

**Hanoi, 4 September 2018**

**Limes consolidates its position in the Vietnam solar PV market with a pipeline in excess of 1GWp**

Limes Renewable Energy, a leading international renewable energy developer, has targeted the emerging market of South East Asia to develop its second hub after Milan, Italy.

Limes is a specialised renewable energy developer founded by a pool of professionals with more than 60 years of cumulative experience and a successful 1.6GWp energy development background. In early 2018, Limes raised institutional capital to develop 500MWp of subsidy-free solar in Italy and now it is implementing its diversification strategy.

South East Asia is experiencing an exponential increase of renewable energy development, with solar and wind expected to replace a substantial percentage of projected coal plants across the region.

Among other markets, Vietnam solar sector is at the centre of the region expansion, backed by a strong growth in energy consumption: ca. 10% per year in the past 5 years and forecasted at ca. 9% for the next 5 years. Vietnam has high ambitions on renewable energy, even though, at the moment, total output from clean energy stands at about 5% of the total supply. The Revised National Power Master Plan VII, released in March 2016, stipulates that 21% of the total energy supply will come from renewable energy sources. To date, solar PV is at a negligible level, but Vietnam is aiming to increase the installed capacity of solar power to 12,000 MW by 2030.

Driven by the attractive Feed-in Tariff of USc 9.35/kWh, the first round of incentive tariffs was very successful, with over 3GWp of Master Plan applications approved and awaiting signature of PPAs and grid connection agreements.

This early solar market success, coupled with the Vietnamese Government's concerns over electricity under-supply after 2020, caused by thermal power projects suffering delays, are behind the Ministry of Industry and Trade recent proposal to the Prime Minister to increase the solar target for 2030 to 18.7GWp. The new national solar power plan is expected to be published in Q4 2018 to consolidate at national level the different Provincial solar plans and an updated national Power Development Plan (PDP VIII) is expected in 2019, which should foresee an increase in the renewable energy target, coupled with a reduction of the coal target.

Wind will also be very important to achieve the national renewable energy targets: despite wind power capacity installed in 2016 was equal to just 190 MWp: the target is to reach 6GWp by 2030.

Within this context, Limes has established its presence in Vietnam, with offices in both Hanoi and Ho-Chi Minh City and a strong local team. Limes has been working in Vietnam for the past year and it is positioning itself for the next round of FiT. Limes has entered into different strategic partnerships with local partners. As a result, it has

currently access to a pipeline of around 500MWp of projects to be developed in the most promising provinces. Additional 500MWp are currently under valuation to be added to the current pipeline.

The projects in the current pipeline are nine and have an average peak power of 110MWp, ranging from 30MWp to 200MWp. Given the current regulatory framework, the projects are being designed using fixed tilt structures and bifacial solar panels. Projects' average production is estimated between 1,500 and 1,600 kWh/kWp that, if coupled with an expected FiT for Round 2 in the range of USc 7.5/kWh and 8.5/kWh, should generate attractive yields.

One of the leading European utilities has already recognised the strong expertise and local presence of Limes in Vietnam and it has entered into a co-development agreement with the goal of jointly reach 500MWp of solar power in the country. The partners have already identified a 50MWp site for which they have started the development process. The site is located over a 70 ha land and will have an expected output of around 77.3 GWh yearly.

“Limes aims to become a key player in the most promising emerging renewable market of the next decade, South East Asia” says Limes Managing Director Cristiano Spillati. “We chose Vietnam to kick-off our local operations in the Region because we believe the addressable market for both PPAs with EVN, the local utility, and private PPAs will be huge. The country needs to add around 4GW of new capacity every year for the next ten years, in order to maintain its targets of economic growth, and we believe renewable energy will provide a big chunk of this capacity addition”.

“The combination of Limes management team international experience, having developed projects in eighteen different mature and emerging markets around the world, and our experience in the local market, has allowed us to provide effective solutions to the challenges of developing successful projects in an emerging market like Vietnam”, says Nghiem Vu Duc, Limes local Business Development Director.

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