

New and Renewable Energy Development in Viet Nam





New and Renewable Energy Development in Viet Nam

Two new decrees in Viet Nam:

- Decree 80/2024/ND-CP
- Decree 135/2024/ND-CP



Decree 80/2024/ND-CP

On July 3, 2024, the Government issued Decree 80/2024/ND-CP stipulating the mechanism for direct electricity trading between renewable energy power generation units and large electricity users.

Subjects of direct electricity trading via Private Connection Lines include:

- Renewable energy power generation units;
- Large electricity users.

Subjects of direct electricity trading via the National Grid include:

- Renewable energy power generation units from wind or solar with a capacity of 10 MW or more connected to the national power system directly participating in the competitive wholesale electricity market;
- Large electricity users for production purposes purchasing electricity from the Electricity Corporation or electricity retailers other than the Electricity Corporation connected to a voltage level of 22 kV or higher;
- Electricity retail units in the models of zones and clusters are authorized by large electricity users for production purposes to purchase electricity from the Electricity Corporation, signing a term contract with the Renewable Energy Power Generation Unit (hereinafter referred to as the authorized Electricity Retail Unit in the models of zones and clusters).



Decree 80/2024/ND-CP

Direct electricity trading form

Accordingly, direct electricity trading is the activity of buying, selling and receiving electricity carried out through 02 forms:

(1) Direct electricity trading via a separate connection line is the activity of signing an electricity trading contract and delivering electricity via a separate connection line between the Renewable Energy Power Generation Unit and a large electricity user according to the provisions of Chapter II of Decree 80/2024.



Decree 80/2024/ND-CP

(2) Direct electricity trading through the National Grid is the activity of buying and selling electricity through a Forward Contract between a renewable energy power generation unit and a large electricity user (or an authorized electricity retailer in a zone or cluster model) and the electricity trading activity is carried out in accordance with the provisions of Chapter III of Decree 80/2024, including:

- Renewable energy power generation units sell all produced electricity to the spot electricity market of the competitive wholesale electricity market;
- Large electricity users or electricity retailers in a zone or cluster model are authorized to sign an electricity trading contract with the Electricity Corporation (or an authorized/decentralized unit) to buy all electricity to meet demand;
- Renewable energy power generation units and large electricity users or electricity retailers in a zone or cluster model are authorized to buy and sell electricity through a Forward Contract.



Decree 135/2024/ND-CP

On October 22, 2024, the Government of Vietnam promulgated Decree No.135/2024/ND-CP on regulations and policies encouraging the development of self-consumption rooftop solar power.

Specifically, to encourage the development of self-consumption rooftop solar power, the Government of Vietnam has promulgated **9 policies** as follows:

(1) Organizations and individuals installing self-consumption rooftop solar power systems shall be exempted from licenses to engage in electricity and limitations of capacity output in the following cases:

- The mentioned solar power system is not connected with the national power system;
- The organization or individual installs a system of devices to prevent backflow into the national power system;
- Households and separate houses develop self-consumption rooftop solar power with a capacity below 100 kW.



Decree 135/2024/ND-CP

- (2) Organizations and individuals installing self-consumption rooftop solar power systems with a capacity of 1.000 kW or more and selling excess electricity to the national power system shall carry out procedures for electricity planning (excluding cases where the capacity is subject to the capacity scale according to planning or plans to implement planning allocated locally) and licensing of electricity operations according to the law.
- (3) Self-consumption solar power is entitled to preferential policies on tax according to the current tax law.
- (4) Self-consumption rooftop solar power is entitled to simplified administrative procedures according to relevant current laws.
- (5) Construction works with installed self-consumption rooftop solar power are exempted from revision and addition to land planning for energy and functions according to the law.
- (6) Self-consumption rooftop solar power systems of households, separate houses; offices and works being public property are determined as technological equipment attached to construction works.



Decree 135/2024/ND-CP

(7) Regarding self-consumption rooftop solar power systems connected with the national power system and subject to the capacity scale according to planning or plans to implement planning and self-consumption rooftop solar power systems connected with the national power system of households and separate houses with a capacity below 100kW, excess electricity may be sold to the national power system but no more than 20% of the actual capacity:

- EVN shall pay organizations and individuals for the excess electricity;
- The purchase price of excess electricity shall be equal to the average market price in the preceding year announced by the electricity system and market operation units to ensure conformable encouragement in each period of development of the national power system;
- Self-consumption rooftop solar power systems installed on the roof of construction works that are offices or works being public property shall not be eligible for engagement in excess electricity trading.

(8) Households and separate houses developing self-consumption rooftop solar power systems are exempted from or not required to revise business licenses.

(9) Organizations and individuals are encouraged to install electricity storage systems to ensure safe and stable operations of power systems.