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LEGAL ALERT

(OCTOBER 2022)

**THE MINISTRY OF INDUSTRY AND TRADE CONTINUES TO
PROPOSE ADJUSTMENTS TO POWER PROJECTS IN THE
DRAFT POWER PLANNING VIII**



On 13 October 2022, the Ministry of Industry and Trade issued Statement No. 6328/TTr-BCT on approval of the National Power Development Planning Project for the period of 2021 – 2030 and with vision toward 2050 (hereinafter referred to as “**Power Planning VIII**”.) The main objectives of Power Planning VIII are: (i) future development orientation of the power sector, (ii) quantification of the target values of electricity supply, (iii) determination of scale, progress and spatial distribution of power source projects, power grids, and (iv) proposing solutions to implement the plan, thereby contributing to ensuring a safe and continuous supply of electricity for socio-economic development, national security and defense.

In this Statement, the Ministry of Industry and Trade has proposed the Prime Minister the following major contents:

- **Regarding source structure:** by 2030, the total capacity of power plants will be about 123,682-145,589 MW; the year 2050 is oriented toward a total capacity of about 375,361-501,558 MW. The overhead power structure includes rooftop solar power, cogeneration sources, and self-dissipating solar power.
- **Regarding solar power projects:**
 - (i) *Projects approved and supplemented to the revised Master Plan VII:* it is proposed to allow the continued development of solar power projects that have been approved by investors until 2030 with a total capacity of 2,360.42 MW provided that such projects must absolutely comply with the law on investment, land, construction, ... at the same time, these projects are only allowed to be deployed in line with the regional power grid infrastructure and the general absorption capacity of the national power system.
 - (ii) *Rooftop solar power:* encouraging localities, enterprises and people to strongly develop rooftop solar power for the purpose of self-use, not selling into the national electricity system. Power Planning VIII identifies this type as a priority, allowing the development of unlimited capacity, regardless of the planned power source structure.
- **Regarding onshore and offshore wind power:** prioritising strong development of onshore wind power of 16,821 MW (expected to increase by 4,659 MW, of which 1,500 MW in the North and 7,000 MW of offshore wind power (only in the North is 4,000 MW).
- **Regarding coal power projects:** having 5 coal power projects (Cong Thanh, Quang Tri, Song Hau II, Nam Dinh I and Vinh Tan III) with a total capacity of 6,800 MW being prepared for investment, which face difficulties in deploying and putting capital into balance and compensating with other sources.
- **Regarding gas power projects:**
 - (i) Prioritising gas-fired power projects using domestic natural gas, focusing on developing two chains of gas-electric projects, Block B and Ca Voi Xanh, with a total new capacity of 6,900 MW by 2030.

- (ii) Reducing 17,000 MW of electricity using imported LNG compared to the March 2021 plan, it is expected that by 2030, 23,900 MW of electricity will be built using LNG.
- **Regarding biomass power:** it is expected that biomass power capacity will reach 2,470 MW by 2030.
- **Regarding hydropower:** prioritising the development of multi-purpose hydropower projects, selectively develop small and medium hydropower projects by 2030 about 28,946 MW of hydroelectricity.
- **Regarding fuel conversion of coal-fired and gas-fired thermal power plants:** orienting to 2050, most coal- and gas-fired power plants will switch to using hydrogen. At the same time, identifying wind and solar power projects for hydrogen production and not selling electricity to the national grid identified as development priority groups.

The Ministry of Industry and Trade will continue to complete the Power Planning VIII dossier and submit it to the Prime Minister for consideration.



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