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**TAX ALERT**

The Vietnamese Government approved  
National Electricity Development Plan

May 2023



# The Vietnamese Government approved National Electricity Development Plan

On 15 May 2023, the Vietnamese Government issued Decision No. 500/QĐ-TTg approving the National Electricity Development Plan for the period of 2021-2030, with a vision toward 2050 (referred to as “**Power Development Plan VIII**”).

Overall, the Power Development Plan VIII has met the objectives to ensure on energy security and reliability and resolved a number of previous shortcomings:

- Sufficiently supplying electricity for domestic demand, meeting socio-economic development goals with an average GDP growth of 7%/year in the period 2021-2030, and subsequently 6.5-7.5%/year in the period 2031-2050.
- Strongly developing renewable energy sources for electricity production, reaching the rate of about 30.9-39.2% by 2030. The direction to 2050 is that the renewable energy rate is from 67.5% - 71.5%.
- Total capacity of power plants serving domestic demand is expected to increase by 2030 to 150,489 MW (excluding export, existing rooftop solar power, renewable energy to produce new energy) with a direction to 2050 of 490,529-573,129 MW. In which:
  - Onshore wind power 60,050-77,050 MW (12.2-13.4%);
  - Offshore wind power 70,000-91,500 MW (14.3-16%);
  - Solar power 168,594-189,294 MW (33.0-34.4%);
  - Coal thermal power 0 MW;
  - Thermal power using biomass and ammonia 25,632-32,432 MW (4.5-6.6%);
  - Domestic gas-fired thermal power plants and 7,900 MW LNG conversion (1.4-1.6%);
  - Domestic gas-fired thermal power plants run entirely by hydrogen 7,030 MW (1.2-1.4%);
  - Hydrogen-fired LNG thermal power plant 4,500-9,000 MW (0.8-1.8%);
  - LNG thermal power plant converted entirely by hydrogen 16,400-20,900 MW (3.3-3.6%); etc.

## Our view

The approval of Power Development Plan VIII is a remarkable breakthrough for the energy sector and demonstrates Vietnam's commitment to decarbonizing its power system with ambitious goals, which emphasize the role of renewable energies and thermal power transformation. The next stage will be the development and submission of an implementation plan to the Prime Minister.

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