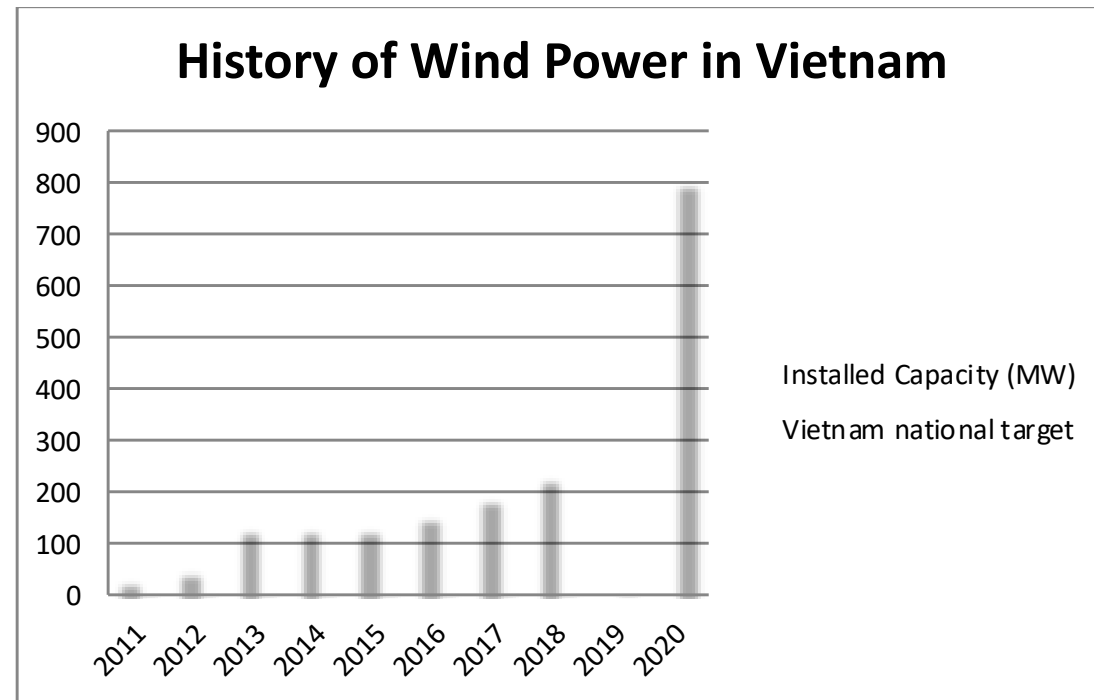


The Blue Circle – GWEC Conference Financing challenges in Vietnam

June 12th 2019 - Hanoi

The coming acceleration of Vietnam's wind power history

- Vietnam introduced a Wind FIT in 2011 at 78 USD/MWh
- Vietnam installed capacity took two years to ramp up to 120MW and then six years to reach 180MW
- Prime Minister of Vietnam decided to change gear and introduced a new FIT starting on Nov 1st 2018 valid only for three years
- Short term target is 800MW installed by 2020 and 6,000MW by 2030.



Financing challenges in Vietnam



- **Debt financing will be the most critical issue**

- 630MUSD debt financing needed in 2019-2020 to reach 800MW

- 5.4bUSD debt financing needed in 2021-2030 to reach 6,000MW

- BIDV Balance Sheet size = 56bUSD

- BIDV first wind project financing = 40MUSD in 2018 with Dam Nai project

- VN corporates to finance some on their balance sheet

- External international financing will be needed

Financing challenges in Vietnam



- **PPA and EVN risk to be addressed, FIT no more an issue**
 - PPA terms equivalent to Taiwan offshore wind PPA
 - EVN credit rated in 2018, allowed to raise retail prices to reach profitability
 - Grid improvements are a national priority (Ninh Thuan)
 - New FIT in place for three years sufficient to cover VN higher costs
 - Solar competition less of an issue after June 2019
 - Is Termination risk real ?

THANK YOU

The Winds of Change



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