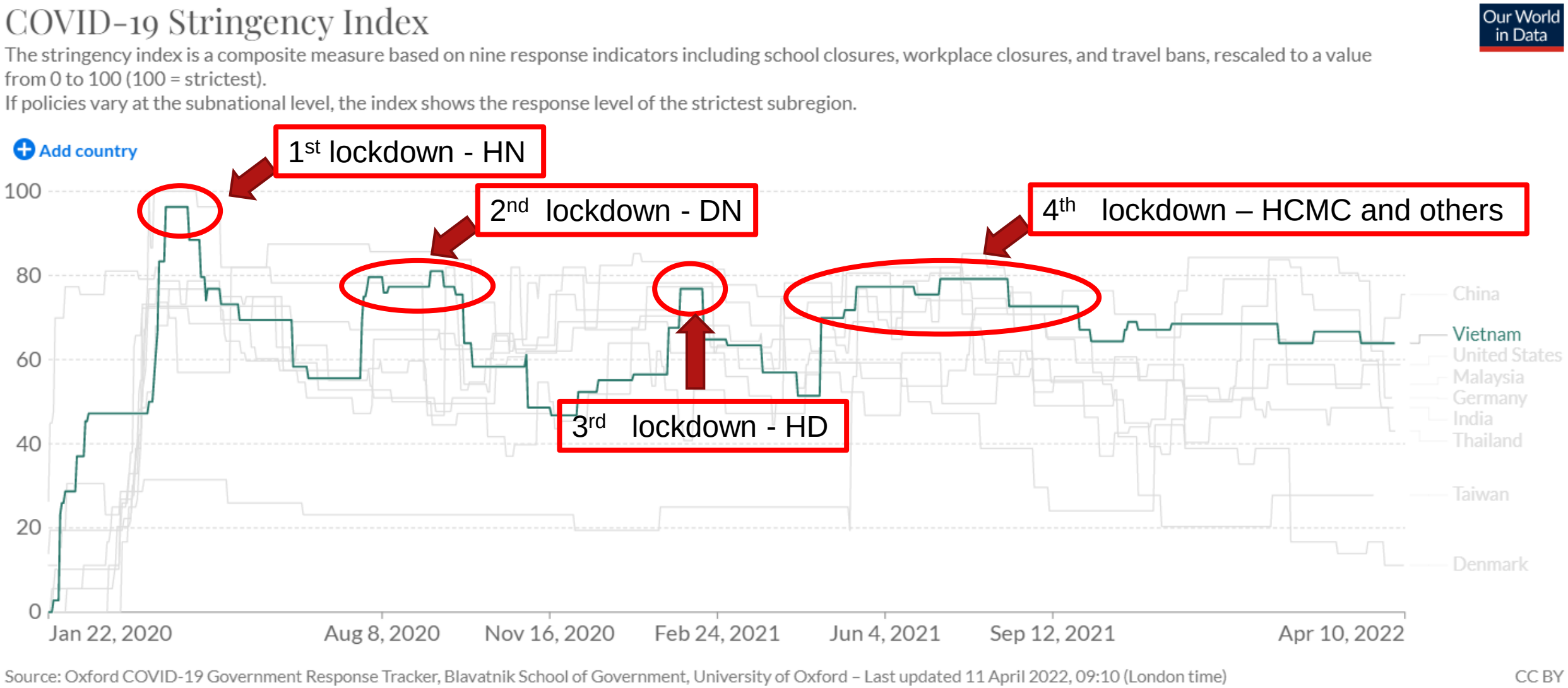
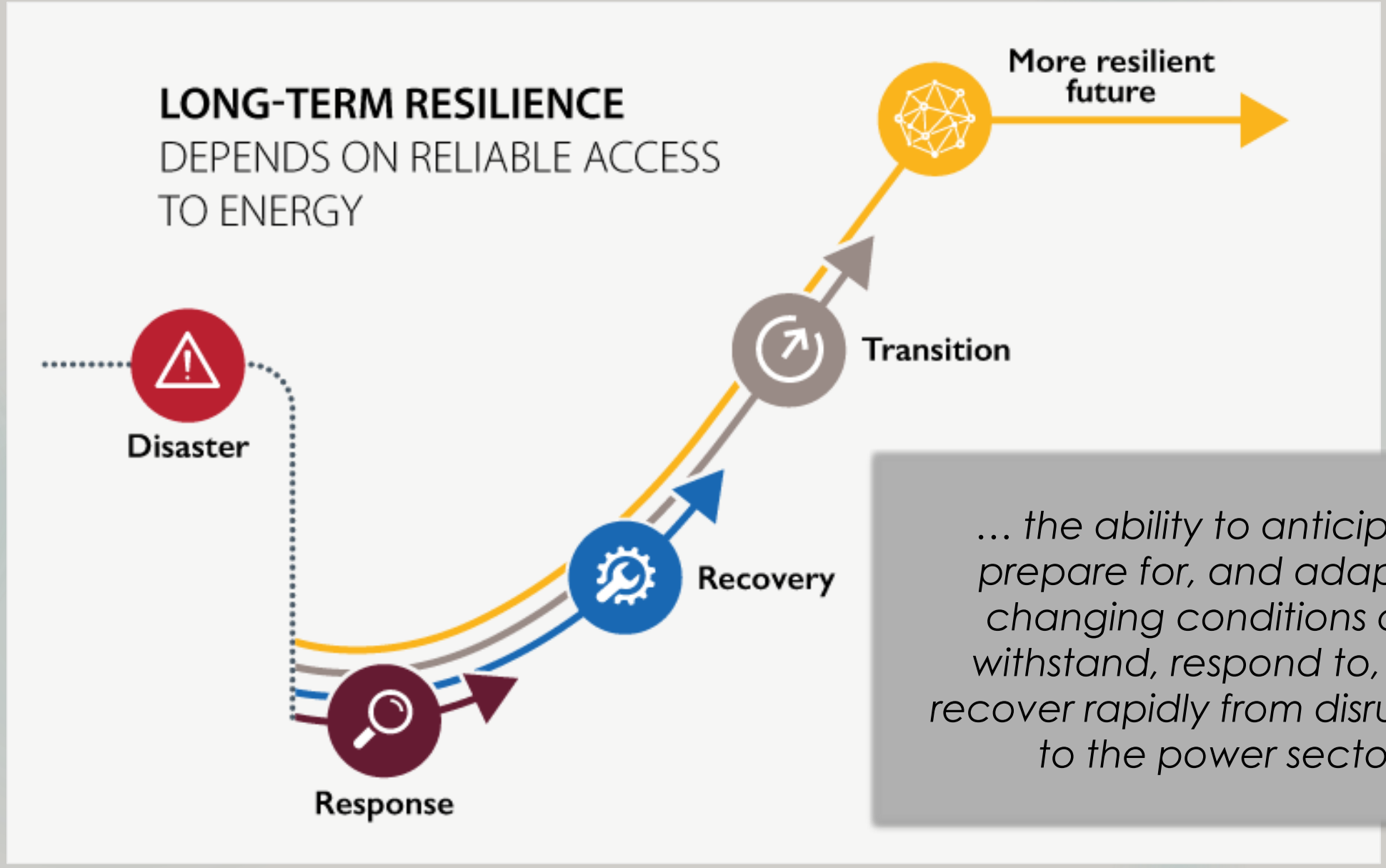
Assessment of COVID-19 impacts on Vietnam power sector

USAID Vietnam Low Emission Energy Program II (V-LEEP II)
Nguyen Trong Nghia

Government of Vietnam's responses to COVID-19 have impacted the power sector



COVID-19: From Response to Resilience



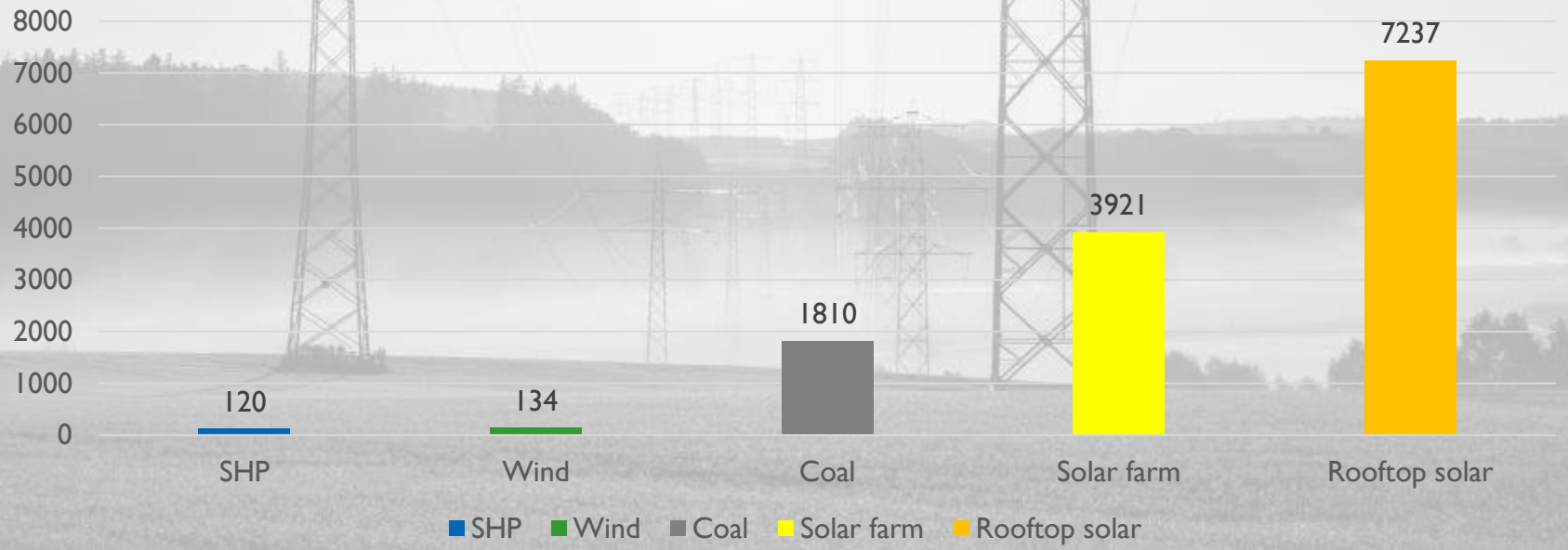
… the ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions to the power sector

Power system overview 2020

Due to COVID-19, demand has been much lower than expected

Annual demand	Max daily demand	System installed Capacity
245.85 bil.kWh	797.54 mil.kWh	61,268 MW
Increase only 2.43% vs 2019 Planned growth: 9.09%	Increase only 1.72% compared to 2019	Not including 7.2 GW_{AC} of RTS

Installed capacity in 2020 - 13,222 MW – including RTS



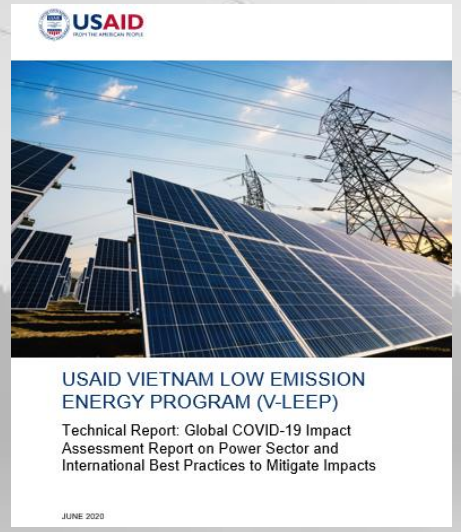
Power system overview 2021

Due to COVID-19, demand has been lower than expected

Annual demand	Max daily demand	System installed Capacity
256.73 bil.kWh	880.37 mil.kWh	78,121 MW
Increase only 3.91% vs 2020 97.8% of Planned growth	Increase only 9.6% compared to 2020	Including 7660 MW of RTS

USAID V-LEEP implemented COVID-19 impact assessment

Mar 2020 – Jan 2021

Mar - Apr	Apr - May	May - Jun	Jul - Nov	Nov - Jan
International review	Develop questionnaires	Select interviewees	Implement interviews	Final report
	4 groups of entities • Public administration • Generation units • Transmission companies • Distribution companies	Selection criteria • Geographical distribution • Generation technology • Ownership	Engaging method • In person • Email exchange • Virtual meeting	Process: • Draft report • Consultation workshop • Final report

- Approval of scope of work by MOIT and USAID in March 2020 (USAID rapid response support)
- USAID through V-LEEP provided support to MOIT agencies for creating virtual centers to ensure business continuity

Main findings

COVID-19 has had impacts on all aspects of the power sector, from production and business activities to the maintaining of sufficient power supply to different economic sectors and activities of social life.

Impact on operation

- Load increased sharply in the residential sector (6.5%), slightly increased in the industrial sector (1%) and decreased significantly in the commercial sector (-12%).
- Load changes led to a change in mobilization of power sources in the power system.

Impact on projects

- All ongoing projects are affected in terms of progress due to land clearance delay, the interruption of supplies of equipment and lack of suppliers' experts.
- Although online communication has been applied but it was not as efficient as face-to-face communication.

Impact on revenue

- The targets (KPI) assigned to the power agencies in the business plan at the beginning of the year are all related to the power output.
- Therefore, when the demand decreased nationwide due to the impact of COVID-19, all agencies in the power sector will be affected in terms of business performance, revenue and profit.
- Only existing renewable energy projects were not affected by issues related to COVID-19 due to priority dispatch.

Recommendations

The power sector has had appropriate response plans to ensure sufficient power supply in terms of stability, adequacy and reliability.

- Response approach was consistent from the top level down (GVN, MOIT, EVN, PPC, unit)
- Flexible, suitable COVID-19 response plan for each individual entity (EVN → GENCO2 → S.B2 HPP)
- Protecting core workforce (operator of all entities)
- Increased online working mode (EVN-GENCO3 - camera monitoring for installation of equipment)
- Flexibly adjusted maintenance plans (EVN-GENCO1-DHD)
- Supply chain management mitigated the impact of delayed equipment (EVN-NPT-CPMB)
- Creativity in the working model mitigated the impact caused when experts are not allowed to come
- Greater interactions with customers via online platforms (EVN-PCs)

Thank you for your attention!

USAID Vietnam Low Emission Energy Program II (V-LEEP II)
Nguyen Trong Nghia – Energy planning and policy senior expert
E: Nghia.Nguyen@rcee.org.vn

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