

# Vinh Tan III coal power plant Vietnam

**Sectors:** Coal Electric Power Generation

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[Project website](#)

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## Status



## About Vinh Tan III coal power plant

The Vinh Tân III thermal coal power plant is part of a planned four unit power center in the Vinh Tân, Bình Thuận province of Vietnam. It will generate up to 12 billion kilowatt-hours annually, from three supercritical 660MW units which will be fueled with imported anthracite (hard coal). In 2008, the project's sponsor, OneEnergy, a joint-venture between CLP Group and Mitsubishi Corporation, signed a USD 1.1 billion contract with Electricity of Vietnam (EVN) to build the plant, beginning construction in 2010. Due to new [Build, Operate and Transfer \(BOT\) regulations](#), the contract between the project sponsor and the government could not be signed until [October 2015](#). The project is expected to cost USD 2 billion.

The energy centre at Vinh Tan consists of four units which are independent from each other, financially as well as operationally:

- Vinh Tan I: the construction of the two-unit 1,200MW power plant has reached **completion**. The first unit was commissioned in June 2018. The second unit has undergone successful test operations in January 2019;
- Vinh Tan II: both units of the supercritical 1,245MW plant have been online since **2014**;
- Vinh Tan IV: both units of the fourth supercritical 1,200MW power plant are **online**. The first unit was completed in December 2017 and the second in October 2018;
- Vinh Tan IV Extension: in 2016, it was announced that the fourth complex would be extended for another 600MW unit. The plant conducted successful test operations in April 2019 and is scheduled to be commissioned in **October 2019**.

## Brief history

- 2009 - OneEnergy, EVN and Pacific Group Corporation founded the project sponsor: the Vinh Tan III Energy JSC (VTEC). The shares are split respectively 49%, 29% and 22%;
- November 2013 - VTEC signed a **construction agreement** (valid until 2018) with China Harbin Electric International Corporation to construct the plant;
- October 2015 - The China Development Bank **signed** a Memorandum of Understanding with VTEC on investment and financial arrangement for the BOT thermal power plant project. Commercial operation of the first unit was planned for 2020;
- July 2017 - It was reported that EVN plans to **divest** from Vinh Tan III after the project is completed;
- June 2019 - The completion date for the first unit of the power plant was delayed to **2024** and the completion date for the second and third units was delayed to **2025**. The current status of the power plant: **pre-permit development**.

## What must happen

The Paris Climate Agreement goals require a managed decline of fossil fuel production, and the construction of new coal fired power plants is not compatible with this. Banks must therefore immediately stop financing new coal-fired power plant developments anywhere in the world.

## Issues

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### Human rights and social issues

Local communities already suffer from ash and fumes that are blown into their neighbourhoods from the existing units of the Vinh Tan energy centre. Local people report that the ash penetrates living spaces, sets on surfaces and makes people cough. Restaurant owners complain that rice dishes turn black when put on the table. The loss of marine life also affects local fishermen, aquaculture and tourism.

In April 2015 local residents blocked the main highway for several hours to protest against the immense impacts on livelihoods and health due to pollution and the transportation of ash in uncovered lorries. Local authorities urged the operator to mitigate pollution and imposed a fine of around

[VND 1.5 billion \(USD 69,510\)](#). Contrasting the protest and authorities' request to mitigate pollution, lorries were re-directed to smaller streets, the dumping sites were covered with canvas to prevent dispersion but dumping still continued and locals have reported that pollution got worse. Responsible for this increased pollution is Vinh Tan II which came into operations in 2014. Filters to absorb dangerous elements from the fumes are still not implemented sufficiently and pollution control is by officials of industrial zones generally considered [too expensive](#).

## Environmental issues

The Vinh Tan III project will be responsible for emitting over 11 million tonnes of CO2 each year. Coal for the plant will be imported via a deep sea port and there are concerns that the construction of the port, delivery of coal by large vessels, dumping of ash waste and the discharge of cooling water will endanger aquatic life. In addition the relocation of coral from the shore of Vinh Tan to the Hon Cau Marine Protected Area (MPA) off shore, disturbs the aquatic ecosystem and the diversity of marine life severely. The construction of Vinh Tan III will increase this threat to the marine ecosystem.

Waste disposal from the plant presents additional alarming impacts. Initially, waste from Vinh Tan II was stored in open pits, until locals protested and the pits were covered. In November 2016 the plant's operator requested permission to [dump 1.5 million cubic metres of industrial waste](#) into the MPA, arguing that it was only "natural sediment", although this was challenged by scientists and the Hon Cau MPA itself.

Water intake (millions of cubic meter per year) for the entire Vinh Tan power centre is likely to harm marine lives such as fish, shrimp and crabs, fish eggs and larvae. The destruction is twofold: these marine lives can be trapped on the intake screen or sucked through plants' heat exchanger.

## Governance

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### Bank policies

The following bank investment policies apply to this project:

#### Standard Chartered

##### Position Statement: Fossil Fuel Power Generation

[Apr 5 2017 | Standard Chartered](#)

##### Position Statement on Climate Change and Energy

[May 2 2016 | Standard Chartered](#)

##### Climate change position statement

Date listed represents date as accessed on website

[Nov 22 2018 | Standard Chartered](#)

### Applicable norms and standards

#### Equator Principles

## Updates

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## Financiers

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HSBC is the financial advisor for the [USD 2 billion](#) project, with China Development Bank being the [lead arranger](#) of the financiers.

### Banks

#### [Bank of China](#) China [profile](#)

[Details](#) ▼

Approached, interested

source: Market Forces

[link](#)

#### [China Construction Bank](#) China [profile](#)

[Details](#) ▼

Approached, interested

source: Market Forces

[link](#)

## [China Development Bank](#) China [profile](#)

Details ▼

Uncategorised

Lead arranger

source: Market Forces

[link](#)

## [HSBC](#) United Kingdom [profile](#)

Details ▼

Advisor

source: IJ Global

[link](#)

## [Industrial and Commercial Bank of China \(ICBC\)](#) China [profile](#)

Details ▼

Approached, interested

source: Market Forces

[link](#)

## [Standard Chartered](#) United Kingdom [profile](#)

Details ▼

Approached, interested

source: IJGlobal

[link](#)

[DBS](#) dropped out of Vinh Tan III coal-fired bank syndicate in July 2017.

In December 2019, Standard Chartered withdrew its financial support for this Dodgy Deal. In [2018](#), Standard Chartered stated that it would no longer finance new coal-fired power plants anywhere in the world, unless a commitment was already made to a project. One of these projects was Vinh Tan III. In 2019 the bank [confirmed](#) it would withdraw from this project, thereby closing the loopholes in its 2018 policy.

In January 2020 HSBC announced its withdrawal from the Vinh Tan III coal power plant project ([Ecobusiness.com](#)).

## Related companies

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### Project sponsor

**Vinh Tan 3 Energy Joint Stock Company (VTEC)** Vietnam

### Other companies

**CLP** Hong Kong

**Harbin Electric** China

EPC

**Mitsubishi** Japan

**OneEnergy Ventures Ltd.** Hong Kong

49% owner of VTEC. OneEnergy Ventures is a 50:50 joint venture between CLP Holdings and Diamond Generating Asia, a subsidiary of Japan's Mitsubishi Corp.

**Pacific Ocean Engineering Joint Stock Company** Vietnam

**Thai Binh Duong Group** Vietnam

22% owner of VTEC

**Vietnam Electricity (EVN)** Vietnam

29% owner of VTEC