

Ref. 05/2019/TT-BCT

Hanoi, 11 March 2019

CIRCULAR

On amending and supplementing some articles of Circular No. 16/2017/TT-BCT dated 12 September 2017 of the Minister of Industry and Trade guiding project development and standardized Power Purchase Agreement to be applied for Solar power projects

Pursuant to the Law on Electricity No. 28/2004/QH11 dated December 03, 2004; Law on Amendments to certain articles of the Law on Electricity dated November 20, 2012;

Pursuant to the Government's Decree No. 98/2017/ND-CP dated August 18, 2017 on functions, tasks, power and organizational structure of the Ministry of Industry and Trade;

Pursuant to the Decision No. 11/2017/QD-TTg dated April 11, 2017 by the Prime Minister on mechanism for encouragement of solar power project development in Vietnam and Decision No. 02/2019/QD-TTg dated 8 January 2019 amending and supplementing a number of articles of the Prime Minister's Decision No. 11/2017/QD-TTg dated April 11, 2017;

At the proposal of the Director General of the Electricity and Renewable Energy Authority (EREA)

The Minister of Industry and Trade promulgates a Circular amending and supplementing some articles of the MoIT's Circular No. 16/2017/TT-BCT dated 12 September 2017 on project development and standardized Power Purchase Agreements applied to Solar power projects.

Article 1. To amend and supplement some articles of the Circular No. 16/2017/TT-BCT dated 12 September 2017 on project development and standardized Power Purchase Agreements (PPA) applied to Solar power projects

1) To modify Article 16 as follows:

“Article 16: Electricity pricing of rooftop PV power projects

1. Before the first of January 2018, the electricity price is VND 2,086 per kWh (excluding VAT, which is equivalent to UScents 9.35 /kWh, according to the central exchange rate of VND over USD quoted by the State Bank of Vietnam on April 10, 2017, which is VND 22,316/USD).
 2. From 1st January 2018, the electricity price as specified in clause 1 of this Article shall be adjusted according to the central exchange rate of VND against USD quoted by the State Bank of Vietnam on the last business day of the previous year.
- 2) To add some contents to the standardized PPA for rooftop PV power projects as specified in the Annex of this Circular.

Article 2. To abrogate clause 2 of Article 18 and Annex 3 of the MoIT's Circular No. 16/2017/TT-BCT dated 12 September 2017 on project development and standardized PPA applied for PV power projects.

Article 3. Enforcement Effect

This Circular comes into effect from 25 April 2019.

Copy to:

- Prime Minister, Deputy Prime Ministers
- Office of the General Secretary
- Ministries, Ministerial-level agencies, Government-affiliated agencies
- People's Committee of provinces and centrally affiliated cities
- Official gazette
- The Government's website
- Website of MOIT, EREA;
- Ministry of Justice (Department of Examination of Legal Documents)
- DoIT of provinces and centrally affiliated cities
- EVN
- Power Companies
- Archive

MINISTER OF MOIT

Tran Tuan Anh

(signed and sealed)

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ANNEX
STANDARDIZED POWER PURCHASE AGREEMENT
FOR ROOFTOP PV POWER PROJECTS

(issued attached to Circular No. 05/2019/TT-BCT dated 11 March 2019 on amending and supplementing a number of articles of the MoIT's Circular No. 16/2017/TT-BTC dated 12 September 2017 on project development and standardized power purchase agreement applied for PV power projects)

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SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

STANDARDIZED POWER PURCHASE AGREEMENT
FOR ROOFTOP PV POWER PROJECTS

Pursuant to the Law on Electricity No. 28/2004/QH11 dated December 03, 2004; Law on Amendments to certain articles of the Law on Electricity dated November 20, 2012;

Pursuant to the Decision No. 11/2017/QD-TTg dated April 11, 2017 by the Prime Minister on mechanism for encouragement of solar power project development in Vietnam and Decision No. 02/2019/QD-TTg dated 8 January 2019 amending and supplementing a number of articles of the Prime Minister's Decision No. 11/2017/QD-TTg dated April 11, 2017;

Circular 16/2017/TT-BCT dated September 12, 2017 by the Minister of the MOIT regulating project development and standardized PPA applied for solar power projects and Circular/2019/TT-CT dated, 2019 by the Minister of the MOIT on amending and supplementing some articles of Circular 16/2017/TT-BCT

Based on the electricity selling and purchase demand of two parties,

Today, [day] [month]/ [year] at

We are:

The Seller (Party A):

Address: _____

Tel.: _____ Email: _____ Fax: _____

Tax code: _____ Business Registration Certificate: _____

Account No.: _____ Bank: _____

Representative: _____

ID Card Number/ Passport No.: _____

Position: _____ (authorized by _____ by Power of Attorney [No.] dated [day] [month] [year].

The Buyer (Party B):

Address: _____

Tel.: _____ Email: _____ Fax: _____

Tax code: _____ Business Registration Certificate: _____

Account No.: _____ Bank: _____

Representative: _____

ID Card Number/ Passport No.: _____

Position: _____ (authorized by _____ by Power of Attorney [No.....] dated [day] [month] [year]).

To mutually enter into the Power Purchase Agreement (hereinafter referred to as "the Agreement") on selling and purchasing electricity generated from rooftop solar power project (hereinafter referred to as "the Project") with the total installed capacity ofkW and specifications/ parameters as specified in the Annex (Annex form issued by Party B) which is developed and operated by Party A at [project location] with terms and conditions as follows:

Article 1. Purchase/ Sale of Electricity

1. From [commercial operation date], Party A agrees to sell to Party B and Party B agrees to buy electricity generated from the Project connected to Party B's grid which is recorded and measured by power meter as indicated in the Minutes of Power Meter Installation and Removal enclosed with this Agreement. The Minutes of Power Meter Installation and Removal is an integral part of this Agreement and will be subject to replacement (on a periodical basis or due to damage of the power meter) during the implementation of the Agreement between two parties.
2. Party B shall be responsible for making payment for the electricity generated from the Project connected to Party B's grid in accordance with the electricity price specified in Article 2 of this Agreement.
3. The electricity that Party A receives from Party B's grid shall be agreed and signed in a different agreement which is not under the scope of the Agreement.

Article 2. Electricity price

1. Before January 01, 2018, the electricity price is VND 2,086 per kWh (excluding VAT, which is equivalent to UScents 9.35 /kWh, according to the central exchange rate of VND over USD quoted by the State Bank of Vietnam on April 10, 2017, which is VND 22,316/USD).
2. From January 01, 2018, the electricity price as specified in clause 1 of this Article shall be adjusted according to the central exchange rate of VND against USD quoted by the State Bank of Vietnam on the last business day of the previous year.
3. The electricity price specified in clause 1 and 2 of this Article shall be applied for 20 years since the commercial operation date of the Project.

Article 3. Confirmation of power meter readings, amount of electricity generated on the grid, and billing

1. Confirmation of power meter readings and on-grid electricity
 - Party B shall carry out recording the power meter readings on the [day] of every month.
 - Within one (01) business day from the date of recording the power meter readings in the payment period, Party B shall notify Party A of the power meter readings and amount of electricity generated onto the grid in form of:
 - Website
 - Email [email address]
 - Zalo/ Viber [Zalo/ Viber registered phone number]
 - In case Party A does not agree with the power meter readings or the amount of on-grid electricity recorded and measured by Party B, Party A shall, within one (01)

business day since the date of receiving Party B's notice, send his response to Party B in form of:

Website Email [*email address*] Zalo/ Viber [*Zalo/ Viber registered phone number*]

- After the above specified time, if there is no response from Party A to Party B, it shall be deemed that Party A agrees with the power meter readings and the amount of electricity generated onto the grid notified by Party B.

2. Billing amount

- a. Electricity billing: Based on the electricity amount as mutually agreed by the two Parties in Clause 1 of this Article, and the electricity price in Article 2 of the Agreement, Party B shall make payment for the electricity bill (exclusive of VAT) to Party A on monthly basis following the formula:

$$T(n) = Ag(n) \times G(n)$$

Where:

T(n): Electricity billing amount in the month n (VND)

Ag(n): Electricity amount of Party A generated on Party B's grid in the month n (kWh)

- For one-rate power meter, the Ag(n) is the electricity amount that Party B's grid receives from Party A's project as recorded by the power meter.
- For three-rate power meter, the Ag(n) is the total electricity amount of three time-based electricity rates (standard hours, peak hours and off-peak hours) that Party B's grid receives from Party A's project as recorded by the power meter.

G(n): Electricity charge rate applied for the month n as specified in Article 2 (VND/kWh)

- b. VAT: In addition to the electricity billing amount as defined in item a, Clause 2 of this Article, Party B shall pay a VAT amount to Party A if Party A's revenue from PV power project is subjected to tax payment in accordance with prevailing regulations. At the end of the year's last recording period of power meter readings, Party B shall be liable to make final payment of the electricity amount purchased from the PV power project in the year and of VAT amount for Party A depending on the revenue from the PV power project.

Article 4. Payment

1. Payment documents

- a) In case Party A is an enterprise issuing monthly invoices

Table of power meter readings and electricity amount of the month generated on Party B's grid from Party A's project issued by Party B

Sale invoice in accordance to regulations issued by Party A showing the payable amount as defined in Clause 2, Article 3 of this Agreement.

- b) In case Party A is an organization or individual NOT issuing monthly invoices

On monthly basis:

Party B shall, based on the List of power meter readings and electricity amount generated on Party B's grid from Party A's project, make payment for the electricity bill to Party A with the amount as defined in Item a, Clause 2, Article 3 of this Agreement.

On yearly basis:

Party B shall prepare and send to Party A a confirmation “Minutes of confirmation of delivered electricity amount and payment amount” of the year in accordance with the form specified in the Annex (Annex Form issued by Party B) of this Agreement no later than 15 days from the last day of the year or the expiry date of the Agreement whichever comes firsts

In case Party A has revenue subjected to tax payment as mentioned in Item b, Clause 2 of Article 3 herein, Party A shall be responsible for sending the Invoice to Party B including fees and taxes in accordance to regulations.

2. Payment form

By bank transfer (transfer fee to be paid by Party A).

Information of bank transfer:

3. Payment term

- a) Within seven (7) business days after Party A agrees on the power meter readings and electricity amount generated on Party B’s grid from Party A’s project (notified by Party B) and submits full payment documents as specified in Clause 1 of this Article.
- b) After the above term, if Party B fails to make payment to Party A, Party B shall be responsible for paying interest on late payment counted from the due date until the date of actual payment. The interest on late payment shall be calculated at the interbank average interest rate for 1-month period announced by the State Bank of Vietnam at the time of Party B’s payment.

Article 5. Rights and obligations of the parties

1. Rights and obligations of Party A

- a) Comply with technical standards on PV power project, ensure power quality as stipulated in Clause 1, Article 15 of Decree No. 137/2013/ND-CP dated 21 October 2013 of the Government detailing implementation of some articles of the Law on Electricity and the Law on amending and supplementing some articles of the Law on Electricity, Article 40 and Article 41 of Circular No. 39/2015/TT-BCT dated 18 November 2015 of MoIT on power distribution system (abbreviated as Circular No. 39/2015/TT-BCT) or amendment, supplementation or superseding documents, unless otherwise agreed.
- b) Record, acknowledge, agree and monitor the electricity amount connected to Party B’s grid together with Party B.
- c) To operate the Project in accordance with regulations in Article 52 of Circular 39/2015/TT-BCT.
- d) Party A shall not connect any other power sources other than the Project as specified in this Agreement through the power metering system without consent from Party B.
- e) Party A has the obligation to fulfill all tax duty in accordance to Government’s regulations.

2. Rights and obligations of Party B

- a) Invest in and install bi-directional power meter at the power delivery point for Party A if Party A satisfies all connection standards and requirements specified in Item a, Clause 1 of this Article.

- b) Record, acknowledge, agree and monitor the electricity amount connected to Party B's grid together with Party A.
- c) Check, monitor the operation and handle issues in compliance with Article 52 of Circular No. 39/2015/TT-BCT.
- d) Party B is entitled to the right of refusing to make payment in case Party A fails to comply with requirements specified in Items a, c, d and e, Clause 1 of this Article.

Article 6. Other agreements

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Article 7. Terms of execution

- 1. Unless otherwise renewed or terminated before expiration, this Agreement shall come into force and effect from the date of signing and have contract period of 20 years since [commercial operation date].
- 2. During the implementation of this Agreement, either Party who desires to ask for amendments or termination of the Agreement shall notify the other Party 15 days in advance for mutual settlement.
- 3. This Agreement shall be made into two original copies of the same legal value. Each party shall keep one copy.

PARTY A

(Sign, write full name and stamp)

PARTY B

(Sign, write full name and stamp)

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