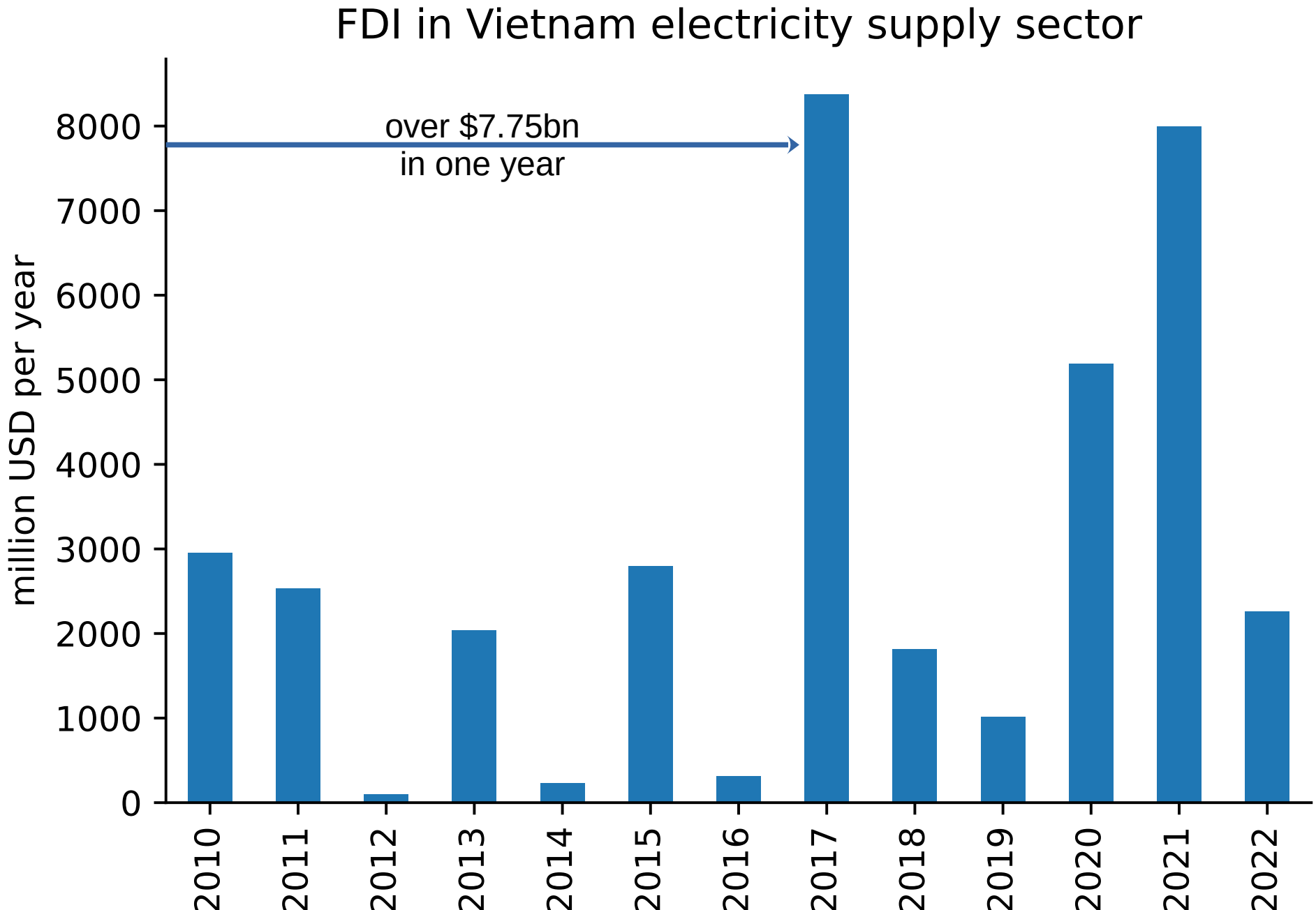
Vietnam

- Power sector CO_2 emissions to peak at 170 Mt in 2030 instead of 240 Mt in 2035.
- Limit coal power capacity by 2030 to 30.2 GW from a projected 37 GW.
- Renewable sources including hydroelectricity will account for at least 47% of electricity production in 2030.

$7.75bn public support



>$7.75bn private capital

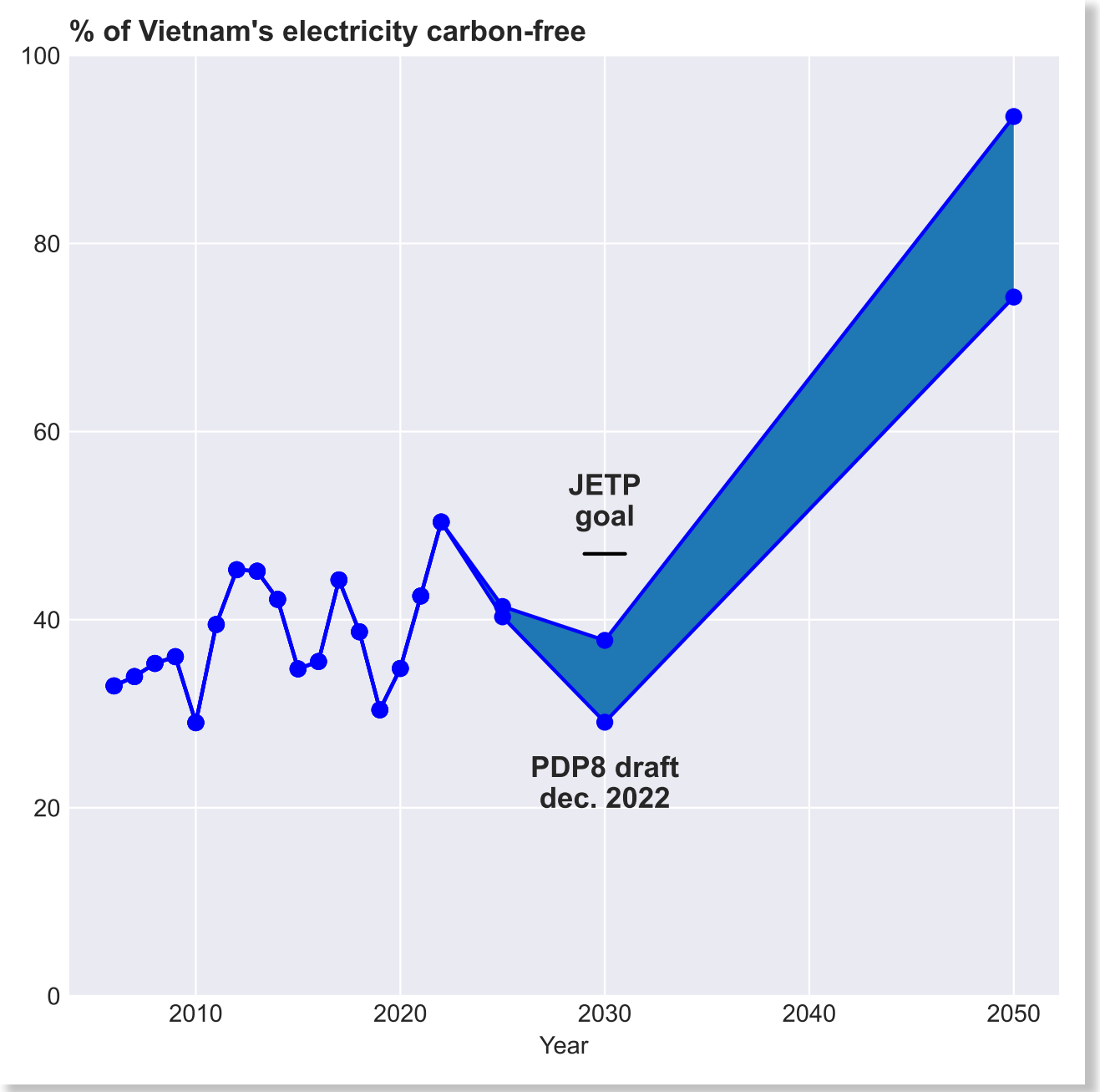


30.2 GW coal cap

- Old plan: 37 GW in 2030
- But five projects (6.8 GW) lack a committed investor

- Future phase-down:
  only 3.9 GW opened before 2010

47% RE done in 2022



Peaking in 2030

Net-Zero scenario of Vietnam's Energy Outlook 2021 report*

- 38 GW PV and 21 GW wind by 2030
- Storage needed after 2030
- Similar energy system costs
- Imported coal capacity factor <50%

** Electricity and Renewable Energy Authority, Ministry of Industry and Trade with the Danish Energy Agency*

Resource Mobilization Plan

JETP RMP for next COP

Align Power Development Plan 8

Restart Renewable Energy sector

Conclusions

Strong cooperation momentum

External debt disbursements from the government decreased from 3.5 billion USD in 2017 to 1.9 billion USD in 2021.

Plausible that ~35% of power sector investment comes from G7+

Known recipe: direct power purchase agreement, auctions, grid code, tariffs. Plus training & technology transfer.