

No.: 13/2020/QĐ-TTg

Hanoi, 6 April 2020

DECISION

On mechanisms to promote the development of solar power projects in Viet Nam

Pursuant to the Law on organization of Government dated June 19, 2015;

Pursuant to the Electricity Law dated December 03, 2004; Law on amending and supplementing some articles of Law on Electricity dated November 20, 2012;

Pursuant to the Law on Investment dated November 26, 2014; Law on amending and supplementing some articles of the Law on Investment;

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

Following the Resolution No. 115/NQ-CP dated 31 August 2018 of the Government on special mechanisms and policies to support Ninh Thuan province in socioeconomic development and settlement of business and people's life in the period 2018-2023;

At the request of the Minister of Industry and Trade;

The Prime Minister promulgates the Decision on the mechanism to promote the development of solar power projects in Viet Nam.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Decision promulgates mechanisms to promote the development of solar power projects in Viet Nam.

Article 2. Subject of application

This Decision applies to organizations and individuals involved in developing solar power projects in Viet Nam and other relevant organization and individuals.

Article 3. Interpretation of terms

In this Decision, the terms below are construed as follows:

1. *Electricity Buyer* refers to Viet Nam Electricity Corporation (EVN) or its authorized affiliates or other organizations or individuals buying electricity from the Electricity Seller or organizations taking over the rights and obligations of the above-mentioned organizations as prescribed by laws.
2. *Electricity Seller* refers to organizations and individuals engaged in the field of solar power generation from solar power plants or solar photovoltaic (PV) system or organizations and individuals taking over the rights and obligations of the aforementioned organizations and individuals as prescribed by laws.

3. *Electricity Retailer and Distributor outside EVN* is an electricity unit not under EVN which has license in the field of electricity retailing and distribution, electricity wholesaling from electricity distribution unit to retail to end users.
4. *Solar power* means the power generated from photovoltaic panels based on the principle of converting solar energy into electricity.
5. *Rooftop solar PV system* means a solar PV system with photovoltaic panels mounted on the rooftop of construction works with an output not exceeding 1 MWp, directly or indirectly connected to the Electricity Buyer's grid with a voltage of 35kV or less.
6. *Grid-connected solar power project* is a solar power project which is directly connected to the national grid, except for projects specified in subclause 5 of this article.
7. *Floating solar power project* is a solar power project with photovoltaic panels installed on floating structures.
8. *Ground-mounted solar power project* means a grid-connected solar power project excluding projects specified in subclause 7 hereof.
9. *Commercial operation date (COD)* is the date on which a part or all of the solar power plant is ready to sell electricity to the Electricity Buyer and meets the following conditions:
 - a) The power plant has completed initial tests for a part or all of the plant satisfying requirements of regulations;
 - b) The owner of the power plant has been granted electricity operation licence in the field of electricity generation for the power plant itself;;
 - c) The Electricity Seller and the Electricity Buyer agrees on the meter readings to initiate billing.

Chapter II

GRID-CONNECTED SOLAR POWER PROJECTS

Article 4. Responsibility for buying electricity from grid-connected solar power projects

1. The Electricity Buyer is responsible for buying all dispatching electricity generated by grid-connected solar power projects in compliance with national power system operation regulations and standards, technical regulations of the power sector, and prioritizing load dispatch to exploit the entire capacity and energy of solar power projects .
2. The application of standardized Power Purchase Agreement (PPA) in selling and purchasing electricity from grid-connected solar power projects between Electricity seller and Electricity buyer as EVN or its authorized members is mandatory.
3. The effective term of a power purchase agreement for grid-connected solar power projects is twenty (20) years from the commercial operation date. After this term, both parties may extend the term of the contract or sign a new PPA agreement in accordance with the applicable law.

Article 5. Feed-in tariff for grid-connected solar power projects

1. Grid-connected solar power projects which have attained decision on investment policy issued by competent authorities before 23 November 2019 shall be eligible to apply the Feed-in Tariff scheme for solar power projects connected to the grid at power delivery point as specified in the Annex of this Decision for the electricity generated by the part of the project or whole project that have been able achieved COD from 1st July 2019 to the end of 31st December 2020.
2. The FIT in the FIT scheme does not include value added tax (VAT) and is subjected to adjustment according to fluctuations of the exchange rate for the VND and the USD (equivalent to UScents/kWh) as published by the State Bank of Viet Nam on the day the invoice issued by the Electricity Seller. The FIT is applied for twenty (20) years from the commercial operation date.
3. For Ninh Thuan province, the FIT for grid-connected solar PV projects included in the power development plan at all levels and have the COD before 1st January 2021 with total accumulative capacity up to 2,000MW is 2,086 VND/kWh (excluding VAT, equivalent to 9.35 UScents/kWh based on the exchange rate between VND and USD of VND 22,316 /USD as published by the State Bank of Viet Nam on 10 April 2017) and is applied for twenty (20) years from the COD. The FIT is subject to adjustment according to fluctuations of the exchange rate between VND and USD. The applicable rate is the exchange rate between VND and USD as published by the State Bank of Viet Nam on the day the invoice issued by the Electricity Seller.
4. The FIT of grid-connected solar power projects which fail to satisfy conditions in subclause 1 and 3 of this Article shall be determined through competitive mechanisms.
5. The FIT specified in subclause 1 and 3 of this Article shall be applied for projects with solar cell efficiency of more than 16% or module efficiency of more than 15%.
6. The cost of purchasing power from grid-connected solar power projects mentioned in Clause 1 and 3 of this Article will be calculated and fully included in the input figures of the annual power wholesale and retail pricing scheme of EVN.

Article 6. Grid-connected solar power projects development

1. Main equipment of grid-connected solar PV projects must comply with technical regulations and standards of Viet Nam or international standards (IEC) or equivalent standards. The quality of power of grid-connected solar PV projects must meet technical requirements on voltage and frequency, and operation requirements of the national power system in line with current regulations.
2. The investment and construction of grid-connected solar PV projects must follow legal regulations on investment, construction, electricity safety, land, fire prevention and fighting, environmental protection and other relevant legal regulations.
3. Incentives on tax, land use and water surface use for grid-connected solar PV projects must comply with current relevant regulations.

Article 7. Connection of solar power projects to the grid

1. The Electricity Seller takes the responsibility to invest in, operate and maintain power measuring meters, power lines and step-up transformers (if any) from the Electricity Seller's power plant to the Electricity Buyer's grid connection point; inspect, calibrate and test power measuring meters in accordance with relevant regulations on measurement.

2. The connection point must be agreed upon by the Electricity Seller and the Electricity Buyer in line with approved power development plan. In circumstance where the connection point is different from the metering point, the Electricity Seller shall bear the loss of electricity on the connection lines and the loss of the step-up transformer of the power plant.

CHAPTER III

ROOFTOP SOLAR POWER SYSTEM

Article 8. Feed-in Tariff and standardized Power Purchase Agreement

1. Rooftop solar power systems are allowed to sell a part or whole of the energy generated to EVN or other Electricity Buyer provided that the purchase does not require the usage of EVN's grid.
2. EVN or its authorized affiliates shall make payment for the quantity of power energy generated from the rooftop solar power systems sold to the national power grid at the FIT prescribed in the FIT scheme for rooftop solar power systems specified in the Annex of this Decision. This FIT excludes VAT and shall be adjusted in accordance with fluctuations of the exchange rate between VND and USD (equivalent to UScents/kWh), The applicable rate is the exchange rate between VND and USD as published by the State Bank of Viet Nam on the last day of the year for the purpose of calculating payment of power invoices for the following year. The parties are responsible to follow current provisions of the law on tax and fees.
3. If the Electricity Buyer is not EVN or its authorized affiliates, then the tariff and the PPA shall be agreed between the parties at their discretion provided that the agreement is in conformity with the applicable laws.
4. The FIT prescribed in subclause 2 of this Article will be applied to rooftop solar power systems with an operation date and certification of meter readings within the period from 1st July 2019 to 31st December 2020 and shall remain applied for a period of twenty (20) years since the COD. The costs of purchasing power from rooftop solar power projects specified in subclause 2 of this Article shall be calculated and fully included in the input figures of the annual power wholesale and retail pricing scheme of EVN. Payment invoices shall be prepared on the basis of separation between the quantity of power delivered and received.
5. The application of the Standardized PPA is mandatory for power purchase in which the Electricity Buyer is EVN or its authorized affiliates. The duration of a PPA for rooftop solar power system is twenty (20) years at maximum from the COD of the system. After the expiration of the PPA duration, the extension of the term of the contract or the engagement of a new contract shall be carried out in compliance with the applicable law.

Article 9. Development of the rooftop solar power system, connection and power metering

1. The investment in and development of rooftop solar power systems that are directly or indirectly connected to the national power grid must be made after registration of power connection with EVN or its authorized affiliates.
2. EVN will invest in, install and maintain power metering equipment of the rooftop solar power systems under signed PPA with EVN or its authorized affiliates as Electricity Buyer.
3. Rooftop solar systems must have solar cell efficiency of more than 16% or module efficiency of more than 15%
4. Organizations or individuals investing in installing of rooftop solar power systems are obligated to satisfy all requirements regarding power safety, safety of construction works, environment, fire prevention and fighting in accordance with relevant regulations.

Chapter IV

EXECUTIVE PROVISIONS

Article 10. Responsibilities of governmental authorities

1. The Ministry of Industry and Trade shall
 - a) Take the lead, coordinate with the People's Committee of Ninh Thuan province and EVN to monitor grid-connected solar PV projects with COD satisfying requirements to be applied the FIT specified in subclause 3, Article 5 of this Decision and the Resolution 115/NQ-CP dated 31 August 2018 of the Government on implementation of some specific mechanisms and policies to support Ninh Thuan province in socioeconomic development and settlement of production and life of the people for the 2018-2023 period.
 - b) Organize, provide instructions and cooperate with People's Committees of provinces to supervise the implementation of this Decision.
 - c) Issue the standardized Power Purchase Agreement for grid-connected solar PV projects and standardized Power Purchase Agreement for rooftop solar PV systems where the Electricity Buyer is EVN or its authorized affiliates.
 - d) Promulgate regulations on electricity metering, power output recording and payment for rooftop solar PV systems with involvement of Power distributors and Retailers outside EVN.
 - e) Collaborate with other ministries and localities to mobilize resources to promote development of rooftop solar PV program.
 - f) Study and finalize auction/ bidding mechanisms for solar PV projects and road map, then report to the Prime Minister for approval to implement across the country.
2. People's Committees of provinces and centrally-administrated cities shall:
 - a) Cooperate with and assist investors in respects of land acquisition and compensation, infrastructure, human resources for investment, implementation and development of solar power projects in their localities.
 - b) Monitor and supervise the execution of solar power projects in their provinces.

- c) Perform the tasks of state management on solar power-related activities in the localities in accordance with relevant regulations.
- d) Report to the MoIT and the Government on registration and investment in development of solar power projects in their localities.

Article 11. EVN

1. EVN is responsible for fully calculating the cost of purchasing power from solar PV projects signed PPA with EVN or its authorized affiliates and including the calculation into input figures of EVN’s annual power wholesale and retail pricing scheme.
2. To study and invest in power storage solutions for the system in order to assure smooth operation of the power system integrated with renewable energy.
3. To develop a management information system on development of grid-connected solar power and rooftop solar power projects on a national scale.
4. To review progress of grid development projects to assure the capability to absorb whole electricity generated by grid-connected solar power projects and rooftop solar PV systems of the grid and the effective prevention of overload on the national power system.
5. To annually report to the MOIT the status of solar power grid connection, total installed capacity and total production sourced from grid-connected solar power projects and rooftop solar PV systems.

Article 12. Enforcement

1. This Decision takes effect from 22 May 2020.

2. The Ministers, heads of ministerial-level agencies, heads of governmental agencies, Chairman of People’s Committees of provinces and cities, heads of agencies, units and organizations involved in the development of solar power projects in Viet Nam have the responsibility to execute this Decision.

Recipients:

- Party Central Committee Secretariat;
- The Prime Minister, Deputy Prime Ministers;
- Ministries, ministerial-level agencies and Government agencies;
- People’s Councils, People’s Committees of provinces and cities under the Central Government’s jurisdiction;
- Office and Committees of Communist Party of Viet Nam;
- Office of the General Secretary;
- Office of the President;
- National Assembly Council of Ethnic Minorities and National Assembly Committees;
- Office of the National Assembly;
- Supreme People’s Court;
- Supreme People’s Procuracy;
- State Audit;
- National Financial Supervisory Committee;
- Viet Nam Bank for Social Policies;
- Viet Nam Development Bank;
- The Central Committee of the Viet Nam Fatherland Front;
- Central bodies of unions;

ON BEHALF OF PRIME MINISTER

DEPUTY PRIME MINISTER

Trinh Dinh Dung

- Government Office: Minister and Chairman, Vice Chairmen, Assistant to the Prime Minister, General Director of the Government Portal, Departments, subordinate units, Official Gazette;
- Archive: Administrative Secretariat (2 copies).

Unofficial GIZ Translation - For Reference Only

Appendix

FEED-IN-TARRIF FOR SOLAR POWER

(attached to Decision 13/2020/QĐ-TTg dated 6th April 2020 of the Prime Minister on mechanisms to promote solar PV development in Viet Nam)

No.	Solar Power Technology	Feed-in Tariff	
		VND/kWh	Equivalent to UScent/kWh
1	Floating solar power project	1,783	7.69
2	Ground mounted solar power project	1,644	7.09
3	Rooftop solar power project	1,943	8.38

(Note: The applicable exchange rate between VND and USD is the central exchange rate published by the State Bank of Viet Nam on 10th March 2020)

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