

**WELCOME ADDRESS BY DR. DINH THE PHUC
DEPUTY GENERAL DIRECTOR
ELECTRICITY REGULATORY AUTHORITY OF VIETNAM
AT THE WORKSHOP FOR THE DETAILED DESIGN OF DEMAND
RESPONSE PROGRAMS FOR POWER CORPORATIONS IN VIETNAM
29 MAY 2014, HANOI**

Ladies and Gentlemen,

Firstly, on behalf of ERAV, I would like to welcome and express my thanks to the participants from MoIT, WB, Electricity Society, EVN, PCs, NPT, NLDC, and some large customers in Ho Chi Minh City for being here today to participate in the workshop "Detailed Design of Pilot DR Programs" in the Technical Assistance for ERAV "Implementation of Pilot DR Program" under the framework of the World Bank Distribution Efficiency Project.

Ladies and Gentlemen,

Demand response is one of a group of solutions for improvement of energy efficiency, from that to ensure balance of supply-demand, optimize the power system, improve reliability, and supply security. These were specified in the Government's Decisions as well as those of MoIT, which are detailed as follows:

Decision number 2447/QD-BCN dated July 17, 2007 issued by MoI, the MoIT Minister (formally known as Ministry of Industry) approved the National program on Demand Management for the period 2007-2015, where ERAV was assigned to chair, coordinate, and cooperate with the stakeholders to perform Programs on demand management, including Demand response.

Decision number 1670/QD-TTg dated November 08, 2012 by the Prime Minister approving the development of Smart Grid Project in VN, in which, the implementation of DR programs is defined as one of the solutions to enhance effectiveness of the power system operation, improve reliability of supply as well as to effectively manage demand.

Decision number 2600/QD-BCT dated March 27, 2014 issued by MoIT about approval of plan for pilot implementation of DR program that the pilot implementation of DR programs shall be implemented in the HCMC area.

In implementation of the assignment, from 2012, as sponsored by the WB, ERAV has carried out the TA "Development of Regulation for implementation of Demand response", in which, the DR programs were recommended. However, the experience showed that the DR programs are successful only when there are enough suitable incentive mechanisms for customer participation such as mechanism on electricity price via the tariff, or direct incentives mechanism provided to customers. Therefore, it is necessary to implement the pilot DR program to test the policies, to modify and finalize the legal framework before extending its implementation. Within the DEP sponsored by the WB, ERAV has been working with Diamond Energy (from Singapore) to implement the TA "Implementation of the Pilot DR Programs". The following are the main tasks of this TA:

Select and design in detail at least 2 DR programs to pilot in the PC's area;

Support ERAV in the evaluation of the quarterly results of the Pilot DR programs;
and

Recommend suitable modifications and amend the Draft Regulation on DR to be widely applied in the future.

Ladies and Gentlemen,

This TA has been implemented from February 2014. So far, the Consultant has completed the draft report for the 1st task on "Detailed design of the Pilot DR programs". This is the important task that dictates the success of the project. ERAV sent the draft report to EVN, PCs and the related entities for comments. ERAV and the Consultant organized this workshop to present the content of the report for your comments. ERAV hopes to receive your comments and feedback during this workshop.

Once again, I would like to express my thanks to all of you for spending your time to be here with us. We wish you good health and hope this workshop will be a great success.

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