

Draft PDP8 update: Solar power projects in the pipeline, beware!

27 October 2022 – In our [previous article on draft National Power Development Plan No. 8 for the period of 2021- 2030 with a vision of plan up until 2050](#) (“PDP8”), we have addressed the development of the draft PDP8 as noted in the Ministry of Industry and Trade’s (“MOIT”) Report No. 5709/TTR-BCT dated 23 September 2022. Following the foregoing report, on 13 October 2022, MOIT issued an update on the PDP8 approval discussion- Report No. 6238/TTR-BCT (“**Report 6238**”).

The latest development on the draft PDP8

The following are the updates captured in Report 6238 in comparison to its predecessor:

Solar power landscape (utility-scale)

MOIT reported that it has requested the Government inspectorate for information related to any non-compliance of the existing solar power projects that were approved in National Power Development Plan No. 7 (“PDP7”). Following the information provided by Government Inspectorate, MOIT, together with the competent authorities and Vietnam Electricity (EVN) will proceed with the investigation and take appropriate actions against the PDP7 approved non-compliance solar power projects (“**PDP7 Approved Solar Projects**”).

Rooftop solar landscape

MOIT anticipated by 2030, Vietnam will have an additional 3,000 MW of self-generating and self-consumption rooftop solar power. MOIT will formulate a mechanism to encourage rooftop solar development to promote rooftop solar.

Wind power landscape

The proposed total capacity of onshore wind farms by 2030 has increased to 21,480 MW, of which 5,016 MW in the northern region (additional 1,500 MW), 6,000 MW in the central region (additional 941 MW), and 10,464 MW in the south region (additional 2,218 MW).

Coal power landscape

MOIT reported that 5 of the PDP7-planned coal power projects, with a total capacity of 6,800 MW, are seeking new investors due to the projects facing implementation difficulties.

Hydroelectric power landscape

MOIT proposed to include hydroelectric power projects in a list of projects under the supervision of the Permanent Government based on prioritizing the maximum exploitation of Vietnam's hydroelectric potential. MOIT reported that by 2030, hydroelectric power will have a total generation capacity of 27,363 - 28,946 MW.

Solar power projects, beware!

PDP7 Approved Solar Projects that have not begun or are still in the implementation stage are now at risk of being excluded from the upcoming PDP8. As MOIT noted that actions will be taken against any of the PDP7 Approved Solar Projects that violated the laws (including but not limited to Investment Law, Land Law, and Construction Law), it may include measures such as withdrawing the projects' Investment Registration Certificates (IRC) for PDP7 Approved Solar Projects that are behind the schedules and suspending the projects.

Key takeaway

- Any PDP7 Approved Solar Projects that were behind the schedule of implementation due to Covid-19 may initiate negotiation with MOIT for an extension before MOIT concluded the action plan against non-compliance PDP7 Approved Solar Projects under Government Inspectorate's report.
- PDP8 approval may subject to MOIT's conclusion of the actions against any non-compliance PDP7 Approved Solar Projects for potential restructuring of the proposed size of total generation capacity solar power projects.
- The limited number of greenfield, coal-fired power project investment opportunities are now open for new investors and financiers amid 5 coal-fired power projects facing implementation difficulties.
- Proposed new wind farm capacity up to 2030 may lead to a surge of demand over the supporting industries of the wind farm project development, including transportation and logistics solutions for wind-turbine, especially wind turbine blades, from the destination port to the project site.

KEY CONTACTS



Tran Duy Canh
Managing Partner
D +84 913 805 673
canh.tran@dentons.com



Chan Hong
Special Counsel
D +84 868 798 392
hong.chan@dentons.com



Nguyen Thi Cuc Vi
Senior Associate
D +84 375 123 655
vi.nguyen@dentons.com

About Dentons LuatViet

Dentons LuatViet is a member of Dentons in Vietnam, the world's largest law firm. Founded in the late 1990s, Dentons LuatViet has an outstanding reputation as a leader in Litigation and Arbitration, Mergers and Acquisitions, and Corporate and Investment. It is now one of only a handful of global law firms capable of offering clients full-service legal counsel and business solutions in Vietnam. It has more than 40 lawyers and professional staff serving clients from Ho Chi Minh City and Hanoi offices.

Dentons LuatViet has significant experience and expertise in the following major practice areas:

- Corporate & Commercial
- Employment and Labor
- Competition and Antitrust
- Dispute Resolution
- Family Office and High Net Worth Management
- Intellectual Property
- Insurance, Finance & Banking
- Mergers & Acquisitions
- Real Estate & Construction
- Securities & Capital Market
- Trade, WTO and Customs
- Privacy and Cyber Security

dentonsluatviet.com

About Dentons

Dentons is designed to be different. As the world's largest law firm with 20,000 professionals in over 200 locations in more than 80 countries, we can help you grow, protect, operate and finance your business. Our polycentric and purpose-driven approach, together with our commitment to inclusion, diversity, equity and ESG, ensures we challenge the status quo to stay focused on what matters most to you.

dentons.com