

## Vietnam's Revised Power Development Plan 8: Key Insights and Implications

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### 1. Introduction

On 15 April 2025, the Prime Minister of Vietnam issued Decision No. 768/QD-TTg approving revisions to the National Power Development Plan for 2021-2030, with a vision to 2050, commonly known as the revised Power Development Plan 8 ("**Revised PDP8**"). The Revised PDP8 took effect immediately upon issuance and replaced the original Power Development Plan 8 ("**Initial PDP8**"), which was released in May 2023.

This newsletter explores the rationale behind the key changes in the Revised PDP8 and examines what's next for the future development of Vietnam's energy sector.

### 2. Rationale for revising PDP8


The Revised PDP8 addresses several challenges – chief among them, rising energy demands in Vietnam. Vietnam's economic growth, and resulting energy demands, have outpaced the projections in the Initial PDP8. The projected average annual GDP growth rates in the Revised PDP8 for the period from 2026 to 2030 have been increased from 7% to 10%, along with an increase in the projected total commercial electricity capacity. Other factors driving the need for the Revised PDP8 include (i) changes to the energy mix to address energy security issues, (ii) a greater role for renewables and an increased focus on sustainability, and (iii) a reallocation of development priorities to address certain project delays.

### 3. Highlights of the Revised PDP8

1. Solar power: The 2030 solar power target has surged to at least 46,459 MW, with a top range of 73,416 MW (excluding off-grid rooftop solar systems). This massive increase may be motivated by several factors, including a continuing decline in the cost of solar technology and faster development timelines, resulting in more rapid deployment to satisfy Vietnam's growing power needs. While Vietnam's last major rollout of solar power, off the back of an attractive feed-in-tariffs (FIT) incentive, was incredibly successful at meeting and even exceeding targets, it also resulted in certain issues relating to grid capacity and stability, which led to curtailment in some situations. Perhaps in acknowledgement of this, as well as other factors, the Revised PDP8 makes battery energy storage system (BESS) integration a

requirement for certain solar power projects, with a co-located BESS system required to meet at least 10% of the capacity of the project and to have a minimum 2-hour charge.

2. Energy storage: The Revised PDP8 projects a significantly elevated role for BESS. While the Initial PDP8 projected 300 MW BESS online by 2030, the Revised PDP8 increases this target to 10,000 - 16,300 MW, a more than 3,000% increase, even at the bottom end of the range. The lower range quota for pumped storage hydro (PSH) remained the same as in the Initial PDP8 (2,400 MW), but the upper range has been increased to 6,000 MW. This BESS growth could be driven in part by the 10% BESS pairing requirement for new solar power plants referenced above, as well as anticipation that utility scale BESS, together with PSH, will act as a crucial system balancer to address much higher renewables penetration of the grid. In this respect, the increased role of energy storage is complemented by a significant focus on transmission and grid upgrades in the Revised PDP8.
3. Wind: The much higher targets for onshore wind power during the period through 2030 was a headline feature of the initial PDP8. Prospects for onshore wind developers remain favorable; the Revised PDP8 increases the projections for onshore and nearshore wind even further, to a range of 26,066 - 38,029 MW. The plans for 6,000 MW of offshore wind by 2030 were pushed back 5 years, to 2035, and now are expressed as a range of 6,000 MW to 17,032 MW. This delay is not necessarily bad news for offshore wind developers in Vietnam; instead, it reflects a more realistic approach to and timeline for these large, complex projects, which will require changes to the underlying regulatory regime, and other changes, in order to progress. If underlying conditions (including costs) are favorable, the progress of these projects may be accelerated.
4. Gas and LNG-to-power: The total capacity of Gas and LNG-to-power plants in the Initial PDP8 and the Revised PDP8 remains broadly the same. Certain projects have been pushed back beyond 2030 to account for project delays, while some new projects have been moved forward in the project pipeline, and the Revised PDP8 anticipates that these will come online by 2030. One of the challenges that new Gas and LNG-to-power plants face is reconciliation of their PPA offtake terms, which typically are up to 25 years (and which would extend the offtake term to 2055, assuming a COD in 2030) with commitments to decarbonization being made by their debt and equity investors (with many, including Vietnam itself, having committed to net zero emissions or carbon neutrality by 2050). In recognition of this concern, the Revised PDP8 sets out specific targets for partial and full hydrogen conversion by 2050, as well as for use of carbon capture and storage (CCS) in certain power plants.
5. Electricity imports: The Revised PDP8 increases the upper ranges of planned electricity imports from Laos, as well as China. Notably, the scale of electricity imports from Laos in particular could be increased further in accordance with the intergovernmental agreement between Laos and Vietnam.

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6. **Electricity exports:** As ASEAN nations continue to enhance their regional electricity grid connectivity, Vietnam is well-positioned to supply neighboring countries. The Revised PDP 8 projects exports of 400 MW to Cambodia by 2030, and anticipates that exports to Singapore, Malaysia, and other countries in the region will be in the range of 5,000 to 10,000 MW by 2035.
  7. **Nuclear energy:** Vietnam has revived its plans for nuclear energy production, with planned projects in Ninh Thuan expected to produce a capacity of 4,000 - 6,400 MW by 2035. The Revised PDP8 also anticipates the capacity for nuclear energy production to reach the range of 10,500 - 14,000 MW by 2050.

#### 4. Future Implementation

The Ministry of Industry and Trade (MOIT) is expected to revise and issue the PDP8 Implementation Plan in the near future. The revised plan is expected to serve as a more detailed roadmap for implementation of the overarching outline and objectives of the Revised PDP8, and will play a crucial role in advancing the next phase of Vietnam's energy development. While no specific deadline has been announced, MOIT already initiated the revision process, and has emphasized its high priority, as demonstrated by a recent directive requiring relevant organizations to prepare and submit necessary information for the updated plan.

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