



# POWER PLANNING AND THE FEASIBILITY

Speaker: Dr. Ngo Duc Lam  
Hanoi, January 10<sup>th</sup>, 2014



# Main contents

---

- I. POWER PLANNING under perspective of the new electricity law
- II. Electricity market with POWER PLANNING
- III. Barriers and challenges in power planning and solutions





## I. POWER PLANNING under perspective of the new electricity law

---

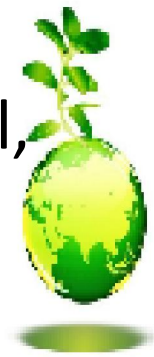
### Main content

- a) Types of planning: consist of 2-level type (before it's 3-level type)
  - + National power development plan
  - + Local power development plan (replace to district/provincial planning)
- b) Planning cycle: 10 years for all types and looking forward 10 years to go (instead of 5 years for local plan as before)



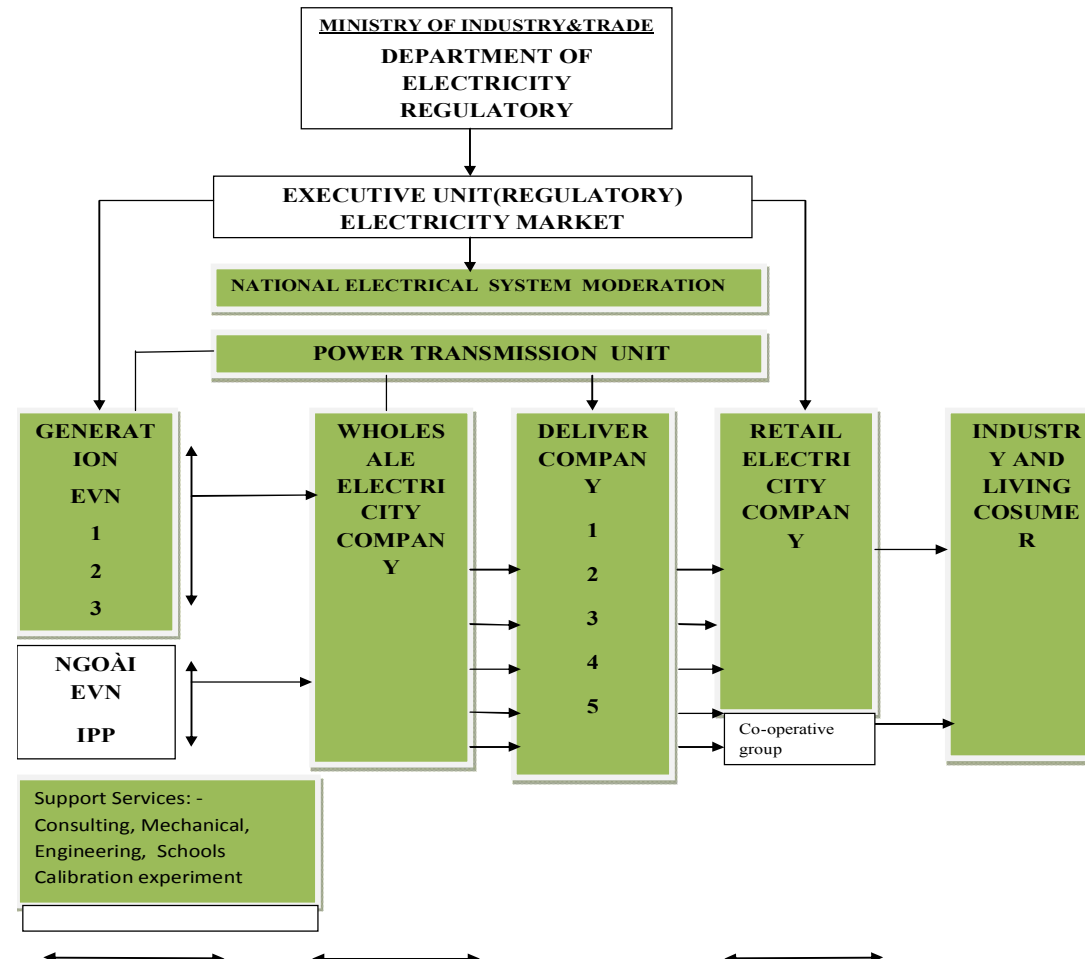
## c/ Quality planning

- + Ensuring synchronization: synchronization with the primary energy source planning for electricity generation, focus on the new and renewable energy
- + Ensuring the connection of the type of planning, local planning is not separate from to the national planning
- + Need more specific regulations on the content of a planning
- + Regulating the statute on the planning, approval, monitoring, inspection planning



## II. Electricity market

### II.1. The activity diagram of the electricity market







## II.2. Subjects participating in the electricity market

---

Article 19 – Labor Law: Having 8 subjects participating in the market:

- Electricity generator company (natures of services, consulting)
- The companies purchases electricity
- Distribution Companies
- The retail companies
- Customers
- Transmission
- Moderation
- Operating Unit





## II.3. Identification of the electricity market

---

The new market, the state monopoly still high

- + Source: 70 EVN of capacity
- + Transmission: 100% State
- + Consumers do not have the right to choose
- + Standby power output is low

Roadmap market remains slowly



### Principles:

- 1/ Ensuring equality, public, transparency, competition, fairness
- 2/ Electricity price is calculated correctly and fully and flexibly adjusted following market level that is regulated by state





There are 6 types of electricity prices:

- + Frame electricity generation prices
- + Price transmission
- + Price distribution
- + Wholesale electricity price
- + Ancillary services Price
- + Retail Price





## II.4. Electricity Price

---

There are 2 types of fee:

- + Fee moderation
- + Organization fee for transaction in electricity market
- Not separate in the form of public power, policy based on electricity pricing structure
- Certainly price computed offset of urban and rural power, phone and electricity production
- Calculate certainly offset part of the cost between urban and rural power, household electricity and production electricity.





## III. Barriers and challenges in electricity planning and solutions

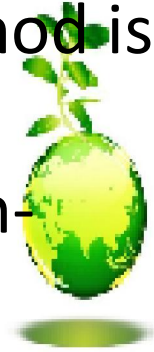
---

### III.1. Planning process

1. Have not overall energy planning and energy security yet (lack of uniformity in planning - what if the plan is not homogeneous)
2. Forecast electricity demand for the country and the region is one the most important factor to the establishment of resource development programs and grid system



- Currently applying direct method has only the advantage of no long time period (5 years), depending on the accuracy of responsible spirit of local industrial zone and depending on the accuracy of the power consumption norms for products
- Indirect methods include elastic method, energy intensity method and multiple regression method is the main method depending on too much risk scenario economic growth, forecast population-electricity



- Depending on forecast the energy savings coefficient
- Not included reducing greenhouse gas emissions in the power development planning





## II.2. Implementing planning

The two most elements that is effected to the implementation of energy planning:

- Lack of capital: only a few constructions had funding when it built planning. Beside, many constructions implement planning as well as research funding. Thus, a some of construction are broken planning
- Land Clearance of planning is often slow, particularly land for construction of the power line, thus also breaking planning



- Besides:

In somewhere, additional factors in the implementation process are not reported to planning agency, they voluntarily put in, causing to difficulties to design and grid stations



- There have been provisions in the organization of appraisal, approval is often slow and prolonged time, sometimes changing constantly
- Lack of staffs and limited qualifications to the evaluation, particularly for local planning power, causing to quality planning is not high.



## III.4. State management on planning

---

- Lack of strict management of planning and no strong measures in legal compliance of planning. Especially not inspector of planning
- Lack of coordination between planning state management agencies and agencies planning



# Results and Recommendation

---

- 1 / The government should be built an overall energy planning and set national energy security in order to ensure uniformity and connectivity in planning as regulated by Electricity Law
- 2 / It is necessary to accelerate the electricity market to calculate appropriate for each period of planning, electricity price according to each market level,
- 3 / The granting of the input data should be required stricter regulations, liability and sanctions in the supply of data to be laid out





- 
- 4 / It should be continued to take measures to reduce emissions and calculation of additional charge beside giving electrical problem and save energy and intensity to the calculated load value.
  - 5 / Capital investment needs to be confirmed before planning
  - 6 / Land clearance must be implementated by the local as progress of planning
  - 7 / When additional planning, the local must be submitted to the local planning authority
  - 8 / the planning authority should be provided funding to monitor, check and report to the competent authority



# *Thank you for your attention*

*<http://greenidvietnam.org.vn/>*



**info@greenidvietnam.org.vn**



**facebook/pages/greenid**

