

Dear Excellencies Ambassadors,

Dear colleagues,

Dear ladies and gentlemen,

This morning, we listened to the MOIT Minister, the EU Ambassador and the World Bank Director addressing the historic challenge that Viet Nam is currently facing – as many other countries do at this point of time.

It is the challenge of transforming the power system of Viet Nam, towards a more sustainable and decentralized system that builds on abundant but variable domestic renewable energy sources, such as wind and solar energy, and less on coal and other fossil fuels that are mostly imported.

This transformation not only requires a shift from 'dirty' to clean power production capacities, thus adding more wind, solar and bioenergy power plants to the mix. But – and this is more fundamental and challenging – it also requires a shift in the way in which we design and develop our electricity grid and the way in which we operate the power system.

In Germany, where we are already more than 15 years into this transition process, we talk about a 'paradigm shift'. A paradigm shift that literally requires to turn some long-term beliefs 'up-side down'. If we think for example about seeing wind and solar energy as the new 'baseload' in the system and flexible gas power plants or other dispatchable renewable power sources and storage as "backup" to balance the fluctuating generation that comes from Hundreds of Thousands of Photovoltaic systems and wind turbines.

The benefits of this fundamental shift will pay off all efforts we have to take, all investments we need to do multiple times. There is ample proof for this from many studies around the world – and we will hear more about this in the coming hour: The costs of renewable energy technologies have considerably dropped and are still becoming cheaper every day. This paired with the positive effects on the local economy in terms of local value-added and green job creation, can provide an affordable, reliable and much for sustainable energy supply.

However, on the way to such a new and more sustainable energy system, we need to do a lot of 'homework' in terms of finding technical and operational solutions to transform the power system as the shares of variable power generation from wind and solar energy increase.

This will be the topic of our next session and I am delighted to open this session, which will be driven by very knowledgeable and highly experienced experts.

Last week, I had the honour to deliver opening remarks to the first 'Smart Grid Week Viet Nam'. And I was impressed by the level of expertise and the variety of technical solutions and ideas that were discussed in the sessions over this week – topics from Smart Technologies, Demand Response to Virtual Power Plants were in focus.

In today's Forum we will not go into technical details but rather look at the general tasks at hand and the opportunities of this new distributed renewable energy world that has so many potentials to benefit the system and the consumers.

I would also like to use the opportunity to assure the Vietnamese Government the full support of Germany in this process. With our own experience of the 'Energiewende', the energy transition, we want to work with Viet Nam and MOIT in finding technical solutions, adjusting the legal framework, as well as developing technical guidelines and codes of system operation. 70 percent of Germany's total solar power is currently being generated on more than 1.5 million Rooftops. The total installed solar power capacity exceeds 45,000 Megawatt and adds to an additional 53,000 Megawatt of on-shore wind power capacities – and this with a national peak demand of roughly 80,000 Megawatt during the winter months.

With our Smart Grid Project, implemented by GIZ in cooperation with ERAV, we want to transfer our experience with such large amounts of distributed renewables to Viet Nam and provide support that will allow the integration of large shares of wind and solar energy and on building the capacities of all relevant stakeholders in the sector here in the country.

Furthermore, with our EU-German co-funded Renewable Energy and Energy Efficiency project, implemented by GIZ, we are providing support to MOIT in developing the legal and technical framework for distributed renewable energy and for rooftop solar development, in particular.

In this context, I would like to highlight the collaborative efforts of a variety of development partners, including USAID, World Bank, the EU and Germany who developed the Rooftop Solar Promotion Programme in close coordination with MOIT over the past months. I had the honour to attend and open the official launch of the Programme on the side of MOIT leaders in July.

Germany and the EU, in the context of its co-funded project, will contribute a number of support measures that aim at enabling the Rooftop Solar market. As part of this, we will develop a certified Solar Installer training module to be implemented in numerous vocational colleges in Viet Nam. Furthermore, we are developing Investment Guidelines for commercial & industrial rooftop solar projects that shall help investors and interested industry stakeholders to better

understand the technology, business models and necessary steps of 'going solar'.

Dear ladies and gentlemen, last but not least, I want to invite you all to join the dialogue of the Viet Nam Energy Partnership Group and contribute to and at the same time benefit from this valuable coordination platform. In September – right after my arrival in Viet Nam - I co-chaired together Mr. Nguyen Ninh Hai, Director of the Renewable Energy Division of EREA/MOIT the 4th meeting of the VEPG Technical Working Group 1 on Renewable Energy. I witnessed a very lively, active and highly constructive dialogue among key energy sector stakeholders in Viet Nam, MOIT and further government agencies. I learned that this VEPG dialogue platform can contribute much to our common task and is a meaningful instrument for coordination and learning. So, I would like to warmly invite you all to join this dialogue.

Now it is time for the experts on this topic to take over and share their ideas and reflections on the question of how to move towards this new, distributed and renewable energy world.

I wish you all fruitful discussions and I hope that we will all take new ideas and insights out of this session that we can implement right here, in Viet Nam.

Thank you very much