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Status of the JETP in Vietnam

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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.

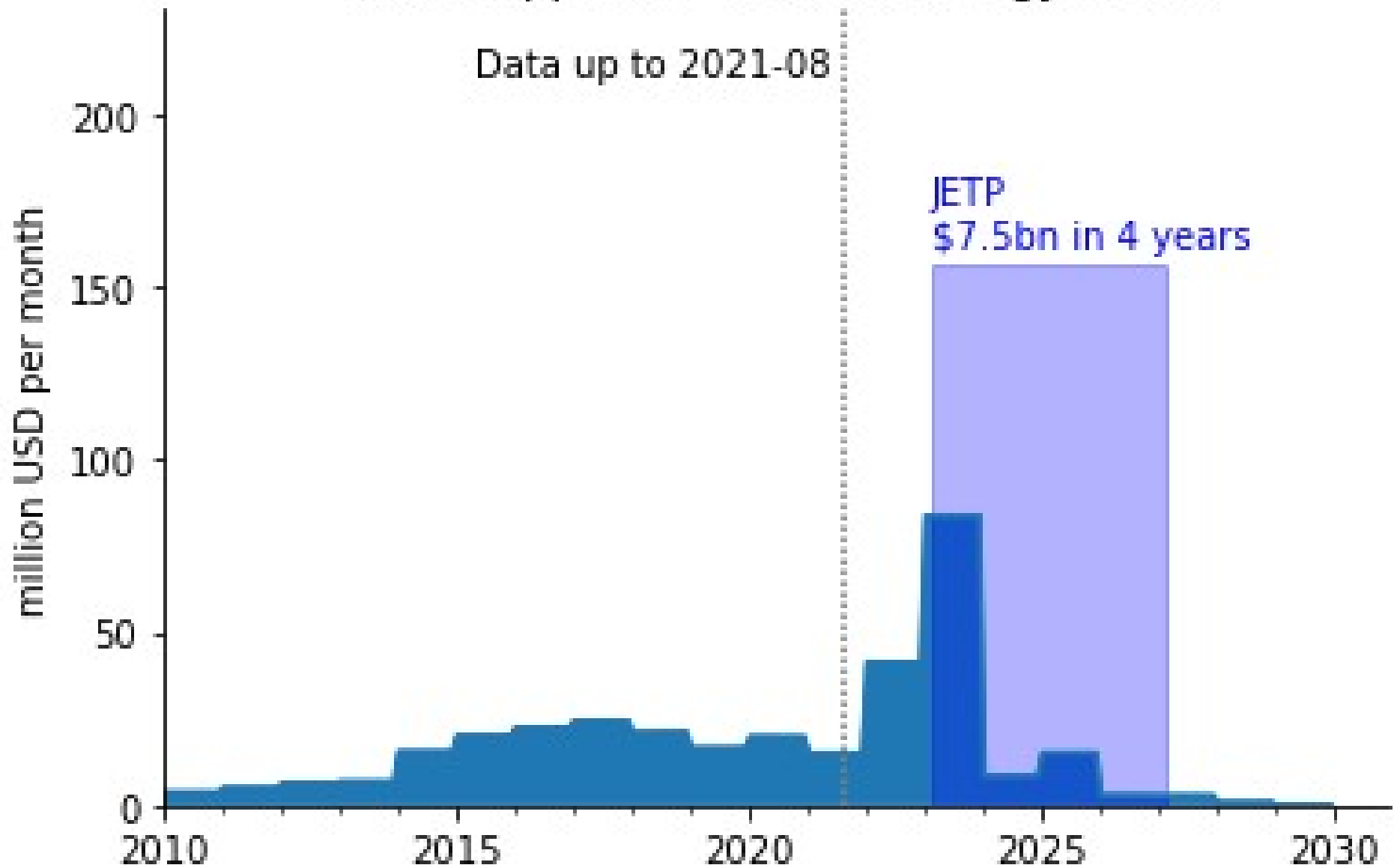
Vietnam

- Power sector CO₂ 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

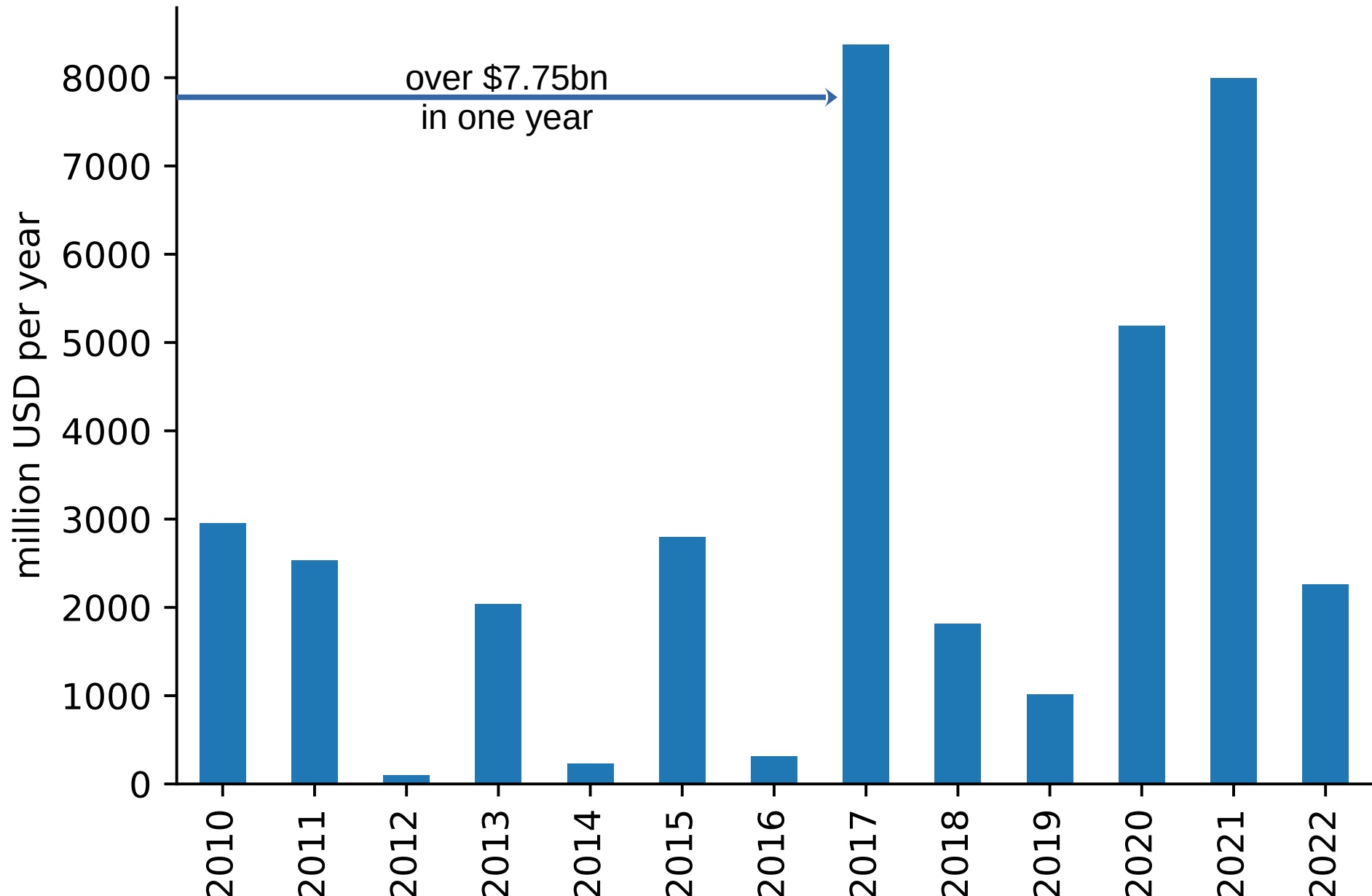
VEPG support to Vietnam energy sector

Data up to 2021-08



>\$7.75bn private capital

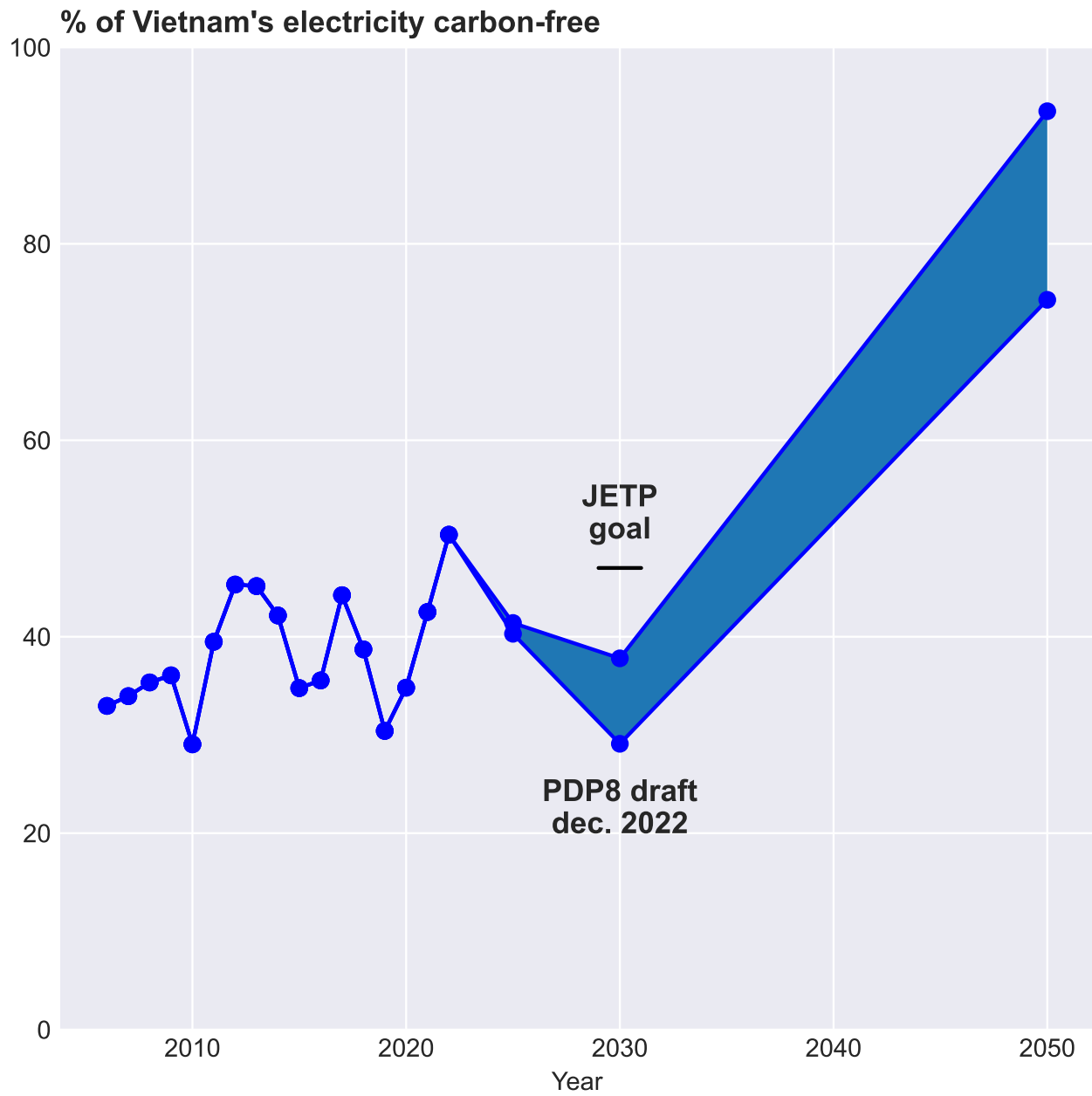
FDI in Vietnam electricity supply sector



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* 8
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.