



SolarPower  
Europe

# Solar investment opportunities in Vietnam

Vietnam Energy Partnership Group – Technical Working Group 2

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# SolarPower Europe at a glance



**We represent the whole solar value chain**

270+ organisations



**We work closely with 30+ national associations**

## Global Markets workstream

- 65+ member companies
- Identify business opportunities in new, high profile and thriving markets
- Reducing barriers to solar deployment be they regulatory, administrative, or related to bankability of projects



Manufacturing
Modules, wafers & cells
Building integrated PV
Inverters
BOS
Developers & EPCs
Storage
IPP
Utilities
O&M, Asset Management
Digitalisation
Research organisations
National associations
Advisory


# Solar investment opportunities in Vietnam

## The future for solar looks bright

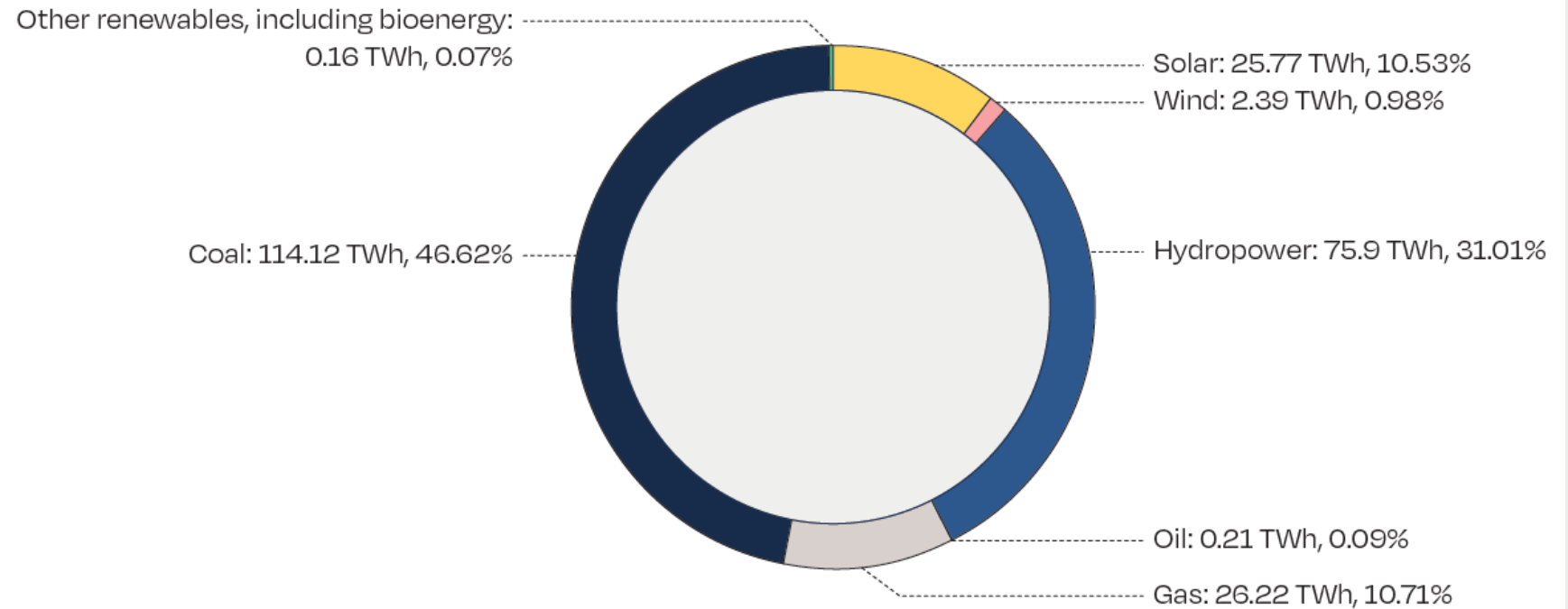
- ❑ Vietnam has great solar potential as demonstrated by the massive increase in solar capacity in 2019-20.
- ❑ Vietnam's goal of becoming a high-income country by 2045 requires 5% economic growth annually and this will increase energy demand.
- ❑ Vietnam's net zero emissions target for 2050 and the commitment to phase out unabated coal mean renewable energy sources will continue to scale up.

## Market report main topics

- ❑ Overview of the macro-economic, socio-political, and business conditions in Vietnam.
- ❑ Deep-dive on the structure of the electricity and power sector (stakeholders, regulatory framework, RE targets).
- ❑ Outlook for solar PV (solar PV potential, current policies).
- ❑ Detailed recommendations for policy makers, DFIs, and private sector.

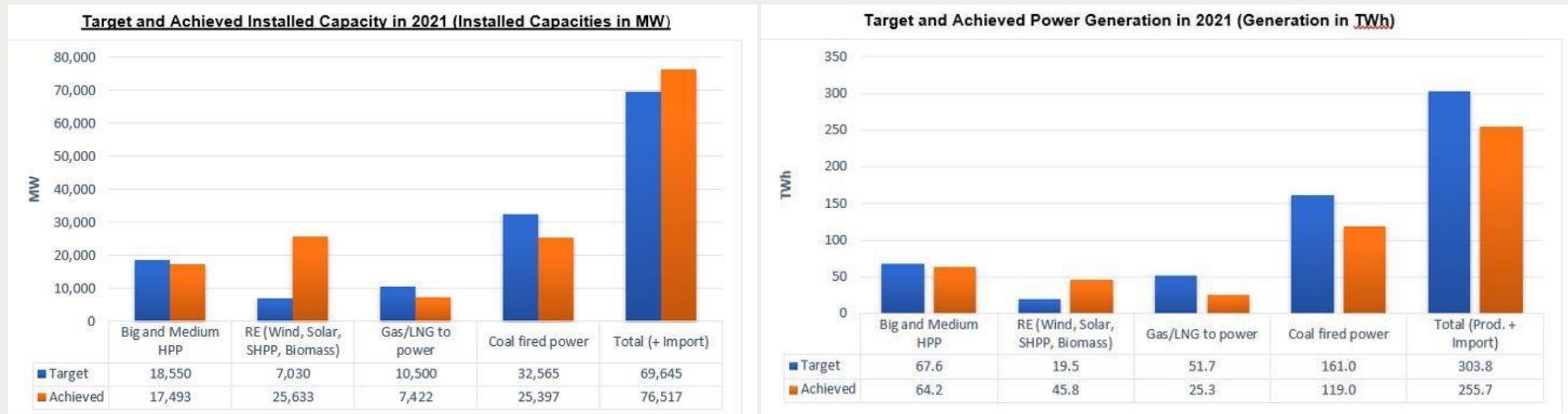
# Vietnam's electricity mix

- ❑ High proportion of renewables in the electricity mix
- ❑ As a net importer of energy, Vietnam can regain its independence through further renewables development



SOURCE: : Ritchie, Roser, and Rosaldo, published on OurWorldInData.org, 2021.

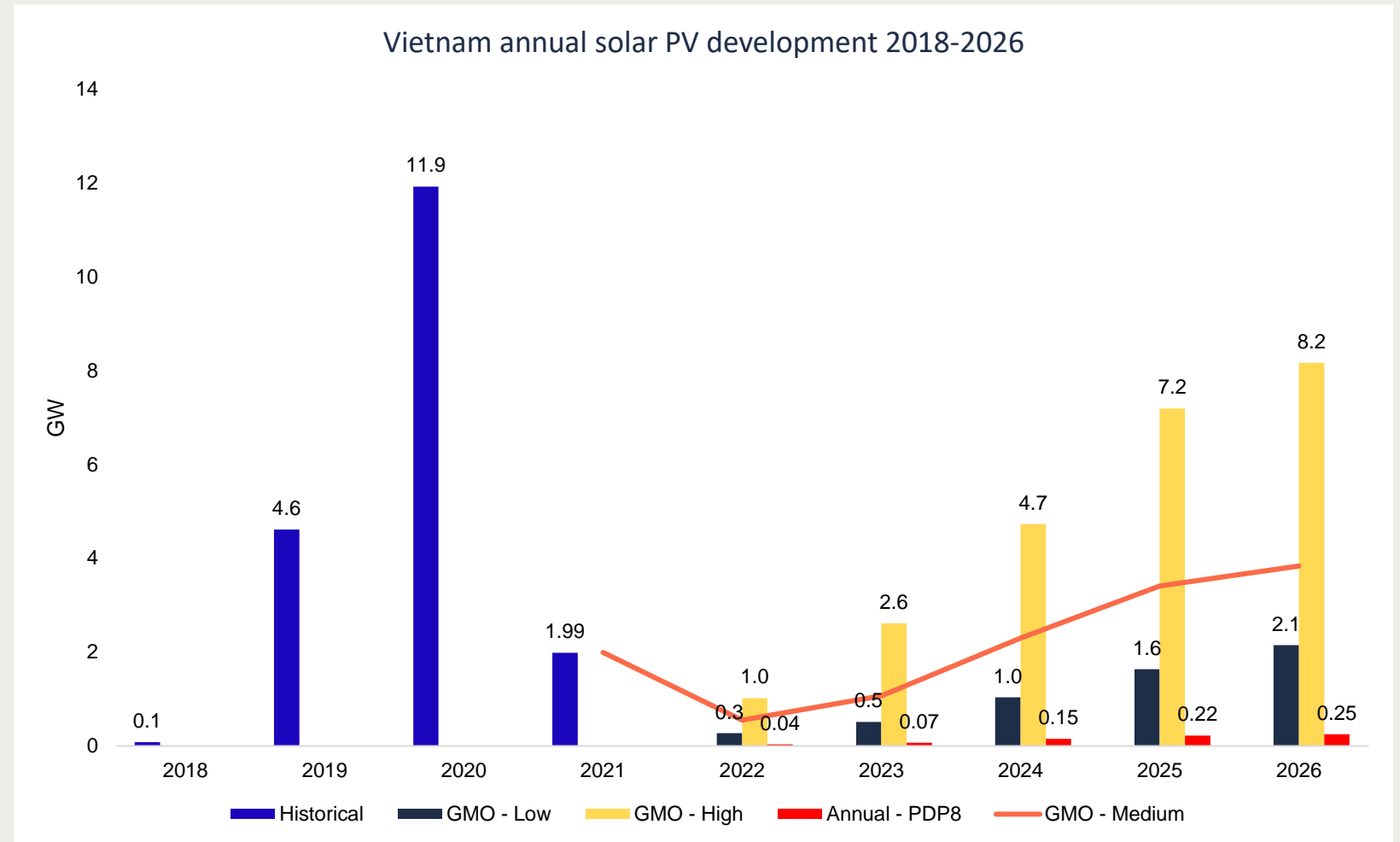
# Solar helped to reach the power generation targets of PDP7



RES boom was driven predominantly by two consecutive years of solar growth supported by feed-in tariffs (FiTs) and resulting in 16.7 GW of solar, nearly 20 times the planned 2020 target (850 MW).

# Solar Power Europe Vietnam annual PV market forecast 2022 - 2026

- ❑ PDP8 drafts report only +726MW additional capacity by 2030.
- ❑ SolarPower Europe outlook scenarios account for previous performances and further potential self-consumption additions in capacity, as well as factoring in any changes to PDP8.



Source: SolarPower Europe Global Market Outlook (GMO) (2022-2026)



# Opportunities and challenges for solar in Vietnam

## Policy and regulation

- Market design (wholesale market and auctions)
- Driver of Foreign Direct Investment and GDP growth. Opportunities for capital deployment



## Infrastructure

- Curtailment
- Energy security
- Energy mix diversification and Net Zero



## International cooperation

- Just Energy Transition Partnership



# Key enabling factors for solar growth

- ❑ Higher level of coordination between generation and transmission planning could help increased renewable integration.
- ❑ A clear and predictable regulatory framework would provide investors with clarity.
- ❑ A new support scheme (e.g. competitive auctions, emission trading) for solar would help to enable investments.
- ❑ The coordination of approval processes for land access could be streamlined.
- ❑ International bankability should be considered when designing future PPAs.
- ❑ A specific regulatory framework governing Battery Energy Storage Systems (BESS) would help to ensure security of supply.
- ❑ The consultation mechanism in policymaking processes should be leveraged to attract further investment.
- ❑ PDP8 should be aligned with the goals of the JETP and the JETP Resource Mobilisation Plan to support the development of a long-term legal framework and project pipeline for renewables.







# Thanks for listening



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