

Press Releases: Joint Statement on U.S.-Vietnam Energy Security Dialogue

Media Note
Office of the Spokesperson

Washington, DC
April 12, 2019

The text of the following statement was released by the Government of the Socialist Republic of Vietnam and Government of the United States on the occasion of the Energy Security Dialogue conducted in Washington, DC.

Begin text:

The Governments of the United States and Vietnam held the second annual U.S.-Vietnam Energy Security Dialogue in Washington, D.C., on April 12, 2019. U.S. Assistant Secretary of State for Energy Resources (ENR) Francis R. Fannon and Republic of Vietnam Vice Minister of Industry and Trade (MOIT) Dang Hoang An, along with interagency representatives from both countries, reaffirmed the United States and Vietnam's commitment to deepening cooperation on energy security. This Energy Security Dialogue built on a year of intensive engagement since the inaugural 2018 U.S.-Vietnam Energy Security Dialogue.

The U.S. and Vietnam delegations emphasized the centrality of energy security to sustained economic development in light of the region's tremendous economic growth and rising energy demands. They recognized that energy security is strengthened by using all forms of energy, as well as by diversifying sources and supply routes. They noted the key role that energy infrastructure – including power generation equipment for all forms of energy – fossil and renewables – and international power interconnections – will play in diversifying Vietnam's energy supplies and enhancing Vietnam's energy security. To this end, both sides affirmed the importance of improving the transparency and predictability of Vietnam's energy sector investment climate through private sector-led development and regulatory reforms.

Assistant Secretary Fannon offered continued technical assistance to support efforts to enhance the regulatory capacity of the Electricity Regulatory Authority of Vietnam (ERAV). Specifically, ENR will support ERAV with developing: 1) a competitive power market; 2) smart grid and demand response programs; and 3) the regulatory tools necessary for competitive wholesale and retail electricity markets. ENR will continue to work closely with partners in MOIT and the Directorate for Standards, Metrology, and Quality (STOMAQ) to

increase energy efficiency in the region through technical engagements, and will seek ASEAN endorsement for voluntary best practices. The two sides further recognized the urgency for improving energy efficiency, particularly given that air conditioning comprises up to fifty percent of peak electricity demand in ASEAN countries and has a significant impact on energy security.

With respect to renewable energy, Vietnam representatives discussed their pilot program for Direct Power Purchase Agreements (DPPAs) that allows U.S. corporations with 100 percent renewable energy targets to directly purchase electricity generated from renewable energy sources for their production facilities in Vietnam. In addition, the U.S. Trade and Development Agency (USTDA) demonstrated its support for enhancing Vietnam's storage capacity by funding a joint Electricity Vietnam (EVN)-GE Power study on the use of advanced energy storage technologies to reduce power shortages in Southern Vietnam. During the Dialogue, EVN and GE power signed an agreement to carry out that study.

With respect to liquefied natural gas (LNG), both delegations highlighted the U.S.-Vietnam LNG workshop in Ho Chi Minh City in December 2018, which promoted securing stable LNG supplies for power generation and expediting investments in the LNG sector. The two sides discussed AES Corporation's proposal to invest in the Son My 2 LNG-to-power project.

The U.S. Agency for International Development (USAID) highlighted its support for cooperating with MOIT on power sector reforms, increasing Vietnam's renewable energy and storage capacity, promoting natural gas imports, and enhancing energy efficiency.

The United States and Vietnam delegations committed to continued cooperation in all of the areas discussed in the Dialogue and to review progress at the third U.S.-Vietnam Energy Security Dialogue in 2020 to be held in Vietnam.

End text.

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