



VIETNAM:
UPDATES ON LATEST DEVELOPMENTS IN
ENERGY MARKET REGULATIONS
(IN CHARTS)

May 2024

Power Development Plan 8 - Implementation Plan

approved on 1 April 2024

National capacity allocation until 2030



Offshore wind power
6,000 MW



Onshore wind power
21,880 MW



Solar Power Rooftop
(self-consumption)
2,600 MW



Waste-to-energy
1,182 MW



GAS
14,930 MW



LNG
22,400 MW

Lists of approved energy projects

Gas 10 projects

LNG 13 projects

Coal 6 projects

Onshore wind 156 projects

Small-scale hydropower projects 257 projects

Biomass 13 projects

Solar projects post-2030 included if
for self-generation and consumption: 27 projects

Waste-to-energy 27 projects

Solar projects maximum capacity
is provided on "per
region" basis

For detailed lists please refer to **Appendix III of Decision No. 262/QĐ-TTg** approving the Plan to implement the National Power Development Planning for 2021 - 2030 period, with a vision toward 2050.

Expected new regulations and laws (2023-2025)

- Tariff framework for electricity importation from Laos;
- Tariff framework for each type of electricity generation;
- Regulations Encouraging Self-Consumption Rooftop Solar;
- Amendments to Electricity Law and Law on Economical and Efficient Use of Energy;
- Carbon Credit Market Development Mechanism; and
- Regulations on direct power purchase agreements (DPPA).

Key sources of tariff guidance and model PPAs templates

COAL, GAS AND LNG	Price range:	Circular 57/2014/TT-BCT	
	Tariff:	Circular No. 57/2020/TT-BCT and Circular 07/2024/TT-BCT as of 1 June 2024	
	Model PPA:	Circular No. 57/2020/TT-BCT and Circular 07/2024/TT-BCT as of 1 June 2024	
SOLAR, WIND	"Feed-in-Tariff" projects	Tariff:	Decisions 11, 13, 37, 39
		Model PPA:	Circular 02/2019/TT-BCT and Circular 18/2020/TT-BCT
	"Transitional" projects	Price range:	Circular 15/2022/TT-BCT
		Tariff:	Circular 07/2024/TT-BCT as of 1 June 2024
	New projects	Model PPA:	Circular 02/2019/TT-BCT and Circular 18/2020/TT-BCT
		Price range:	Circular 19/2023/TT-BCT
HYDRO	Large, 30 MW and over	Tariff:	Circular 07/2024/TT-BCT as of 1 June 2024
		Model PPA:	Circular No. 57/2020/TT-BCT and Circular 07/2024/TT-BCT as of 1 June 2024
		Price range:	Circular 57/2014/TT-BCT
	Multi-purpose projects	Tariff:	Circular 26/2017/TT-BCT
		Model PPA:	CircularNo.26/2017/TT-BCT
	Small, under 30 MW, ACT	Tariff:	Circular 32/2014/TT-BCT
		Model PPA:	Circular No. 32/2014/TT-BCT
	Small, competitive market	Price range:	Circular 57/2014/TT-BCT
		Tariff:	Circular 07/2024/TT-BCT as of 1 June 2024
		Model PPA:	Circular 07/2024/TT-BCT as of 1 June 2024
	BIOMASS	"Feed-in-Tariff":	Decision 24/2014/QD-TTg
		Model PPA:	Circular No. 44/2015/TT-BCT
Tariff:		Circular 07/2024/TT-BCT as of 1 June 2024	
Model PPA:		Circular 07/2024/TT-BCT as of 1 June 2024	
WASTE-TO-ENERGY	"Feed-in-Tariff":	Decision 31/2014/QD-TTg	
	Model PPA:	Circular No. 32/2015/TT-BCT	
	Tariff:	Circular 07/2024/TT-BCT as of 1 June 2024	
	Model PPA:	Circular 07/2024/TT-BCT as of 1 June 2024	
CROSS-BORDER TRADES		Circular 09/2015/TT-BCT	



Examples of available ceiling prices:

Type of project	Ceiling price (as set in VND) / kWh	Approx. in US cent / kWh	Source (regulation)
Transitional ground solar	1,184.90 VND/kWh	5.04 US cents /kWh	Decision No. 21/QĐ-BCT
Transitional onshore wind	1,587.12 VND/kWh	6.75 US cents/kWh	Decision No. 21/QĐ-BCT
Coal	1,559.70 VND/kWh	6.64 US cents /kWh	Decision 2503/QĐ-BCT

* For approximate visual illustration purposes only. The chart is not intended to cover all calculation and adjustment components as set out in the regulations or standard templates of PPA, and does not describe them in full degree of detail.

Latest legislative developments following PDP8 Implementation Plan

DRAFT AMENDMENT TO ELECTRICITY LAW

- Adding a Chapter dedicated to renewable energy introducing, among others, the following provisions:
 - Land use coefficient of solar projects will be decreased from 1,2 ha/MW to 0,7ha/MW from the effective date of the law untill 2030 and 0,5ha/MW after 203
 - Adding an investment approval mechanism for offshore wind projects
- Amending the investment law to include a special approval mechanism applied for offshore wind projects
- Adding provisions to govern the DPPA as forward contract

DRAFT DECISION OF PRIME MINISTER ON DIRECT POWER PURCHASE MECHANISM (APPLIED ON PILOT BASIS)

- Direct power purchase agreement (DPPA) mechanism is said to be implemented ***on a pilot basis***.
- **Notable points Details:**
 - This mechanism will be applicable for wind or solar projects.
 - Both off-the-grid model and grid-connected model envisaged.
 - In the grid-connected model the structure envisages the following contracts:
 - PPA between EVN and Power Producer at spot wholesale price;
 - PPA between Power Producer and Consumer at retail price (=spot price + transmission costs)
 - Contract for difference between Power Producer and Consumer relating to the difference between spot price and agreed strike price.

LNG AND GAS

- The draft special Decree on the mechanism for developing electricity projects using natural gas and LNG was published on 20 April 2024.
- On April 24th, MOIT convened a workshop to gather input on the draft and, among others, 2 points were discussed:
 - **The price transferring mechanism:**
 - It is explained by MOIT that this mechanism will allow LNG power plants to adjust electricity prices to reflect fluctuations in fuel costs for LNG procurement.
 - Circular No. 24/2019/TT-BCT already mentioned a similar mechanism with wider scope of application. In particular, it allows power plants with fuel purchase obligations to transfer fuel purchase terms from their supply contract to the power purchase agreement on case by case basis. Under Circular 24, EVN is the negotiation authority that will be responsible for negation on matters such as annual contract volumes.
 - **Long-term PPA**
 - The draft is currently proposed to guarantee to buy up to 70% of LNG projects output, applicable for maximum 7 years during the project's debt repayment projects. This is to ensure the right of project's investor who will need to enter into a long-term contract for stable supply of LNG.



VDB Loi

Ho Chi Minh Office

Level 16, Unit 1638
Bitexco Financial Tower
2 Hai Trieu Street, Ben Nghe Ward
District 1, Ho Chi Minh City 700000
T: +84 708 283 668

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