



Federal Ministry  
for Economic Affairs  
and Energy



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ENERGY SOLUTIONS  
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# Vietnam wind sector New momentum with new feed-in-tariff

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Project Development Programme

Facilitator

# Content

- ❑ Vietnam's target for wind power and regulation framework
- ❑ Project pipeline and development status
- ❑ Opportunities and recommendations

# Vietnam's targets and regulatory framework

## SHARE OF WIND ENERGY IN THE ENERGY MIX



Source: GIZ

Decision 37  
(2011)

- FIT: 7.8 USct/ kWh
- 6 projects  $\approx$  200 MW in operation by 2018

Decision 39  
(2018)

- FIT for onshore projects: 8.5 USct/kWh
- FIT for nearshore projects: 9.8 USct/kWh

### Incentives for wind power projects:

- Import tax exemption
- CIT: exempted the first 4 years, 50% reduction the next 9 years

# Installed capacity of wind power in Vietnam

## WIND PROJECTS DATA

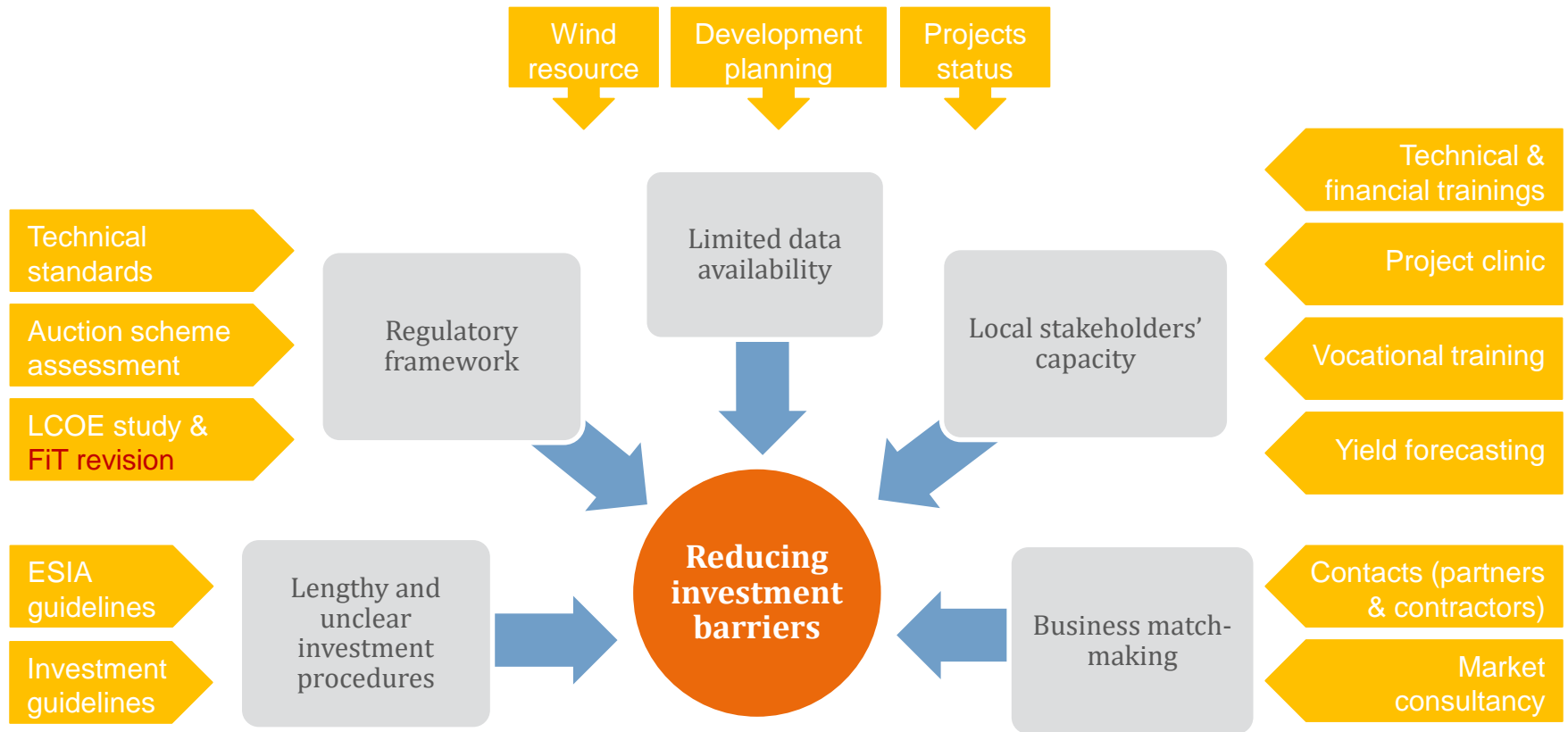


### Challenges:

- Ineffective policy (low FIT)
- Financing
- Local capacity (developers, banks)
- Bankability (SPPA)

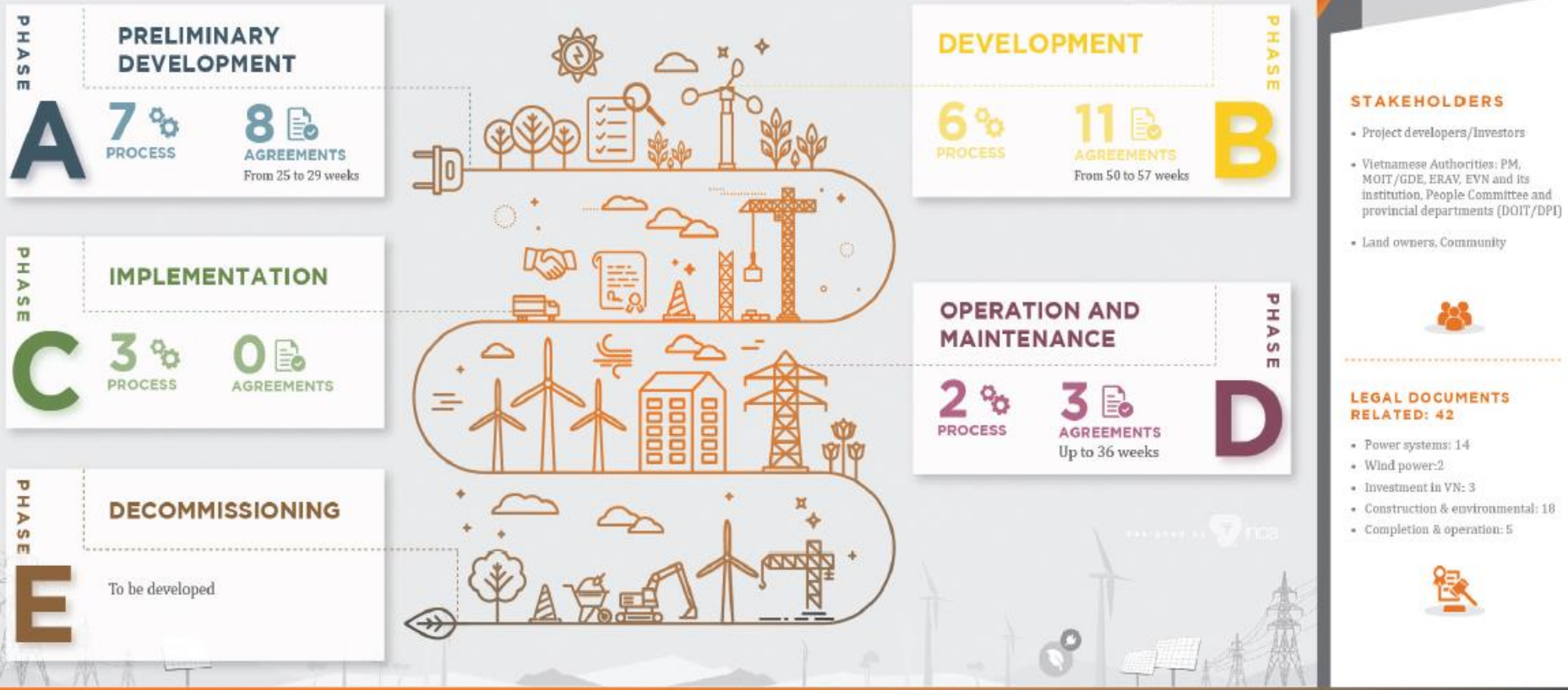
Source: GIZ

# Germany supports Vietnam to reduce barriers



# Wind power investment guidelines

## WIND POWER INVESTMENT GUIDELINES PROJECT DEVELOPMENT



→ **Enhance transparency:** Phases? Legal requirements? What to submit? Which department? When? Processing time?

Source: GIZ

# LCOE study for new FIT proposal



Phu Lac wind farm 24 MW, Binh Thuan province, **FiT = 7.8 USct/kWh**

Source: CTV Wind



Bac Lieu wind farm 1&2, 99.2 MW, Bac Lieu province, **FiT = 9.8 USct/kWh**

Source: GIZ



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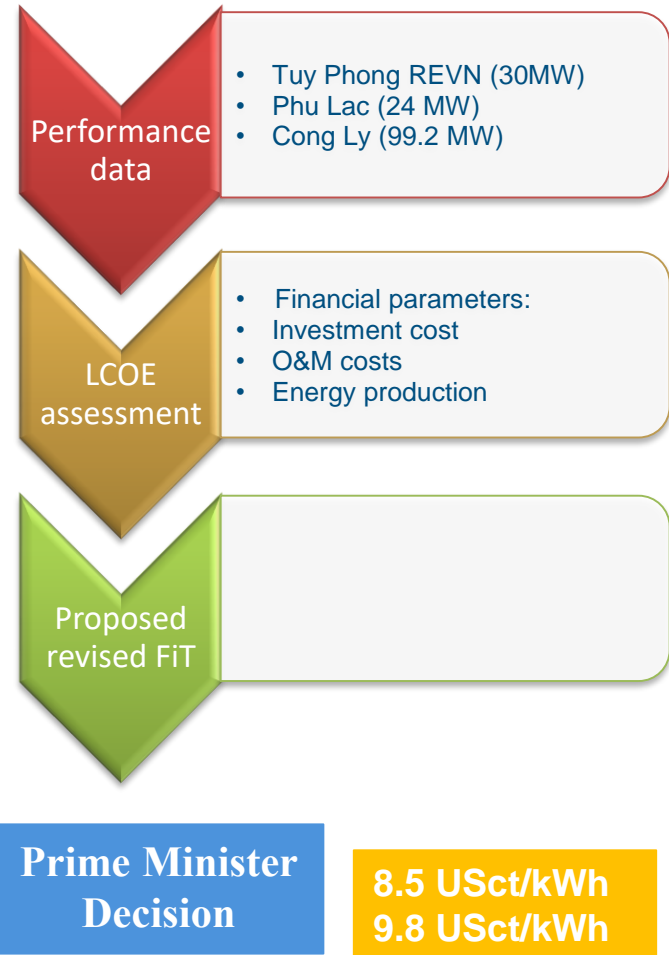


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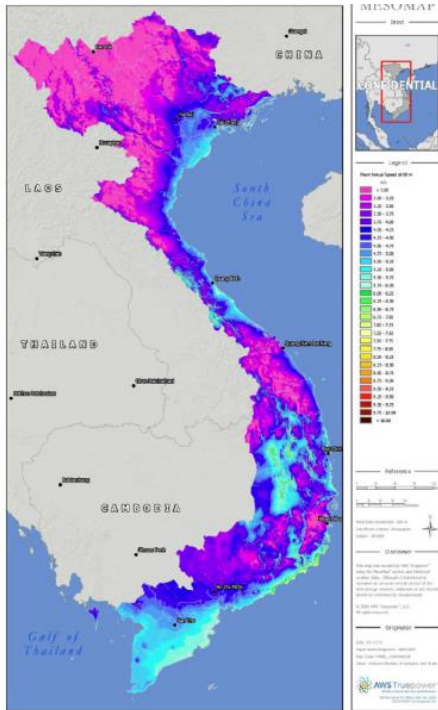
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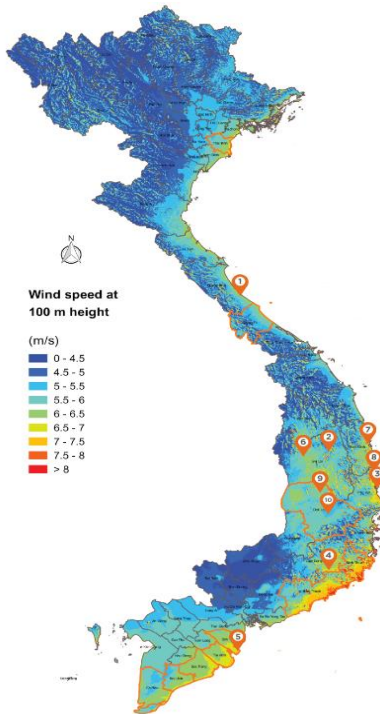


# GIZ wind measurement campaign 2012-2017



Vietnam wind speed map at 80m height, 2011

Source: AWS TruePower LLC, 2011



GIZ wind measurement campaign

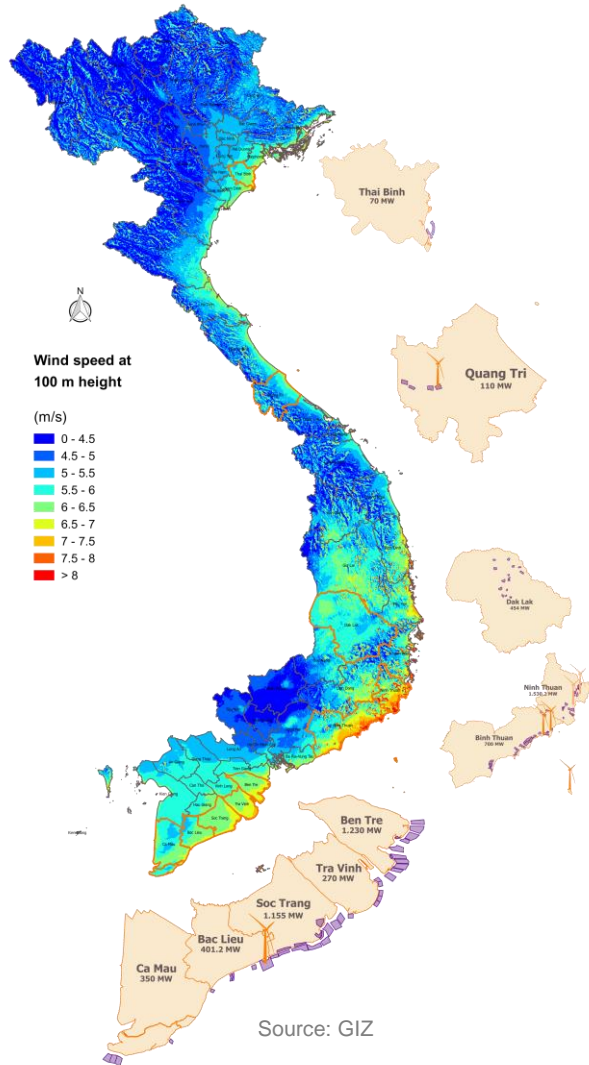
Source: GIZ



Improved reliability of Vietnamese wind atlas



# National wind power development plan



On shore planning

Near-shore planning

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## Combining:

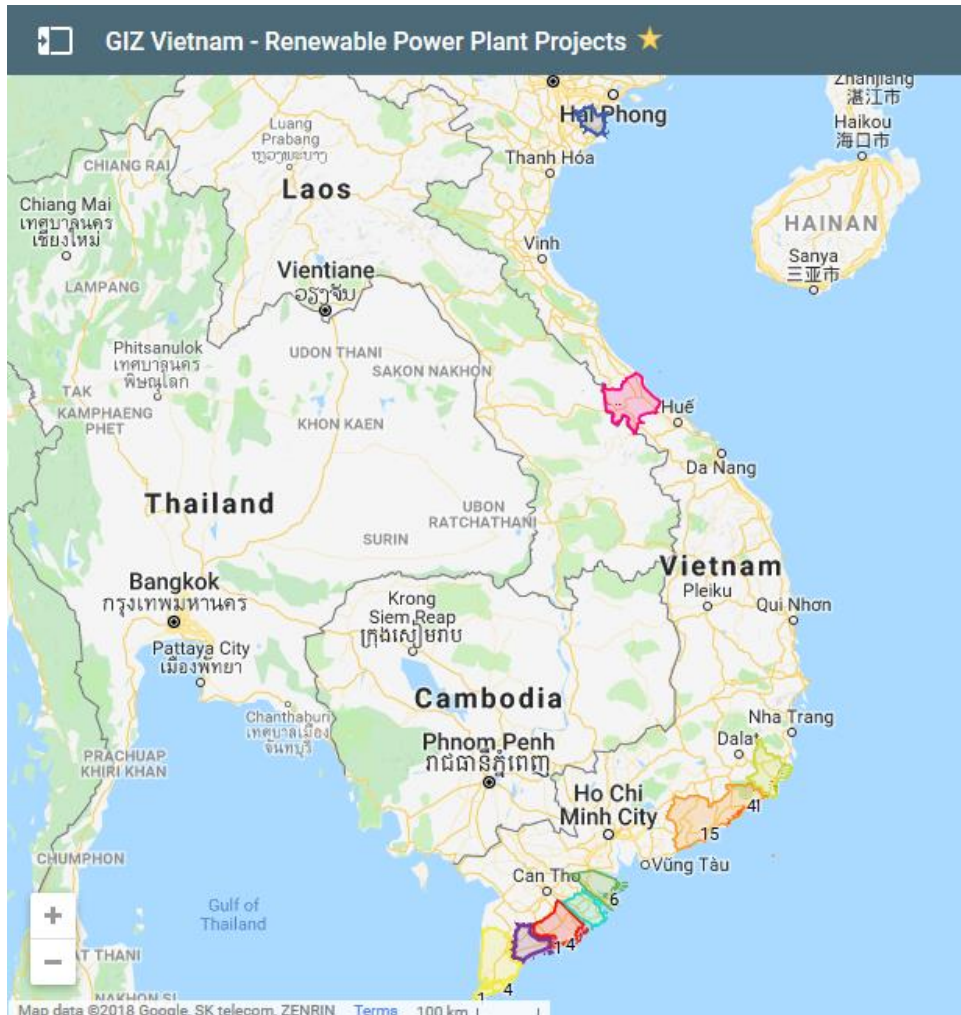
- ❑ 10 existing provincial WPDPs
- ❑ Data of terrain & land use
- ❑ Wind resource data
- ❑ Existing grid infrastructure
- ❑ Current wind project pipeline



GIS analysis

## National Wind Power Development Plan

# Online map



Source: GIZ

## Geographic data:

- ❑ Existing provincial WPDPs
- ❑ Current wind project pipeline

# Enhancing local capacity



Source: GIZ



## Topics:

- Project development
- Financing due diligence
- FS & procurement
- Vocational training the trainers
- Project development clinic (help desk)

## Regular trainings in 2016 - 2018

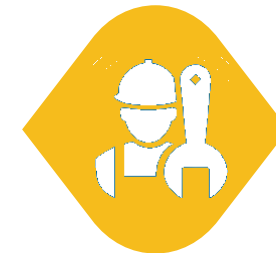
Developers/  
Investors



Local banks



Consulting firms



Technicians



University

# Take away and outlook

## Opportunities:

- ❑ Vietnam wind sector is regaining the momentum
- ❑ Significantly increased public awareness/ acceptance
- ❑ Enhanced knowledge/ capacity of local stakeholders

## Recommendations:

- ❑ Project development with local partners
- ❑ Grid connection is the new concern → look for advanced projects
- ❑ “Hot-spot”: Central Vietnam → consider other locations

→ Through BMWi, PDP supports advising GER companies on market entry and local partners – please get in touch!

# Project Development Programme

Federal Ministry for Economic Affairs and Energy (BMWi)



PDP Team Berlin



PDP-colleagues in GIZ-country offices



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Industrie- und Handelskammertag

# Services by PDP

**Project  
Development**

**Business  
Development**

**Market  
Development**



# Project Development

Analyses of countries, sectors and key accounts

Identification of commercially viable and scalable projects

Evaluation of economic, political and technical risks

Lead of project opportunities forwarded to German SME



# Business Development

Evaluation and compilation of market  
information

AHK-business trips

Delegation trips to Germany

„made in Germany“





# Market Development

Political consultancy

Collaboration with business  
associations

Participation in conferences and  
trade fairs

Capacity development  
(technical and project  
development trainings)

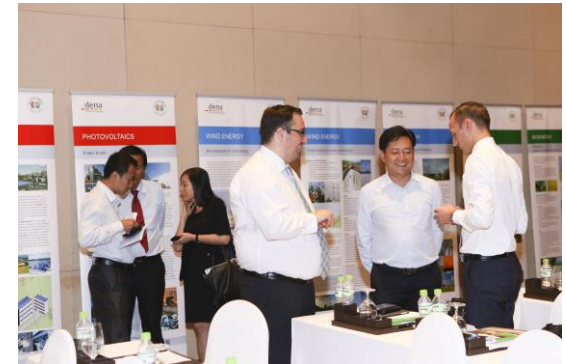
# Kind Invitation!

## AHK Wind Business trip to Vietnam 5-9 Nov 2018



- Company introduction
- Specialized audiences: 120 – 150
- Direct networking
- Individually arranged B2B meetings at company's local base
- AHK accompaniment

- Market overview
- Framework conditions
- Local stakeholders



Source: AHK Images Archive Sep. 2016



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# Thank you!

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