

RENEWABLE ENERGY CAPACITY TO BE CUT DUE TO OVERSUPPLY OF POWER

(Continued from page No 1)

However, a boom in high capacity renewable energy projects, mainly in central and southern Vietnam, has overloaded inter-regional transmission lines and caused oversupply at times, the ministry said in Document No 1226/BCT-DTDL sent to the National Assembly's committees for Science, Technology and Environment, and Economic Affairs and the Office of the Government explaining its stance on the power capacity cut.

Additionally, domestic demand for power has fallen below normal levels due to the impact of COVID-19, which led to an oversupply of electricity during off-peak times such as holidays, weekends, and at noon, the ministry said.

According to the ministry, this is a very dangerous situation that adversely affects the safe operation of the national grid.

Though the National Load Dispatch Centre (A0) has reduced the output of traditional energy to the minimum, the oversupply remains, so the centre had to make another cut to renewable energy capacity to prevent the electricity system from collapsing.

The ministry has ordered Vietnam Electricity (EVN) and A0 to calculate the required reduction of capacity at all renewable power plants in a transparent and fair manner, regardless of who their investors are.

The ministry added that it has received Government approval to supplement various power transmission line projects into

planning while urging EVN to fast-track the progress of existing projects to raise the capacity of the national electricity network.

New solar power price

The MoIT will issue a new price mechanism for rooftop solar power this month, with prices likely to fall to below 6 US cents per kWh, according to Hoang Tien Dung, Director of the ministry's Electricity and Renewable Energy Department.

Rooftop solar power would fetch only 5.2-5.8 US cents per kWh, depending on each project, Dung told the media. The new rates had been calculated based on an assessment by foreign consultants on the changes to and development of renewable energy and the price of solar power equipment in Vietnam and around the world, he said.

Dung added that an estimate of various costs like the initial investment, operations and maintenance, installation and connection were also taken into account.

The lower price was partly due to the recent sharp decline in solar power equipment prices. "Solar panels are now far more efficient, allowing more electricity to be produced than previously," he noted, adding that this would be beneficial to investors while the Government could take advantage of the increasing supply of clean energy at affordable prices and the falling level of investment required to develop national electricity networks.

He went on to say that, for end-users, the new rates would be much lower than those of Vietnam Electricity (EVN).

(Continue reading on page No 4).