In early June VBF attended the 2018 Asia Pacific Energy Conference – Exploring Opportunities in Renewable Energy. The conference was attend by over 150 international energy banks, developers, operators and suppliers for investment into Asia Pacific energy generation projects. Viet Nam was rated as the highest in the region for future investments, but also highest in that the current energy Power Purchase Agreements and Public Private Partnerships (PPP’s) that are not bankable from the perspective of international and Vietnamese investors. Why;

* There is no clear framework for risk allocation between government and private sector and management of associated contingent liabilities
* Reluctance of the Government to provide adequate contractual support especially for foreign exchange convertibility, termination and curtailment, off-take credit worthiness
* Procurement and negotiation of PPPs
* Viet Nam did not develop similar successful power generation investment policies used in other ASEAN countries for Private Sector involvement and participation.

The VBF Working Group can bring value to the power and energy planning process:

* Accurate analysis of current power market conditions in Vietnam/ASEAN
* Quantifying the Financial Resources: what is available and what conditions apply
* A Partnership to deliver energy security, in a power market that needs to attract $56 Bn power generation investment before 2030.

1. Standard Power Purchase Agreements for Wind and Solar Energy – the economic benefits to Vietnam of offering Agreement terms that attract international bank finance.

Presently there is no clear framework for risk allocation between government and private sector and management of associated contingent liabilities

Reluctance of the Government to provide adequate contractual support especially for foreign exchange convertibility, termination and curtailment, off-take credit worthiness

1. How can we support Local Power Production (By Rooftop Solar) – the economic benefits of increasing the exemption from the requirement for a power operations license to 3mw under Circular No. 12/2017/TT-BCT

EVN/MOIT has apparently submitted a request to **Change the Solar Rooftop Regulations** to Ministry of Finance. EVN suggests scrapping NET EXPORT and instead copying Thailand, where 100% of rooftop solar electricity produced is sent to the grid by building owners (Each consumer has 2 meters – 1 import and 1 export). We don’t know whether this applies to all consumers (Residential, Commercial and Industrial), or how EVN intends to pay for such 100% export. This might stimulate increased consumer demand for solar, but will bring confusion and delay unless the admin, payment and tax issues are more clearly defined and documented.

Private sector has concern that for power in the southern commercial and industrial hubs, Would Bank showing 6 GW of solar roof top available. Private sector wants to invest in roof top and has the funds now. If at the table in discussions especially in HCMC and surrounding cities VBF firms can invest in 2 GW for operation in 2020. Some major firms have capacity for 3 MW and why keep them out of the market,

1. Vietnam’s Readiness for Climate Finance Support Mechanisms to support the private sector (e.g. UK Sustainable Infrastructure Programme, Green Climate Fund, Germany’s “Get Fit”).

We are happy to announce that the **Green Climate Fund** set-up by 194 countries of the United Nations Framework Convention on Climate Change and given a role of supporting the 2015 Paris agreement has recognize Viet Nam Business Forum Power and Energy Working Group and on June 19, 2018 and awarded Observer Status and invited to meetings.

**Readiness for Climate Finance Support**: has no defined role for the private Sector

1. Direct Power Purchase Agreements – an essential element of an electricity market to meet power consumer’s demand for Access to Clean Energy

**The present Working Group - Direct Power Purchase Agreement** : has no private sector representation, private companies in Viet Nam with actual investment, development, implementation and operation are not at the table for developing Viet Nam policy. Include VBF and the other Vietnamese and International private sector representative groups in all these policy and planning processes and begin **Development through Private Sector Partnership.**

VBF welcomes and would like to participate in the analysis and recommendations for Power Master Plan 8 (PMP8). A key issue is to design PMP8 to encourage and enable linkages between Private international finance and technology with domestic banks and company know-how, and to develop a market which attracts major Vietnamese and International corporations and SMEs alike.

**Missed Opportunities?**

* **Vietnam Energy Partnership Group**: has no private sector Partner
* **Working Group - Direct Power Purchase Agreement** : has no private sector representation, private companies in Viet Nam with actual investment, development, implementation and operation are not at the table for developing Viet Nam policy.
* **Readiness for Climate Finance Support**: has no defined role for the private Sector
* **Power Development Plan #8**: A private sector contribution to the design and implementation of the new plan is essential.

**Over-all Recommendation:** include VBF and the other Vietnamese and International private sector representative groups in all these policy and planning processes and begin **Development through Private Sector Partnership.**