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CLEAN ENERGY

BACKGROUND

Economic growth in Vietnam has spurred significant growth in electricity demand at a compound annual growth rate of 13 percent since 2000 and is projected to continue at 8 percent through 2030. The country will need \$8-10 billion annually in energy sector investment over the next decade to account for the increasing energy demand and forecasted energy shortages. Concerns about high prices, energy security, environmental and health impacts, and inadequate energy services have led countries like Vietnam to pursue a diversified energy mix. With significant renewable energy resource potential and building on the success of solar feed-in-tariff, Vietnam has attracted a lot of investments from both local and international investors. However, the lack of long-term policies, non-bankable Power Purchase Agreement, and insufficient grid infrastructure are key constraints to increased investment in clean energy systems in Vietnam.

CLEAN ENERGY

USAID/Vietnam's energy activities, including the Vietnam Low Emission Energy Program I and II, work closely with the Government of Vietnam (GVN) at the national level to develop and implement energy policies and plans that support scaling up clean energy and mobilizing much needed investment from the private sector. To support Vietnam to diversify its energy sources and reduce the dependence on thermal coal power, USAID is working with the GVN and private sector to promote reliable, scalable, and affordable gas-to-power generation using imported liquified natural gas and domestic natural gas resources. Through the USAID Vietnam Urban Energy Security project, USAID is addressing Vietnam's rapidly growing energy demand by working with key city governments to develop and implement urban energy plans while creating business opportunities for entrepreneurs in order to promote deployment of advanced, distributed energy solutions such as rooftop solar, battery storage, demand response, and electric vehicles.

PROJECTS

USAID Vietnam Low Emission Energy Program (V-LEEP I): provides support to the Government of Vietnam to develop and implement long-term energy strategies, mobilize private investments for renewable energy, and improve compliance of industrial energy efficiency. 2015-2021, \$16 million.

USAID Vietnam Low Emission Energy Program (V-LEEP II): supports Vietnam's energy sector transformation to a clean, secure, and market-driven sector by mobilizing investment in the deployment of advanced energy systems, enhancing power system flexibility, and increasing competitiveness. 2020-2025, \$36.25 million.

USAID Vietnam Urban Energy Security: works with Da Nang and Ho Chi Minh cities to improve enabling environment for distributed energy deployment and investment, supports adoption of innovative energy solutions, mobilizes private investments for distributed energy solutions. 2019-2023, \$14 million.