

Notable Energy Development in Viet Nam since EWG 68

The Vietnamese Government issued a new decree as follows:

1. Decree no. 135/2024/ND-CP dated October 22nd, 2024 on regulations and policies encouraging the development of self-produced and self-consumed rooftop solar power.
2. Law no. 61/2024/QH15 dated November 30th, 2024 on Electricity.

1. Decree no. 135/2024/ND-CP

On October 22nd, 2024, the Government of Vietnam promulgated Decree No.135/2024/ND-CP stipulating mechanism and policies to encourage the development of self-produced and self-consumed rooftop solar power.

Specifically, in order to encourage the development of self-produced and self-consumed rooftop solar power, the Vietnamese Government has issued **9 policies** as follows:

(1) Organizations and individuals installing self-produced and self-consumed rooftop solar power systems are exempted from electricity operation licenses and have no capacity limit in the following cases:

- Not connected to the national power system;
- **Installing an anti-backflow device system into the national power system;**
- Households and separate houses develop self-produced and self-consumed rooftop solar power with a capacity of less than 100 kW.

1. Decree no. 135/2024/ND-CP

- (2)** Organizations and individuals installing self-produced and self-consumed rooftop solar power systems with a installed capacity of 1.000 kW or more and selling **surplus** electricity to the national power system carry out procedures for power planning (**except for cases where the capacity is subject to the capacity scale according to planning, plans to implement planning allocated locally**) and request a power operation license according to the provisions of law.
- (3)** Self-produced and self-consumed solar power is eligible for policies on tax incentives according to the provisions of current tax law.
- (4)** Self-produced and self-consumed rooftop solar power has its administrative procedures streamlined according to the provisions of current specialized laws.
- (5)** Construction works installing self-produced and self-consumed rooftop solar power do not have to adjust or supplement the planning of energy land and functions according to the provisions of law.

1. Decree no. 135/2024/ND-CP

(6) Self-produced and self-consumed rooftop solar power of households, individual houses; **offices and works identified as public property are identified as technological equipment attached to construction works.**

(7) Regarding self-produced and self-consumed rooftop solar power connected with the national power system within capacity scale according to planning or plans for implementing planning and self-produced and self-consumed rooftop solar power connected with the national power system of households and individual houses with a capacity of less than 100kW, if not fully used, can sell surplus electricity to the national power system but not exceeding 20% of the actual installed capacity:

- Viet Nam Electricity Group shall pay organizations and individuals for the excess electricity output generated to the national power system but not exceeding 20% of the actual installed capacity;
- The purchase price of excess electricity generated to the national power system is equal to the average electricity market price in the previous year announced by the electricity system and electricity market operation unit to ensure **conformable encouragement** in each development period of the national power system;

1. Decree no. 135/2024/ND-CP

- Self-produced and self-consumed rooftop solar power installed on the roof of a construction work that is an office or a work identified as public property does not purchase or sell **surplus** electricity.

(8) Households and individual houses developing self-produced and self-consumed rooftop solar power are exempted from or do not have to adjust their business licenses.

(9) Encourage organizations and individuals to install electricity storage systems to ensure safe and stable operation of power systems.

Regulations on electricity prices:

Section 3, Chapter V of Law on Electricity Law 2024 stipulates the contents of electricity prices and electricity service prices, clarifies the basis for establishing and adjusting electricity prices as well as electricity service prices, specifically as follows:

- Regarding retail electricity prices:

+ Retail electricity prices are established by electricity retailers based on electricity price policies, price ranges of average retail electricity prices, mechanisms for adjusting average retail electricity prices and retail electricity price structure;

2. Law on Electricity no. 61/2024/QH15



+ Retail electricity prices are specified in detail for each group of electricity customers in accordance with the socio-economic situation of each period and the level of the competitive electricity market, including: production, business, administrative work, daily use. Retail electricity prices based on time of use during the day are applied to eligible electricity customers, including peak, off-peak and normal retail electricity prices. For the group of customers using electricity for domestic purposes, the retail price of household electricity shall be applied in increasing steps for customers who are not eligible to participate or do not participate in buying and selling electricity in the competitive electricity market.

- **Regarding wholesale electricity prices according to wholesale power purchase agreements:** To be agreed upon by power units as stipulated in Point e, Clause 12, Article 5 of the Law on Electricity 2024

- Regarding the authority to develop, submit, approve and decide on electricity prices:

+ The Government shall prescribe the mechanism and timeframe for adjusting the average retail electricity price;

+ The Prime Minister shall prescribe the structure of the retail electricity price list and the price ranges of the average retail electricity price;

2. Law on Electricity no. 61/2024/QH15

+ The Ministry of Industry and Trade develops and submits to the Government and the Prime Minister the contents in Point a and Point b, Clause 3, Article 50 of the Law on Electricity 2024; submits to the Prime Minister for decision on electricity prices in rural, mountainous, border and island areas not yet connected to the national grid, in accordance with the level of the competitive electricity market; roadmap for reducing cross-subsidy of electricity prices prescribed in Clause 12, Article 5 of the Law on Electricity 2024; roadmap for improving the structure of retail electricity prices, including retail electricity prices with components, of which there are at least 02 components such as capacity price, electricity price, fixed price, variable price or other price components (if any) applied to customer groups when technical conditions permit; electricity price mechanism suitable for electricity customer groups prescribed in Clause 12, Article 5 of the Law on Electricity 2024;

2. Law on Electricity no. 61/2024/QH15



+ The Minister of Industry and Trade prescribes the method for determining wholesale electricity prices; the method for establishing, the order and procedures for approving wholesale electricity price ranges./.