

**REMARK AT THE
“VIETNAM MULTILATERAL PARTNERSHIP”
HANOI – 23/3/2010**

Binh Thuan is situated at the end of the South Central Coast. The province is the gate that opens to the Central Highlands, South East Region and Middle Coast of Vietnam through a system of roads, railways, waterways and airways available in the region.

With a natural area of almost 7.825km², a population of nearly 1,2 million inhabitants, like other middle coastal areas, Binh Thuan has an abundant wind potential, almost all year round, with an average capacity of 6,0 m/s, but the storm frequency is very low, there are almost no severe storm in Binh Thuan in the past 20 years. Along the coast of Binh Thuan, to the South East, there is a sandy hill of 5000 ha that is not in use. This offers a very good condition for the development of eolic industry. In reality, in the past 3 years, Binh Thuan has attracted 10 companies who invest in 12 wind power projects with a total capacity of over 1.500MW. Local authorities, the government, Ministries and related Agencies have always been supporting these companies, facilitating their process of project development. This fact proves that the wind potential actually exists and can be converted into electric power. Wind power is considered a clean energy, replacing other forms of conventional energy, fossil energy that are running out day by day. The process of wind power production does not emit greenhouse gases, an important factor of climate change on the earth, thus conforming with the common tendency of global community. Therefore, within a plan to implement **“Vietnam National Energy Development Strategy until 2020, with vision until 2050”** of the government, Binh Thuan has set a target of investing in 1.000 MW of wind power.

Current situation of wind power projects in Binh Thuan:

The 12 projects, totalling 1541 MW, invested by 10 companies that have been licensed by the People’s Committee of Binh Thuan, are:

- 01 project with a capacity of 120 MW, now in the first stage of implementation, capacity of 30MW: In September 2009 installation work was finished, 5 first wind turbines were put into operation, capacity of 7,5MW, producing almost 10 million KWh for distribution through the national gridline. 15 more turbines are now being imported to Vung Tau Port and transported to the work site to be installed. By October 2010 these 15 turbines will have been installed, finishing the first stage with 20 turbines. Second stage - the remaining 90 MW: all preparation procedure has been finished, and the whole project is expected to finish in mid 2012.
- 1 project of over 50MW, started in January 2010. Now preparing the site for implementation.
- 1 project of 50 MW, all procedure finished, implementation will be started by the end of 2010.

- The other projects are still in investment registration process: complementing planning, asking for approval for connection to national gridline, land lease ... and will all be started.

So, Binh Thuan is advancing the most among provinces in developing wind power projects, being the first province who has actually produced wind power for distribution through the national gridline.

However, same as to other places, investment in wind power is still something new to Binh Thuan, with incomplete legal framework, no practical experience, and shortage of infrastructure conditions for transportation and installation. As Binh Thuan is ahead in this field, it comes across several difficulties.

- Regarding the legal framework: The Government's support is not enough to promote development; there is still no mechanism of price negotiation for selling wind power to the national gridline; wind power development planning for the whole country is still incomplete; procedure for leasing land which takes into account the special characteristics of wind power projects is not included in the Law on Land...

- Regarding the infrastructure conditions: domestic transportation system is of low quality, roads being narrow and zigzagging, bridges having small load-carrying capacity which are not suitable for the transportation of extra long and heavy equipment, there is also a shortage of handling and installation equipment.

- Regarding project management experience: local competent authorities and wind power investors are both lacking of thorough knowledge and hands-on experience in managing and operating wind power projects.

Facing those difficulties, corresponding to the level of autonomy of the province, below are what the People's Committee of Binh Thuan has done to facilitate the smooth development of projects:

Elaborating "Binh Thuan Wind Power Development Plan for 2010 – 2015, with vision to 2020". This Plan has been completed, submitted by the People's Committee of the Province to the Ministry of Industry and Trade for approval in April 2010. Through the Plan, it can be affirmed that the total capacity that has been registered by the 12 projects being 1.541MW is justifiable. With the results of wind measurements at the height of 60 – 80m, wind speed of 6,0 to 8,5m/s, distributed on a natural area of 64.700ha, we have a potential capacity of 4.300MW. If we just calculate at the height of over 80m and the wind velocity of over 6,5m/s, the area of distribution is 15.500ha, and feasibility capacity being 1.038MW. In order to complete this plan, we have received the support of German Technical Cooperation Agency (Deutsche Gesellschaft für Technische Zusammenarbeit - GTZ). After the Plan is approved, companies will spend less time on project preparation as they will not have to make separate plan and wait for approval for their own projects, thus more active in preparing project feasibility studies and designing the distribution of wind turbines.

Founding Binh Thuan Association of Wind Power. This association groups wind power investors, specialized construction consultants, other management authorities,... for the purpose of sharing experience and exchanging information, giving technical support to

each other, looking for and introducing partners for joint ventures, mobilising funds for investment and tackling problems in administrative procedures. The Association now has 16 members, having organized the first General Meeting, Board of Management already elected, and is based in Phan Thiet City, Binh Thuan Province.

Promulgating the Regulation on “Wind Power Survey, Research and Investment” for use all over the province. This regulation helps local competent authorities standardize all related technical conditions, agree on lease land rules and on how to solve problems of wind power projects affecting other projects. This is the basis for local authorities to proceed with administrative procedure, settling possible conflicts or disputes arisen to wind power projects - construction projects of very special properties.

As for problems that correspond to State Central authority, The People’s Committee of Binh Thuan actively suggests the prompt issuance of mechanisms, policies, in particular, those related to the Law of Renewable Energy Development, policy for supporting clean development projects, settlement of the overlapping of wind power projects and other projects in the area; investment in power transmission lines of 500kV, 220kV whose plan and exact direction are already been agreed on by the Province,... so that wind power projects can be developed in Binh Thuan.

At this moment, investment in wind power in Binh Thuan is not just an idea but a reality. The Government and People’s Committee of Binh Thuan is now supporting and interested in the development of wind power. The reason is that, since the first 5 turbines start operation and distribute power to the national gridline, all doubts about the possibility of success or concerns about the noise and other environmental impacts caused by wind power production are over. On the other hand, benefits to the environment, and other benefits from the new energy which does not accompany greenhouse gas emission - the agent of global climate changes has been proved. We are very proud of being the first province in Vietnam having achieved this, and now doing our best so that the 12 projects can be implemented, producing a considerable amount of energy from clean sources for the country.

However, Binh Thuan is also expecting support and help from the Government, Ministries and Central Agencies as well as from international organizations. That is, completing the legal framework, participating in joint ventures to enhance technological and financial power; helping in technical training and professional skill development for the cadres and specialists of investment and consultancy companies as well as professional authorities involved in wind power sector.

All communication with wind power investors can be made through the Department of Industry and Trade of Binh Thuan Province or the Association of Wind Power of Binh Thuan, 238 Thu Khoa Huan, Phan Thiet City, Binh Thuan Province.

May I thank you all for your attention.