



MINISTRY OF INDUSTRY AND TRADE
Electricity Regulatory Authority of Vietnam

SOLUTIONS FOR TRANSITIONAL RENEWAL ENERGY PROJECTS – FRAMING PRICE AND APPLICATION



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PART 1

SOLUTIONS FOR TRANSITIONAL RE PROJECTS

1. TARGET PROJECTS

- Target projects are transitional solar and wind power projects specified at **Point b, Clause 2, Article 1 of Circular No. 15/2022/TT-BCT** dated October 3, 2022, stipulating methods for developing framing prices for electricity generation of transitional solar power plants and wind power plants.
- Specifically, solar and wind power plants or parts of solar and wind power plants that have signed PPA with Vietnam Electricity but do not meet the conditions for applying the electricity purchase price specified in **Clauses 1 and 3. Article 5 Decision No. 13/2020/QD-TTg and Clause 7 Article 1 Decision No. 39/2018/QD-TTg.**
- According to the report of EVN, 62 wind power projects and 06 solar power projects fall in this category.



2. SOLUTIONS

- Existing legal provisions:

- Clause 4, Article 29 of the Electricity Law (amended by Clause 13, Article 1 of the Law amending and supplementing several articles of the Electricity Law) on the electricity price policy stipulates: *“Ensure the right to self-determine the electricity purchase and sale prices within the framing price, the electricity tariff prescribed by the State of electricity buyers and sellers on the electricity market”*.
- Clause 1, Article 24 of Decree No. 137/2013/ND-CP dated October 21, 2013, detailing the implementation of several articles of the Electricity Law and the Law amending and supplementing several articles of the Electricity Law stipulates: *“The Ministry of Industry and Trade is responsible for stipulating methods and procedures for setting up and appraising electricity generation framing price”*.
- Clause 1, Article 26 of Decree 137/2013/ND-CP stipulates: *“The electricity generation price and the wholesale electricity price under the definite-term power purchase and sale contract shall be agreed upon by the electricity buyer and the electricity seller according to the method as prescribed by the Ministry of Industry and Trade.”*



2. SOLUTIONS

▪ *Principle of determining electricity generation price*

In order to have an electricity price mechanism for the transitional solar and wind power projects when the preferential electricity selling price (FIT) expires, based on the provisions of the above law:

- According to the provisions of Circular No. 15/2022/TT-BCT, the Minister of MOIT signed and ***promulgated Decision No. 21/QĐ-BCT dated January 7, 2023***, promulgating the electricity generation framing price applicable to the transitional solar power and wind power projects.
- The Ministry of Industry and Trade has issued ***Document No. 107/BCT-DTDL dated January 9, 2023, and Document No. 1094/BCT-DTDL dated March 2, 2023***, requesting Vietnam Electricity (EVN) and investors of the transitional solar and wind power plants urgently coordinate to negotiate and unify electricity generation prices ensuring that they do not exceed the electricity generation framing price promulgated by MOIT, to serve as a basis for mobilising power generation, avoiding waste of resources.



2. SOLUTIONS

- *Power purchase agreement (PPA)*

- PPA for the transitional solar and wind power plants are negotiated and amended by the investors and EVN based on the signed PPA and the contents specified in ***Circular No. 01/2023/ TT-BCT dated January 19, 2023***, of the Minister of MOIT annulling several provisions in the ***Circular No. 02/2019/TT-BCT dated January 15, 2019***, of the Minister of MOIT regulating the development of wind power projects and standard PPA for wind power projects and ***Circular No. 18/2020/TT-BCT dated July 17, 2020***, of the Minister of MOIT regulating project development, and standard PPA applied to solar power projects.





PART 2

FRAMING PRICE FOR TRANSITIONAL RE PROJECTS

PRINCIPLES

- Clause 2, Article 31 of the Electricity Law (amended and supplemented by Clause 15, Article 1 of the Law amending and supplementing several articles of the Electricity Law):
“The framing price for electricity generation... is developed by the relevant electricity authority; The electricity regulatory agency appraises and submits it to the Minister of MOIT and the Minister of MOF for approval as assigned by the Government...”
- The principle of development of a framing price for solar and wind power plants (except for transitional projects whose framing prices have been regulated) also follows the provisions of the Electricity Law similar to those of the current thermal and hydropower projects and the transitional solar power and wind power plant projects.





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Thank you very much!

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