

May 2023 | Vol. 17

MHM VIETNAM

Newsletter

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VIETNAM'S POWER DEVELOPMENT PLAN VIII APPROVED

Following several rounds of revisions, the long-awaited national power development plan for the period of 2021–2030 with a vision to 2050 (PDP8) was approved on 15 May 2023 under the Prime Minister's Decision 500/QĐ-TTg.

Through PDP8, Vietnam affirms its international commitments to reducing its carbon emissions. PDP8 is aimed at maintaining Vietnam's energy security through development of sustainable sources of energy. Further legislative reform is expected to implement PDP8.

1. Power development plan and structure

Under PDP8, Vietnam commits to diversify its energy sources and reduce its dependence on fossil fuels by continuing to promote the development of renewable energy and transition to new energy sources like green ammonia and hydrogen by 2050.

In terms of fossil fuels, only coal-fired thermal projects already included in the previous national power development plan (the adjusted PDP7) and which are under construction will be implemented. Vietnam will also prioritise the utilisation of domestic gas and limit the development of gas-to-power using imported liquified natural gas (LNG), reflecting a preference for alternative energy sources.

As part of the commitment to use renewable energy, PDP8 promotes development of hydropower, solar, wind power and biomass projects. Self-consumption wind and solar power including rooftop solar (without connecting to the grid) are especially recommended and prioritised.

Key development targets and structure of power sources are summarised below:

	For the period until 2030		Orientation to 2050	
Total capacity	150,489 MW		490,529 MW – 573,129 MW	
	Excluding energy for export, existing rooftop solar power, renewable energy for the purpose of new energy production		Excluding energy for export, renewable energy for the purpose of new energy production	
	Expected capacity	Percentage	Expected capacity	Percentage
Onshore wind power	21,880 MW	14.5%	60,050 MW – 77,050 MW	12.2% – 13.4%
Offshore wind power	6,000 MW	4.0%	70,000 MW – 91,500 MW	14.3% – 16%
Solar power (excluding existing rooftop solar power)	12,836 MW (For the period until 2030, self-produced and self-consumed solar power is prioritised for development, without limitations on capacity)	8.5%	168,594 MW – 189,294 MW	33% – 34.4%
Biomass and waste-to-energy	2,270 MW	1.5%	6,015 MW	1% – 1.2%
Hydropower	29,346 MW	19.5%	36,016 MW	6.3% – 7.3%
Coal-fired power	30,127 MW	20%	Coal-fired power will no longer be in use by 2050	0%
			25,632 – 32,432 MW: Coal-fired power converting to	4.5% – 6.6%

			using biomass and ammonia	
Domestic gas-fired power	14,930 MW	9.9%	7,900 MW: Domestic gas-fired power and converting to using LNG	1.4% – 1.6%
			7,030 MW: Domestic gas fired converting to hydrogen-fired	1.2% – 1.4%
LNG-fired power	22,400 MW	14.9%	4,500 MW – 9,000 MW: Hydrogen and LNG co-fired	0.8% – 1.8%
			16,400 MW – 20,900 MW: LNG-fired converting to hydrogen-fired	3.3% – 3.6%
Other (including imported energy, cogeneration from industrial processes, energy storage and other sources)	10,700 MW	7.1%	77,092 MW – 107,292 MW	15.2% – 19.2%

2. Development of renewable energy

Vietnam plans to increase the proportion of renewable energy to about 30.9 to 39.2% by 2030, and 67.5% to 71.5% by 2050.

By 2030, 50% of office buildings and 50% of residential buildings are expected to use rooftop solar power to supplement their power requirements (without connecting to the grid and selling electricity to the national electricity system), and offshore wind power, together with other renewable energy sources, are expected to be utilised in the generation of new green energy sources such as hydrogen and ammonia.

By 2030, two new inter-regional centers for renewable energy industry and services are proposed to be established including power generation, transmission and consumption, and renewable energy equipment manufacturing industry, construction, installation, and related services. Renewable energy ecosystems are also proposed to be set up in potential areas such as the northern, southern central and southern parts of Vietnam.

3. New regulations and mechanisms for implementing PDP8

PDP8 stipulates instructions to the Government to ensure the establishment of the comprehensive legal framework required for its implementation.

The Ministry of Industry and Trade (MOIT) is tasked with preparing revisions to the Law on Electricity and Law on Economic and Efficient Use of Energy for submission to the National Assembly within 2024. The reforms expected under the Law on Electricity include policies on investment, planning, electricity tariffs and the development of a competitive electricity market, to promote a competitive and fair market for energy and promoting the efficient consumption of energy.

PDP8 also refers to the development of a pilot program and eventually an official direct power purchase agreement (DPPA) scheme. Such a scheme has been long-awaited as a mechanism to support competitiveness in the market (please see further our [February 2022 newsletter](#)). The timeline for developing the DPPA remains unclear under PDP8.

A new Law on Renewable Energy is also expected to be developed to facilitate renewable energy development and this legislation will be of significant interest to renewable energy developers.

If you have any questions or would like further details regarding this issue, please contact our lawyers listed in the left-hand column.

NEWS

➤ [Pham Thi Van Anh joins Mori Hamada & Matsumoto](#)

[Message from Ms. Pham Thi Van Anh](#)

I am honored to be joining Mori Hamada & Matsumoto.

Over 10 years of practicing law in Vietnam, I have aided foreign investors in their investment in Vietnam and supported companies in their business operation in a methodical and practical way. My majors include foreign investment, M&A transactions, corporate governance and banking.

As a member of Mori Hamada & Matsumoto I look forward to making the most of my knowledge and experience gained during my career to date, and will do my best to contribute to MHM Vietnam.

December 2022

Pham Thi Van Anh, Attorney-at-Law

➤ [Nguyen Ngoc Quynh joins Mori Hamada & Matsumoto](#)

[Message from Ms. Nguyen Ngoc Quynh](#)

I am honored to be joining Mori Hamada & Matsumoto.

After 7 years of practicing laws in Vietnam, I've gained extensive experience at the practice areas of merger & acquisitions and project financing, and general corporate matters.

At Mori Hamada & Matsumoto, I will strive to strengthen my professional expertise and utilize my past experience to support our clients and contribute to the further development and expansion of MHM Vietnam.

February 2023

Nguyen Ngoc Quynh, Attorney-at-law

➤ [Mori Hamada & Matsumoto to open New York office](#)

Mori Hamada & Matsumoto is pleased to announce it will be opening an office in New York City. Our new office is aimed to start operations in the fall of 2023.

Established through the merger of Mori Sogo and Hamada & Matsumoto in 2002, Mori Hamada & Matsumoto (MHM) is a full-service law firm group comprising 720 lawyers (including lawyers

registered in jurisdictions outside Japan). With our vision of being the "Firm of Choice" for our clients, MHM has grown its presence beyond Japan into the broader Asian region, including being the first Japanese law firm to open a Beijing office in 1998 and, more recently, merging with a major Bangkok law firm in 2017.

After many years of advising on cross-border deals and disputes between Asia and the Americas while maintaining close associations with major law firms in the region, MHM has now chosen New York — the center of global commerce and an important bridge between the Americas and Asia — as the firm's first location outside Asia. Through the New York office, MHM intends to further bolster relationships with local law firms and clients, while also enhancing our ability to serve the many and varied needs for cross-border legal services spanning the two regions.

Our New York office will be headed by Yuto Matsumura, a managing partner of MHM with a wide global contact network. Joining him will be Aruto Kagami and Nobuhiko Suzuki, partners with high levels of expertise, rich experience, and proven results in cross-border matters. Aruto Kagami has specialties in cross-border competition law matters, white collar investigations, crisis management, and disputes, and Nobuhiko Suzuki specializes in cross-border M&A and corporate matters.

We believe that the Americas will continue to be an important market for our clients, and an especially large market from a legal point of view as well. With the opening of its New York office, MHM looks forward to deepening its international presence while further enhancing the legal services delivered by the combined resources of our lawyers throughout the MHM group.

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