

**PRIME MINISTER**

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**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

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No. 13/2020/QĐ-TTg

*Hanoi, April 6, 2020*

## **DECISION**

### **INCENTIVES FOR DEVELOPMENT OF SOLAR ENERGY IN VIETNAM**

*Pursuant to Law on Governmental Organization dated June 19, 2015;*

*Pursuant to Electricity Law dated December 3, 2004; Law on Amendments to Electricity Law dated November 20, 2012;*

*Pursuant to Law on Investment dated November 26, 2014; Law on Amendments to Law on Investment dated November 22, 2016;*

*Pursuant to Law on Construction dated June 18, 2014;*

*In implementation of Resolution No. 115/NQ-CP dated August 31, 2018 of Government on implementing specific policies to assist Ninh Thuan Province in socio-economic development and maintenance of manufacture and livelihood stability of the people during 2018 - 2023;*

*At the request of Minister of Industry and Trade;*

*Prime Minister promulgates Decision on incentives for development of solar energy in Vietnam.*

## **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1. Scope**

This Decision prescribes incentives for development in Vietnam.

#### **Article 2. Regulated entities**

This Decision applies to organizations and individuals participating in developing solar energy in Vietnam and other relevant organizations and individuals.

#### **Article 3. Interpretation**

In this Decision, terms below are construed as follows:

1. “*Buyer*” refers to Vietnam Electricity Group (EVN), member entities authorized by the EVN, other organizations and individuals that buy electricity from the Seller or other organizations assigned with rights and obligations of organizations above as per the law.
2. “*Seller*” refers to organizations participating in development sector in solar plants or systems, organizations and individuals assigned with rights and obligations of organizations and individuals mentioned above as per the law.
3. “*Electricity distributor or retailer not affiliated to EVN*” refers to an entity that is not affiliated to EVN licensed for operation in distributing, retailing and buying electricity from distributors to sell for customers.
4. “*Solar energy*” refers to electricity produced by solar panels using the method of converting light energy into electrical energy.
5. “*Rooftop solar system*” refers solar system in which solar panels are installed on the roof of the construction with no more than 1 MW in power and directly or indirectly connected to power grid with up to 35kV of the Buyers.
6. “*Grid-connected solar power project*” refers to the project in which solar electricity is connected to national grid, except for regulations specified in Clause 5 of this Article.
7. “*Floating solar energy project*” refers a grid-connected solar power project with solar panels installed on constructions floating on water surface.
8. “*Terrestrial solar energy project*” refers to a grid-connected solar power project other than projects specified in Clause 7 of this Article.
9. “Commercial operation date of the whole or part of grid-connected solar power system” refers to the date on which the whole or part of solar power structures is ready to sell electricity to the Buyer and must satisfy following requirements:
  - a) Completed initial tests with respect to the whole or part of the construction as per the law;
  - b) Licensed by competent authorities to operate in electricity generation;
  - c) The Seller and the Buyer have both agreed on electricity figures for payment initiation.

## **Chapter II**

### **GRID-CONNECTED SOLAR POWER**

#### **Article 4. Responsibilities of the Buyer in grid-connected solar power projects**

1. The Buyer is responsible for purchasing the entire electricity produced from solar power projects connected to national grid satisfactory to regulations on operating electricity systems

and electricity technical regulations and standards; prioritizing balancing to fully utilize power generation capacity of solar power projects.

2. Use of power purchase agreement from for grid-connected solar power energy projects shall be compulsory in electricity sale between the Seller and the Buyer which is the EVN or member entity authorized by the EVN.

3. Period of a power purchase agreement for grid-connected solar power projects shall be 20 years from the commercial operation date. After the period mentioned above, contract extension or signing of new contracts shall comply with regulations and law at the time of extending or signing the contracts anew.

#### **Article 5. Electricity price for grid-connected solar power projects**

1. Grid-connected solar power projects prioritized for investment by competent authorities before November 23, 2019 whose commercial operation date lies within July 1, 2019 to December 31, 2020 inclusively may apply electricity purchase price schedule for grid-connected solar power under Annex of this Decision.

2. Electricity purchase price under the electricity purchase price schedule does not include VAT and shall be adjusted according to the central rate of VND to USD dollar publicized by the State Bank of Vietnam on the date the Seller produces invoices. The electricity purchase price shall be applied for 20 years from the commercial operation date.

3. With respect to Ninh Thuan Province, purchase price of electricity in grid-connected solar power projects in electricity development planning of all levels whose commercial operation date precedes January 1, 2021 with total capacity no more than 2,000 MW is VND 2,086/kWh (VAT excluded, equals USD 9.35 cent/kWh, according to central conversion rate of VND to USD publicized by the State Bank of Vietnam in April 10, 2017 is VND 22,316/USD) and applied for 20 years from the commercial operation date. Electricity purchase price shall be adjusted depending on VND/USD conversion rate. The applied conversion rate shall be the central conversion rate of VND to USD publicized by the State Bank of Vietnam at the time on which the Seller produces invoices.

4. Purchase price of electricity from grid-connected solar power projects that fail to satisfy requirements specified in Clauses 1 and 3 of this Article shall be determined based on competition.

5. Electricity purchase prices under Clauses 1 and 3 of this Article shall be applied to projects in which capacity of solar cells exceed 16% or module exceeds 15%.

6. Purchase price of electricity from grid-connected solar power projects specified in Clauses 1 and 3 of this Article shall be accounted and fully provided in input figures of annual electricity sale and retail price scheme of the EVN.

#### **Article 6. Development of grid-connected solar power projects**

1. Primary equipment of grid-connected solar power projects must satisfy Vietnamese technical standards and regulations or international standards (IEC) or similar standards. Electricity quality of grid-connected solar power projects must satisfy requirements regarding voltage, frequency and requirements in terms of operating national electricity system according to applicable regulations and law.
2. Investment for construction of grid-connected solar power projects shall be conducted according to regulations and law on investment, construction, electricity safety, land, fire safety, environmental protection and other relevant law provisions.
3. Preferential treatment regarding tax, land use and water surface use with respect to grid-connected solar power projects shall comply with relevant applicable regulations and law.

#### **Article 7. Connecting grid-connected solar power projects to electric systems**

1. The Seller shall be responsible for investing, installing, operating and maintaining electricity measuring instruments, power lines and transformers (if any) from power plants of the Seller to the location where the power is connected to power grid of the Buyer; organizing accrediting, calibrating and testing electricity measuring instruments according to regulations and law on measurement.
2. The location of connection shall be agreed by the Seller and the Buyer according to approved planning. In case locations of connection are different than where measuring instruments are located, the Seller shall be responsible for loss of electricity along the power line and depreciation of transformers of power plants.

### **Chapter III**

#### **ROOFTOP SOLAR POWER SYSTEM**

#### **Article 8. Electricity purchase price power purchase agreement form**

1. Rooftop solar power systems may sell the entire or part of electricity produced to the Buyer which is the EVN or other organizations and individuals in case of not using power grids of EVN.
2. The EVN or authorized member entities shall pay for the electricity transmitted to the national grid from rooftop solar power systems according to electricity purchase price under the Annex attached to this Decision. The price does not include VAT and shall be adjusted according to conversion rate of VND to USD (translates to US cents/kWh), conversion rate to be applied shall be central conversion rate of the VND to USD publicized by State Bank of Vietnam at the end of the previous year to calculate electricity bill for the following year. Parties are responsible for complying with regulations and law on tax and charges.

3. In case the Buyer is not the EVN or authorized member entity thereof, electricity purchase price and power purchase agreement shall be agreed upon by parties satisfactory to applicable regulations and law.

4. Electricity purchase price under Clause 2 of this Article is applied to rooftop solar power systems whose power generate and electricity meter reading confirmation dates range from July 1, 2019 to December 31, 2020 and shall be applied for 20 years from the initial date of electricity generation. Purchase price for electricity of rooftop solar power systems specified in Clause 2 of this Article shall be accounted and fully provided in the inputs figures of annual electricity sale and retail price scheme of the EVN. Invoices shall be made separately for distributed electricity and received electricity.

5. Buyer which is EVN or authorized member entity thereof must conform to power purchase agreement form. Power purchase agreement in case of rooftop solar power systems shall remain for a maximum of 20 years from the date of initial electricity generation. After the period mentioned above, extending or signing new contracts shall comply with applicable regulations and law.

#### **Article 9. Development of rooftop solar power systems, electricity connection and measurement**

1. Rooftop solar power systems directly or indirectly connected to the national grid shall be invested for development after applying to be connected with the EVN or authorized member entity thereof.

2. The EVN shall invest, install and maintain electricity measuring instruments of rooftop solar power systems signing power purchase agreements with the EVN or authorized member entity thereof.

3. Rooftop solar power systems must have capacity of solar cells larger than 16% or module larger than 15%.

4. Organizations and individuals investing for installation of rooftop solar power systems must fulfill electricity safety, construction safety, environment and fire safety requirements according applicable regulations and law.

#### **Chapter IV**

### **IMPLEMENTATION**

#### **Article 10. Responsibilities of regulatory agencies**

1. Ministry of Industry and Trade

a) Take charge and cooperate with People's Committee of Ninh Thuan Province and EVN in monitoring grid-connected solar power systems whose commercial operation date satisfies

preferential electricity purchase price under Clause 3 Article 5 of this Article and conforms to Resolution No. 115/NQ-CP dated August 31, 2018 of Government on implementation of specific policies to assist Ninh Thuan Province in socio-economic development and maintenance of manufacture and livelihood stability during 2018 – 2023;

b) Organize, guide and cooperate with People's Committees of provinces and central-affiliated cities in examining and monitoring implementation of this Decision;

c) Issue power purchase agreement forms to be applied in grid-connected solar power supply and power purchase agreement forms to be applied in rooftop solar power systems in case the Buyer is the EVN or authorized member entity thereof;

d) Promulgate regulations on measurement and record of produced electricity and payment with respect to rooftop solar power systems involving electricity distributors and retailers not affiliated to the EVN;

dd) Cooperate with ministries and local governments in mobilizing resources to promote rooftop solar power programs;

e) Conduct research to develop bidding mechanism regarding solar power projects and implementation progress and report to Prime Minister for approval for nationwide implementation.

## 2. People's Committees of provinces and central-affiliated cities

a) Cooperate and assist investors in terms of compensation, land clearance, infrastructure and personnel to invest, implement and develop solar power projects on a provincial scale;

b) Monitor and examine implementation of local solar power projects within their competence;

c) Perform state management regarding activities related to solar power on a provincial scale according to applicable regulations and law.

d) Report to Ministry of Industry and Trade about application and investment for development of solar power on a provincial scale.

## **Article 11. Vietnam Electricity Group**

1. The EVN is responsible for fully accounting all electricity purchase expenses of solar power projects entering to contracts with the EVN or authorized member entity thereof and putting input figures in annual electricity sale and retail price scheme of the EVN.

2. Conduct research to invest in energy saving solutions to ensure functional operation of electric systems upon integrating renewable energy.

3. Develop information system to manage grid-connected solar power and rooftop solar power development on a nationwide scale.
4. Examine progress of electricity projects which are to relieve capacity of grid-connected solar power projects and rooftop solar power systems, do not cause the national grid to overload.
5. On a yearly basis, report to Ministry of Industry and Trade on connection of solar power, total capacity of electricity purchased from grid-connected solar power projects and rooftop solar power systems.

**Article 12. Entry into force**

1. This Decision comes into effect from May 22, 2020.
2. Ministers, heads of ministerial agencies, heads of governmental agencies, Chairpersons of People's Committees of provinces and central-affiliated cities; heads of agencies and entities related to development of solar power projects in Vietnam are responsible for implementation of this Decision./.

**PP. PRIME MINISTER  
DEPUTY MINISTER**

**Trinh Dinh Dung**

**ANNEX**

**SOLAR POWER PURCHASE PRICE SCHEDULE**

*(Attached to Decision No. 13/2020/QĐ-TTg dated April 6, 2020 of Prime Minister)*

No.	Solar power technology	Price	
		VND/kWh	Equivalent in US cent/kWh
1	Floating solar energy projects	1,783	7.69
2	Terrestrial solar energy projects	1,644	7.09
3	Rooftop solar power systems	1,943	8.38

**Note: Conversion rate shall be the central conversion rate of VND to USD publicized by the State Bank of Vietnam in March 10, 2020.**

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