

## Power Plan VIII (PP8) – 9<sup>th</sup> draft Dec 2022

On Dec 21<sup>st</sup> 2022, the Ministry of Industry and Trade (MoIT) submitted the 9<sup>th</sup> draft of the PP8 for national electricity development scheme for 2021 – 2030 period, given a vision to 2050. We would like to address notable adjustment on solar power.

In the previous draft, solar power would be stagnant until after 2030 except those projects which had been already approved and / or implemented. However, in this draft, there are only 10 out of 23 project remain with only 687 out of 2,360 MW compared to the previous version. The underlying reasons for the change are:

1. Solar power has low operating hours (average 4 hours / day) and without backup from electricity storage technology such as batteries and pumped hydropower storage, which are unable to generate electricity at dark peak hours were removed, and
2. Solar power in general has developed significantly over last three (3) years and accounting for 22% of total installed capacity in 2021, outperformed the plan which was only aimed to be around 10 -15%, therefore, reducing the amount of upcoming projects, as storage and transmission remain bottlenecks, seems reasonable.

### Solar projects remaining in the 9th draft

		Capacity: MW
<b>Waiting for new price scheme</b>		<b>453</b>
1	Phu My 1	65
2	Phu My 3	24
3	Thuan Nam	172
4	Thien Tan 1.2	80
5	Thien Tan 1.3	32
6	Thien Tan 1.4	80
<b>In construction process</b>		<b>234</b>
7	Ngoc Lac	45
8	Krong Pa 2	39
9	Phuoc Thai 2	100
10	Phuoc Thai 3	50
<b>Total</b>		<b>687</b>

Sources: ACBS, MoIT

### Comments:

We think this adjustment is reasonable and in line with our expectation that wind power would replace solar to become the leader in renewable energy development for 2021 – 2030 period, as solar has already seen a significant build up in capacity and wind power possesses some advantages over solar such as being able to generate 24hrs/day addressing night time needs solar can't address without the development of mass storage capacity.

**Associate, Research Department**  
**Toan Pham**

[toanpd@acbs.com.vn](mailto:toanpd@acbs.com.vn)

## CONTACTS

### Ho Chi Minh City Head Office

117 Nguyen Dinh Chieu, Dist. 1, Ho Chi Minh City  
Tel: (+84 28) 3823 4159  
Fax: (+84 28) 3823 5060

### Hanoi Office

10 Phan Chu Trinh, HoanKiem Dist., Ha Noi  
Tel: (+84 24) 3942 9395  
Fax: (+84 24) 3942 9407

## RESEARCH DEPARTMENT

### Director - Head of Research

#### Tyler Cheung

(+84 28) 38 234 876  
[tyler@acbs.com.vn](mailto:tyler@acbs.com.vn)

### Associate Director

#### Gigi Nguyen Binh

(+84 28) 3823 4159 (x250)  
[giaonbt@acbs.com.vn](mailto:giaonbt@acbs.com.vn)

#### Manager- Property Truc Pham

(+84 28) 3823 4159 (x303)  
[trucptt@acbs.com.vn](mailto:trucptt@acbs.com.vn)

#### Manager- Financials Hung Cao

(+84 28) 3823 4159 (x326)  
[hungcv@acbs.com.vn](mailto:hungcv@acbs.com.vn)

#### Associate - Consumer- related, Technology Chi Luong

(+84 28) 3823 4159 (x327)  
[chiltk@acbs.com.vn](mailto:chiltk@acbs.com.vn)

#### Associate- Oil & Gas Hung Phan

(+84 28) 3823 4159 (x354)  
[hungpv@acbs.com.vn](mailto:hungpv@acbs.com.vn)

#### Associate - Consumer-related, Media Trung Tran

(+84 28) 3823 4159 (x351)  
[trungtn@acbs.com.vn](mailto:trungtn@acbs.com.vn)

#### Associate - Construction materials Huy Huynh

(+84 28) 3823 4159 (x325)  
[huyha@acbs.com.vn](mailto:huyha@acbs.com.vn)

#### Associate - Energy Toan Pham

(+84 28) 3823 4159 (x325)  
[toanpd@acbs.com.vn](mailto:toanpd@acbs.com.vn)

#### Associate - Macro Hoa Nguyen

(+84 28) 3823 4159 (x352)  
[hoant@acbs.com.vn](mailto:hoant@acbs.com.vn)

#### Associate - Macro Minh Trinh

(+84 28) 3823 4159 (x352)  
[minhtvh@acbs.com.vn](mailto:minhtvh@acbs.com.vn)

#### Analyst - Technical Phuoc Luong

(+84 28) 3823 4159 (x354)  
[phuocld@acbs.com.vn](mailto:phuocld@acbs.com.vn)

#### Analyst - Technical Huu Vo

(+84 28) 3823 4159 (x354)  
[huvvp@acbs.com.vn](mailto:huvvp@acbs.com.vn)

### Associate Director - Institutional sales

#### Huong Chu

(+84 28) 3824 6679  
[huongctk@acbs.com.vn](mailto:huongctk@acbs.com.vn)

#### Customer Support Institutional Client

#### Thanh Le

(+84 28) 3823 4798  
[thanhln@acbs.com.vn](mailto:thanhln@acbs.com.vn)

#### Trader

#### Thanh Tran

(+84 28) 3824 7677  
[thanhtt@acbs.com.vn](mailto:thanhtt@acbs.com.vn)

#### Trader

#### Phuong Chu

(+84 28) 3823 4159 (x357)  
[phuongctm@acbs.com.vn](mailto:phuongctm@acbs.com.vn)

#### Trader

#### Dung Ly

(+84 28) 3823 4159 (x313)  
[dungln.hso@acbs.com.vn](mailto:dungln.hso@acbs.com.vn)

#### Trader

#### Nhi Nguyen

(+84 28) 3823 4159 (x315)  
[nhinp@acbs.com.vn](mailto:nhinp@acbs.com.vn)

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