

# Power

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## Risk of electricity shortage from April

**Non-rated**

### Soaring coal and gas prices

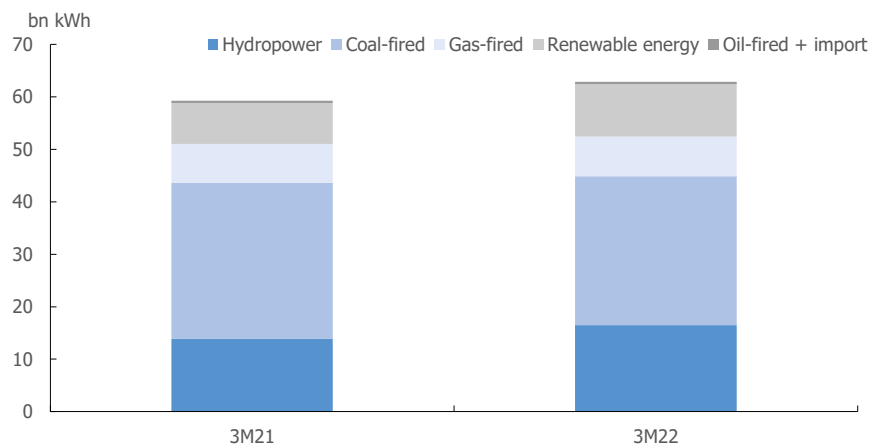
- In Mar 2022, electricity production was 23.4bn kWh (+26% mom, +1.4% yoy). Based on our collection, the 3M22 aggregate output volume went up 4.9% yoy to 63.03bn kWh thanks to economy recovery.
- Coal-fired power volume dropped to 28.37bn kWh (-4.6% yoy) due to tight coal supplies.
- The mobilization of hydropower also surged 18.9% yoy in the context of rising fuel oil (FO) price on Singapore market (+56% yoy) and imported coal price (+170% yoy).
- Renewable energy (solar, wind, biomass) was the biggest beneficiary when its output hovered to 10bn kWh (+28.5% yoy) thanks to the operation of new renewable energy projects.
- Due to the sharp rise of Singapore FO and global coal price, the average selling price on competitive market (CGM price) also surged.
- In 1Q22, EVN had started 20 projects and put into operation 21 power grid projects.

### Vietnam may face electricity shortage from April

- According to Ministry of Industry and Trade (MoIT), total coal volume supplied by Vinacomin (TKV) and Dong Bac Group was only 77% and lacked 1.36 million tonnes compared to contracted volume. Some coal-fired power plants are operating at 60-70% of capacity. EVN predicted a shortage of 3,000 megawatts of electricity which has led to a decline in electricity supply as high-demand season nears. The MoIT sought to import 5 million tonnes of coal annually from Australia. It is also looking for sources from South Africa.
- As of 31 Mar, the volume of imported coal was 6.44 million tonnes, decreased 2.4 million tonnes yoy. According to General Department of Customs, in 1Q22, average price of imported coal was USD228.5/tonne (+170% yoy). Combined with the decreasing import volume, this will put great pressure on electricity production.
- The actual coal thermal power output in 1Q22 was 1.365bn kWh lower than guidance.

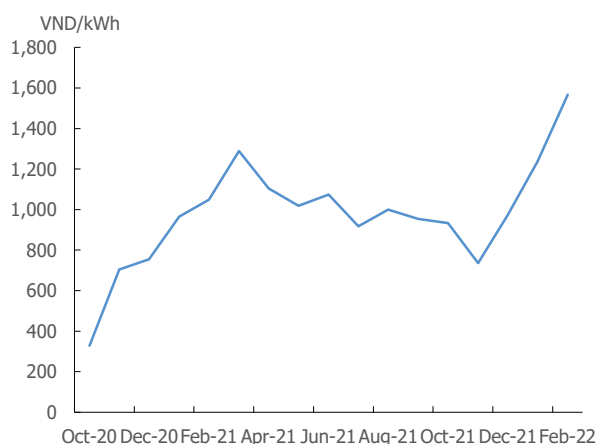
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**Figure 1. The output volume by type**



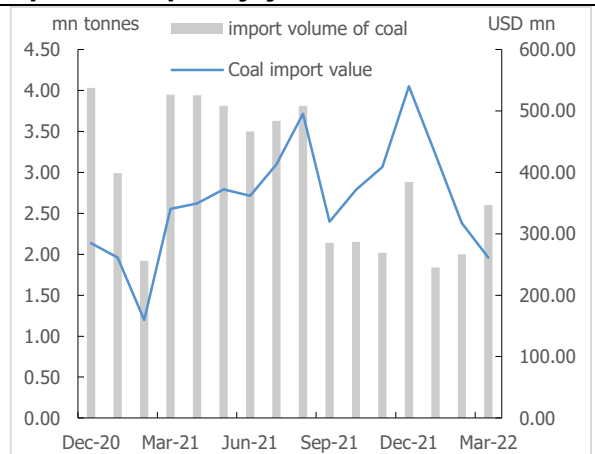
Source: EVN

**Figure 2. Average CGM price increased yoy**



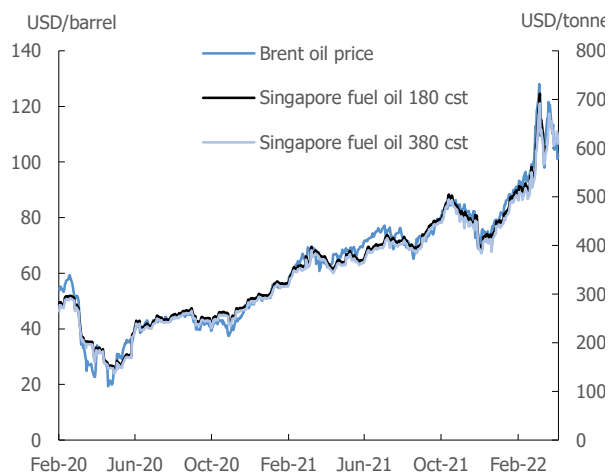
Source: EVNGENCO3  
Note: The average CGM price was updated as of Feb 2022..

**Figure 3. 1Q22's coal import volume decreased but import value spiked yoy**



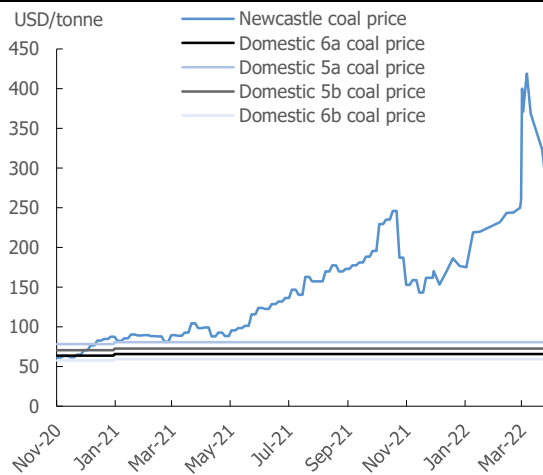
Source: Fiiipro

**Figure 2. Singapore FO price and gas price sold to domestic power plants spiked yoy**



Source: Bloomberg  
Note: The FO and Brent oil were updated as of Apr 7<sup>th</sup>.

**Figure 3. Global coal price had soared in 1Q22**



Source: Bloomberg, ERAV, TKV  
Note: The coal prices were updated as of Mar 31<sup>st</sup>

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