Investment Mobilization Measures Roadmap for Vietnam

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Introduction

The Mobilising Investment (MI) project for Nationally Determined Contribution (NDC) implementation is a three-year program funded by the German International Climate Initiative (IKI) initiated in 2017. The purpose of the program is to work with public and private sector and other development and civil society stakeholders to identify opportunities for mobilizing private sector investment into NDC priorities areas. The MI project was jointly implemented by SouthSouthNorth, PricewaterhouseCoopers (PwC), and the U.S. National Renewable Energy Laboratory (NREL) with each organization taking the lead in 2-3 countries. NREL's lead countries included Vietnam, the Philippines, and the Dominican Republic.

The intent of this report is to develop a high-level roadmap that can offer guidance for the implementation of measures that can drive private sector capital into priority clean energy sectors within Vietnam. It has been prepared for use by government and development partner counterparts to promote investment in clean energy. Similar reports have been authored for each of the other seven MI project countries (Bangladesh, the Dominican Republic, Ethiopia, Kenya, Peru and the Philippines).

NREL's MI project in Vietnam was implemented under the banner of the Clean Energy Investment Accelerator (CEIA), a program led jointly with the World Resources Institute and Allotrope Partners. The CEIA seeks to address barriers to clean energy investment in the commercial and industrial sectors through:

- Engagement with governments and utilities to improve the enabling environment for clean energy solutions via policy technical assistance and public-private dialogues;
- Technical assistance to corporate energy buyers on innovative procurement models that can result in market learnings, documentation and replication through the sharing of case studies and tools; and
- Capacity building, development of knowledge resources, and creation of ecosystems to enable large energy users to undertake clean energy procurements, facilitated through regional and global learning.

This roadmap build off of years of in-country CEIA engagement, and leverage the knowledge and resources developed by the CEIA team since the inception of our work in Vietnam in 2017. The investment mobilization measures in this report have been identified as an outcome of extensive consultations with public sector, utility, private sector, civil society, development, organizations, and financial institution stakeholders.

The measures are largely not technology focused, but center on mobilizing investment towards renewable energy more broadly. The measures include a combination of follow-on activities that NREL and/or other development partners could support through the CEIA or other programs as well as specific actions for government power sector stakeholders to implement. Given that previous deliverables under NREL's subgrant to SSN described relevant business models and investment cases, this report does not go into great depth on those aspects. The measures identified here center on those that are most feasible for near-term implementation, and in some cases include measures towards which initial progress has been made. As this report is being drafted in September 2020, the implications of the COVID-19 pandemic and economic downturn are also considered.

Country Context

In August 2020, Vietnam updated its Nationally Determined Contribution (NDC), in which the government of Vietnam (GVN) established a slightly higher goal to reduce greenhouse gas emissions by 9% by 2030 compared to business as usual levels (up from a previous 8%).[1] Emissions intensity per unit of Gross Domestic Product (GDP) will be reduced by 20% compared with 2010 levels. With additional international support, Vietnam's emission reduction contribution could be increased up to 27%. Mitigation efforts center on the energy sector. The government has put in place several supporting sectoral policies, including a Renewable Energy Development Strategy that seeks to "increase the electricity output produced by renewable sources from approximately 58 billion kWh in 2015 to 101 billion kWh by 2020, and 186 billion kWh by 2030."

Over the past year and a half, Vietnam has made tremendous progress towards achieving its clean energy and climate mitigation goals and establishing itself as a regional leader. Much progress was spurred by a recent feed-in tariff (FIT) that resulted in a boom in solar investment, with nearly 5 GW being developed in 2019 alone. A significant portion of the market development has occurred in the rooftop solar space, which now has over 1.2 GW installed and 50,000 operational projects.[2] Vietnam is also undertaking implementation of a new pilot power purchase contract, called a Direct Power Purchase Agreement (DPPA) that would enable large energy users, such as manufacturers, to buy renewable energy from a privately owned offsite project through a financial contract. In addition, on April 6th 2020, Vietnam passed an updated solar regulation for onsite solar projects that provides greater clarity around allowable business models and an extension of existing incentives. This update was followed by yet another regulatory change for rooftop solar that was passed in August 2020.[3] This latest directive, Circular 18, requires changes to contracts with the national utility, EVN, and end users for distributed, "behind-the-meter" solar projects that are feeding excess energy into the grid.[4]

Vietnam is also demonstrating increasing ambitions for renewable energy within its forthcoming 8th Power Development Plan (PDP). In a draft analysis that was released in July 2020, there is significantly greater emphasis on renewable energy and reduced plans for new coal. Although there are 18 GW of potential coal in the pipeline by 2025, informal indications are that the Government of Vietnam (GVN) may not go forward with building out this coal infrastructure. The draft PDP scenarios include a proposal that all coal plants to be built after 2025 will be canceled, however, there also continue to be mixed messages from the government that coal may still play a significant role in Vietnam's energy market for the near to midterm[5]. While Vietnam is potentially setting itself up to be one of the major markets for clean energy in Southeast Asia, there are additional measures the country can consider if it seeks to further deploy additional clean energy; these are further discussed throughout this report.

[1]Source: https://e.vnexpress.net/news/news/vietnam-raises-emission-reduction-target-to-combat-climate-change-4141966.html.
[2] Source: https://en.vietnamplus.vn/vietnam-home-to-nearly-50000-rooftop-solar-projects/182822.vnp
[3] A summary of the most recent updates can be found here: https://blogs.duanemorris.com/vietnam/2020/08/27/circular-18-new-template-ppa-and-revised-regulations-on-solar-power-developments/
[4] Source: https://blogs.duanemorris.com/vietnam/2020/08/27/circular-18-new-template-ppa-and-revised-regulations-on-solar-power-developments/
[5]Source: https://e.vnexpress.net/news/business/economy/vietnam-to-rely-on-coal-for-decades-to-come-4158660.html

Summary of Key CEIA Efforts in Vietnam

The CEIA initiated desk-based research in mid 2016 and conducted in-country scoping meetings in January 2017. The CEIA convened with a variety of public and private sector stakeholders to identify the key barriers to clean energy investment in the commercial and industrial sectors as well as to understand ongoing efforts by development partners in this space. In December 2017, the CEIA held its first corporate renewable energy buyers group meeting to validate the CEIA's approach. The meeting brought together over 30 participants in Ho Chi Minh City with representatives from several major multinational brands as well as regional and local developers and investors. Outcomes centered around identifying existing barriers to corporate clean energy procurement in Vietnam and ideas for future collaboration, focusing on engaging with the government of Vietnam on the enabling environment, exploring a renewable energy product and financing package for the apparel subsector, and working with industrial partners to aggregate demand.

Figure 1. CEIA Vietnam Working Group Meeting, Ho Chi Minh City

An initial primary investment lever that was identified and worked towards is a new DPPA pilot regulation. The DPPA enables large energy customers to buy renewable energy from third party-owned, offsite generation through a financial contract. Under the specifics of this regulation in Vietnam, there is no delivery of power; instead the corporate buyer retains the Renewable Energy Certificates (RECs) which it can use towards its renewable energy use claims. The DPPA is an important investment lever, as previously there were no mechanisms for direct offsite business-to-business renewable energy sales. Thus, the DPPA pilot opens the door to a greater variety of renewable energy technologies including on- and offshore wind.6 Additionally, the DPPA can facilitate larger purchases that meet greater proportions of a manufacturer's or industrial facility's energy demand than would otherwise be possible with only onsite solar.

The CEIA has supported development of the DPPA pilot program from early on. For example, on behalf of the CEIA, NREL provided direct technical assistance on the design of the DPPA regulation. Later on, CEIA enabled the U.S. Agency for International Development (USAID)'s Vietnam Low Emission Energy Program (VLEEP) engagement with Vietnam's influential Renewable Energy Buyers Alliance (REBA) network. This is important because
VLEEP leads a major technical support effort to Vietnam's electricity regulator and its implementation of the DPPA pilot regulation. CEIA will continue assisting VLEEP to expand private sector buy-in for the

[6] See Investment Mobilization Measures for Philippines Roadmap for further details on the Green Energy Option Program.

DPPA and to ensure its successful launch—ideally resulting in a permanent regulation. REBA itself is one of CEIA's key partners in Vietnam, as it includes among its membership many of the large multinationals that have made 100% renewable energy commitments.

Beyond its VLEEP and REBA collaboration, CEIA has co-hosted multiple consultations with individual, or ad-hoc collections of, private companies (both Vietnamese-based and international) to build awareness of and engagement in the DPPA pilot, including through the quarterly working group meetings that CEIA leads. Additionally, CEIA played a significant role in a recent public consultation on the DPPA, during which Vietnam's ministry of energy, the Ministry of Industry and Trade (MOIT), announced formal support for the pilot.

Another important investment lever in Vietnam is the regulatory structure governing solar energy installations. The GVN has been revising its regulations for onsite solar projects since late 2018. These revisions include various limitations as well as incentives, such as: project size constraints, licensing requirements, allowable business models, net metering policies, and FITs. CEIA has been supporting GVN in this endeavor by serving as a primary channel for gathering private sector feedback on these proposed regulatory revisions. The CEIA gathered feedback through bilateral interactions with companies, as well as via a March 2019 working group meeting in Ho Chi Minh City. Over 100 corporate buyers, investors, and developers attended this CEIA-led working group. Additionally, CEIA shared specific recommendations to the MOIT via a June 2019 document outlining the following suggested changes to the regulations:

- Increase the size of solar rooftop projects that are eligible for self-consumption,
- Enable third-party financing for onsite solar via direct business-to-business PPAs,
- Clarify ownership of Renewable Energy Certificates (RECs) for power that is exported to the grid through the net metering or feed-in tariff policies. (RECs are an important self-compliance and reporting mechanism for corporate renewable energy buyers.)

The aspect regarding enabling third-party financing for onsite solar was reflected in revised regulations. Also, in a more recent August 2020 update to the solar rooftop regulations, rooftop solar projects can now be under 1 MW AC or 1.25 MWp DC.[7] There does not appear to have been further clarification regarding REC ownership.

The CEIA has also provided extensive project pipeline development support. CEIA has worked with several large corporate energy users to identify, evaluate, and implement innovative RE purchasing options, including pilot project support for two major industrial park operators, a multinational textile manufacturer, and a prominent retail chain with more than 20 sites across Vietnam. The CEIA has also developed a series of request for proposal templates and is currently working to publish a corporate procurement guidebook and develop a new series of financial feasibility screening tools.

Lastly, CEIA is also supporting GVN in its broader solar rooftop market commercialization efforts. One such effort includes contributing to a VLEEP-led solar rooftop study. For this study, CEIA contributed information and analysis on the challenges and leading opportunities for improving the current enabling environment. A second GVN rooftop solar effort CEIA is supporting is a donor-coordinated solar rooftop promotion program, spearheaded by MOIT's Electricity and Renewable Energy Authority (EREA). This solar rooftop program seeks to: 1) improve existing legal and technical frameworks, 2) increase workforce participation, 3) enhance public acceptance of rooftop solar, 4) provide incentives to access

[7]Source: https://blogs.duanemorris.com/vietnam/2020/08/27/circular-18-new-template-ppa-and-revised-regulations-on-solar-power-developments/

upfront costs to installers, 5) build capacity of relevant public and private sector personnel, and 6) improve the monitoring and evaluation of the energy performance of existing projects.

Through these engagements, the CEIA has identified several key remaining barriers to investment and potential measures to address them, which are detailed in the subsequent sections of this report.

Barrier Identification

Several barriers to mobilizing investment in NDC clean energy priority areas have been identified through the activities detailed in the previous section. Table 1 below outlines these barriers, provides a description, and offers measures and responsible stakeholders that can help address the barriers.

Table 1. Investment Mobilization Barriers in Vietnam

Barrier	Description	Investment Mobilization Measure	Stakeholder Responsible for Implementation
Lack of off-site corporate procurement options	Corporate customers lack options to buy offsite renewable energy to meet greater amounts or all of their energy demand	Measure 1: Develop Full Business-to-Business Power Purchase Agreement Regulation	Electricity Regulatory Authority of Vietnam (ERAV), MOIT, EVN, USAID
Regulations limit financial viability of onsite solar for industrial customers	Size limitations mean that large energy customers may only be able to meet part of their demand with onsite solar	Measure 2: Adjust Rooftop Solar Regulations to Support Industrial Customer Investments	MOIT, ERAV, CEIA
Lack of market information limits ability to implement and scale onsite RE projects	Commercial and industrial customers in Vietnam may have limited experience buying renewable energy and limited capacity to assess new technologies and business models	Measure 3: Build Capacity of Private Sector Investors to Replicate Clean Energy Procurement Business Models	CEIA, MOIT

Corporates have limited RE procurement options overall	The DPPA may be best suited to large corporates that are able to undertake the complex procurement and legal process. Additional options such as green tariffs, green utility pricing, and RECs can provide more options for smaller businesses, those corporates with shorter investment horizons, and those that prefer energy delivery.	Measure 4: Develop Additional Corporate Procurement Models	MOIT, ERAV, EVN, Ministry of Natural Resources and Environment (MONRE)

Development and Prioritization of Investment Mobilization Measures

The CEIA has identified several key areas for mobilizing additional private sector investment in Vietnam. Table 2 summarizes these measures, which are listed in order of potential impact. The barriers addressed, intermediate and medium-term steps, the long-term goals, and the stakeholders responsible are also identified. The investment mobilization measures are subsequently described in greater detail.

Table 2. Shortlist of Investment Mobilization Measures for Renewable Energy in Vietnam[8]

Implementation Measure	Barrier Addressed	Immediate- and Medium-Term Steps	Long Term Goal	Stakeholders Responsible
Measure 1: Develop Full Business-to-Business Power Purchase Agreement Regulation	Corporate customers lack options to buy offsite renewable energy to meet greater amounts or all of their energy demand.	Implement pilot DPPA and seek feedback	Develop full, revised Direct Power Purchase regulation based on market experience.	ERAV, MOIT – EREA, EVN, USAID
Measure 2: Adjust Rooftop Solar Regulations to Support Industrial Customer Investments	Size limitations mean that large energy customers may only be able to meet part of their demand with onsite solar	Gather input from the private sector on potential impacts of the new solar regulation on corporate renewable energy procurement business models.	Develop consistent regulations in line with international business practices that include adjustments to FIT levels on a predictable schedule that is well communicated to	MOIT, ERAV, CEIA

[8] This table was informed by PwC's investment mobilization roadmap report for Bangladesh that was supported under the same grant.

			the private sector in advance.	
Measure 3: Build Capacity of Private Sector Investors to Replicate Clean Energy Procurement Business Models	Lack of market information limits ability to implement and scale onsite RE projects.	Disseminate knowledge projects including tools and guides, convene CEIA corporate working group, provide technical assistance on innovative procurement approaches.	Corporates have a robust set of renewable energy procurement options and the knowledge and tools to self-lead procurement processes that meet their energy needs in Vietnam.	CEIA, MOIT
Measure 4: Develop Additional Corporate Procurement Models	Corporates have a robust choice of renewable energy procurement models, e.g. Renewable Energy Certificates and Utility Green Tariffs and physical PPAs.	Gather input from corporate buyers to identify desirable procurement options, and collaborate with GVN offices to design products.	Corporates have a variety of renewable energy procurement options to meet varying procurement preferences.	MOIT, ERAV, EVN, MONRE

Measure 1: Develop Full Business-to-Business Power Purchase Agreement Regulation: In collaboration with USAID V-LEEP, work to support implementation of the DPPA into the full regulation for offsite procurement. The Vietnam DPPA will enable corporate purchasers to enter into a financial contract with a renewable energy supplier. In exchange for the long-term contract, the corporate buyers will be able to make a claim of renewable energy use, facilitated by retaining the RE attributes in the form of RECs. The contract also provides revenue assurance to the RE supplier, enabling financial viability.

The draft DPPA regulation is currently with the Prime Minister for review. Once implemented, renewable energy buyers and suppliers will submit project proposals. ERAV will select winning proposals based on a pre-established eligibility criteria. This draft DPPA pilot is being capped at 1 GW. Based on ongoing CEIA engagement with potential suppliers and buyers, it seems that market demand for the DPPA far exceeds this pilot.

Once the draft DPPA pilot regulation and projects are implemented, there should be an opportunity for GVN, EVN, and public and private sector stakeholders to review and provide feedback on their experience with the pilot. Ultimately the aim of USAID Vietnam is to support the transition to a full regulation that could enable ongoing corporate RE procurement for offsite RE projects beyond the initial 1 GW. Given that the DPPA regulation work is underway and is being supported in depth by VLEEP with additional engagement by CEIA, the CEIA is not focusing in this report on outlining a roadmap for this particular investment mobilization measure. However, it is included within this report since this mechanism is a vital one for enabling large-scale private sector investment in clean energy in Vietnam.

Measure 2: Adjust Rooftop Solar Regulations to Support Industrial Customer Investments
Current solar rooftop regulations are most effective for driving investments by commercial end-users. This is largely due to the fact that commercial customers pay the highest electricity tariffs of all customer classes, as compared with residential or industrial end-users. Residential end-users often live in apartment buildings with limited rooftop space and that they have relatively smaller energy demands,

leaving industrial customers as the most significant untapped market in terms of supporting onsite solar PV investments. However, industrial customers can be further incentivized to invest in onsite solar by removing or increasing project size limitations and removing tariff subsidies (especially for projects that feed excess energy to the grid).

Industrial customers could be further spurred to invest in onsite solar projects given the following changes to regulations:

1. Removal or easing of the licensing procedures for projects larger than 1 MW
2. Further removal of subsidies for electricity tariffs, with current tariffs now around $0.07/kWh for industrial customers
3. Adjustments to the net metering and/or Time of Use policy that would provide industrial customers with greater value from onsite solar PV systems.

Given the ongoing work by ERAV, MOIT and USAID Vietnam on development of a DPPA regulation, *Measure 2: Adjust Rooftop Solar Regulations to Support Industrial Customer Investments* has been identified as a priority investment mobilization measure and is further detailed in the following section laying out a roadmap for implementation.

Measure 3: Build Capacity of Private Sector Investors to Replicate Clean Energy Procurement Business Models

Given Vietnam's large industrial sector that includes many major multinational companies, large regional investors, and local supply chains that seek to attract international customers, there is significant untapped potential to continue to build the capacity of the private sector to invest directly in clean energy. The following efforts have been identified by the CEIA team as key opportunities for spurring replication and scaled investments among C&I energy customers:

- Effort 1: Disseminate market knowledge, guide buyers through the procurement process, and facilitate onsite RTS pilot projects to explore new aggregated procurement models for single buyers across multiple sites, multiple buyers, and industrial parks.
- Effort 2: Continue to bring corporate voices into policy the process to demonstrate demand, describe barriers, and promote balanced policies that improve investment.
- Effort 3: Continue CEIA working group (previously "REBA Working Group") engagements. The working group brings together over 50 C&I companies (140+ representatives), developers, investors, and government officials to educate and share experiences on procurement options, business models, lessons learned, and new regulations and policies.
- Effort 4: Develop a Vietnam corporate buyers' guidebook.

Measure 4: Develop Additional Corporate Procurement Models

Vietnam has made great strides in offering additional procurement options to corporates in terms of clarifying the solar rooftop regulations and developing a pilot DPPA regulation. However, in general, corporate procurement of renewables has the best opportunity to expand when there is a variety of procurement options to meet differing needs that emerge over time. A corporate's clean energy procurement requirements can be affected by:

- **Increasingly ambitious targets.**
    - For example, a corporate may decide to increase a renewable energy procurement target from 20% 2030 to 50% by 2030. Perhaps this company has initially been able to meet targets through investments in onsite solar. However, all onsite projects opportunities may have been utilized and now they must look for offsite opportunities to meet this higher target and procure RE for a greater portion of their energy demand.

- **A desire to move towards mechanisms that more clearly demonstrate project additionality and impact, e.g.,**
    - Some corporates have initiated procurements through RECs or other mechanisms and may be interested in transitioning towards power purchase agreements where the impact of their purchases can be more closely tied to local projects, job creation and other benefits.
- **Changing investment horizons.**
    - A corporate may decide to extend its investment horizon in a country from 5 to 15 years and thus be willing to sign long-term RE procurement contracts that align with that longer-term period.

Thus, as the corporate RE procurement market in Vietnam develops, GVN stakeholders may want to explore other mechanisms that can continue to meet the needs of both international investors and their supply chain partners. For example, other mechanisms that Vietnam stakeholders could examine include:

- **Green Tariffs:** A green tariff enables a corporate to buy renewable energy through its incumbent utility which in turn procures the RE through a long-term contract with an IPP. Green tariffs offer multiple potential benefits to corporate RE buyers including price predictability and potential cost savings, additionality, and the ability to have RE power delivered to the same grid to which the customer is connected.
- **Renewable Energy Certificates (RECs):** Each REC represents the positive environmental attributes of 1 megawatt-hour (MWh) of renewable energy. RECs can be purchased together or separately from the RE power, and also from other markets. RECs can offer one of the cheapest and most flexible procurement mechanisms to corporates. However, there are challenges in communicating the benefits of REC procurements to corporate investors and customers, and questions about additionality and impact.
- **Green Utility Pricing:** Green utility pricing is an added fee to a customer's electricity bill for the purchase of renewable energy. Because of the structure of green utility pricing, this mechanism typically results in a premium on top of a customer's electricity costs. Depending on the structure of the program, the customer's opting-in may or may not result in an additional project. The customer may also have limited influence over which types of projects qualify for the utility program. It is important that green utility pricing programs are structured in such a way as to provide a transparent, impactful and cost-effective option for utility customers. Green utility pricing may be a good choice for corporates that are renting office space or that have very short investment timeframes and are unwilling to sign long-term contracts.

Investment Mobilization Measure Roadmap

The CEIA has identified *Measure 2: Adjust Rooftop Solar Regulations to Support Industrial Customer Investments* as a priority investment measure, given:

1) The demand from major multinational corporations and local and regional suppliers to be able to buy renewable energy in Vietnam to meet corporate targets.
    a. This has been expressed in part by the more than 140 corporate representatives that actively participate in the CEIA's renewable energy buyers working group, the previous DPPA declaration signed by multiple major multinational corporates, and representation by the UNFCCC Fashion Industry Charter for Climate Action's Policy Working Group, Vietnam Sub Group.

2) The recognition by EVN and GVN that electricity rates will require long-term adjustment.
    a. In August 2017, regulations were introduced requiring EVN to adjust tariffs every 6 months to reflect actual changes in production costs. Initial rates were increased in December 2017 and again in March 2019.[9] (However, there was a more recent, temporary decrease in rates in response to the COVID-19 pandemic and subsequent shutdown on the economy.[10])
3) Corporates have expressed that low energy costs are not a primary driver for determining in which markets they will base industrial operations.[11]

Step 1: Assess Current Industrial Energy Demand for Renewables
Through development of the DPPA pilot regulation, GVN should gain insights into the level of demand from major industrial companies for renewable energy generally, even though the DPPA program is specific to offsite renewables. There could be value in utilizing additional fora, surveys, and other research methods to more fully assess the level of industrial solar rooftop installations to date and the remaining demand from the sector.

Step 2: Assess Current Industrial Rates and Potential Impacts on Utility Business Models
It is important to understand the implications of any changes to either electricity tariffs or the net metering rate both on the customer and also on the utility's business model. Unintended consequences could include rate increases that deter industrial companies from the Vietnam market or net metering remuneration levels that overly value solar beyond what is financially sustainable for the utility.

Step 3: Perform Public Consultation to Understand Implications of Any Proposed Regulatory Changes
Engaging stakeholders, especially companies and business associations, has two main purposes:
1) It enables direct communication to the private sector to convey any potential forthcoming policy changes
2) It provides an opportunity to hear directly from industry about possible implications of tariff or net metering changes and how it could affect private sector investment decisions, both in terms of investments in Vietnam generally as well as investments in onsite solar more specifically.

Step 4: Develop Revised Solar Rooftop Regulations
Given that current industrial electricity rates are artificially low, there is less incentive to invest in solar or other clean energy technologies, such as energy efficiency. If either the industrial electricity rates were increased or if revisions to the net metering regime were put in place, those could significantly alter the business case for industrial investments in onsite solar. Key changes to the net metering policy, referred to as the FIT for excess solar generation, could include:

1. Removal or easing of the licensing procedure for projects larger than 1 MW
2. Adjustments to the net metering rate that would provide industrial customers with greater value from onsite solar PV systems.

[9] Source: https://www.fitchratings.com/research/corporate-finance/delay-in-vietnam-power-tariff-hike-constrains-evn-standalone-profile-29-03-2019
[10] Source: https://e.vnexpress.net/news/business/economy/vietnam-cuts-electricity-price-to-ease-covid-19-burden-4083716.html
[11] Source: https://www.iisd.org/gsi/sites/default/files/ffs_vietnam_fdi.pdf

Next Steps and Conclusion

Vietnam has demonstrated tremendous progress over the past couple of years in terms of working towards meeting its NDC clean energy priority targets and setting itself up as a leading clean energy market within the region. Between clarifications to solar regulations and demonstrating willingness to pilot new approaches, such as the DPPA, the Vietnam enabling environment has improved by leaps and bounds. While these great strides should be applauded, there is still hesitation by the government to develop significantly more ambitious clean energy targets, as shown by the mixed messages regarding future coal plans. Thus, there remains a large opportunity for the development community to continue to work hand in hand with Vietnam power sector stakeholders to advance national clean energy priorities by implementing additional mechanisms that can mobilize private sector investment into key markets.