

Law No. 61/2024/QH15

## Electricity Law

*Pursuant to the Constitution of the Socialist Republic of Vietnam;  
The National Assembly promulgates the Electricity Law.*

### Chapter I GENERAL PROVISIONS

#### Article 1. Scope of regulation

This Law prescribes the electricity development master plan, investment in construction of electricity projects; development of renewable energy electricity and new energy electricity sources; electricity operation licenses; competitive electricity markets and electricity trading activities; dispatch and operation of the national power system; protection of electricity works and safety in the electricity sector; responsibilities, rights, and obligations of agencies, organizations, and individuals conducting electricity activities and electricity usage; and state management of electricity.

#### Article 2. Subjects of application

This Law applies to agencies, organizations and individuals conducting electricity activities, using electricity or engaged in other electricity-related activities in Vietnam.

#### Article 3. Application of laws

1. In case the provisions of the Electricity Law are different from those of other laws issued before the effective date of the Electricity Law regarding a relevant specific matter, the provisions of the Electricity Law shall prevail, including:

- Competence to approve the electricity project investment policy as prescribed in Clauses 2, 3 and 4 Article 13 of this Law;
- Specific provisions on investment in construction of emergency electricity works and projects as prescribed in Article 15 of this Law;
- Selection of investors for electricity business investment projects as stipulated in Articles 18 and 19 of this Law;
- Provisions on the development of offshore wind power as stipulated in

Section 2, Chapter III of this Law.

2. In case other laws issued after the effective date of the Electricity Law, which require specific regulations on investment other than those of the Electricity Law, it is required to determine which contents shall or shall not comply with the Electricity Law, and which contents shall comply with these laws.

#### **Article 4. Interpretation of terms**

In this Law, the terms below shall be construed as follows:

1. *Hydroelectric work safety* refers to measures for preventing and controlling dangerous factors to prevent harmful impacts and safeguard the safety of dams, reservoirs, energy lines, hydropower plants, and auxiliary constructions during the processes of surveying, designing, constructing, managing, operating, and maintaining hydroelectric works.

2. *Electric safety* refers to measures for preventing and controlling dangerous factors to prevent harmful impacts and safeguard the safety for the human, equipment and works during the production, transmission, distribution and use of electricity.

3. *Electricity wholesaling* means activities of selling electricity by one electricity entity to another for resale to the third parties.

4. *Electricity retailing* means activities of selling electricity by electricity entities to electricity consumers.

5. *Avoidable cost tariff* means prices calculated based on avoidable costs of the national power system when one (1) kWh from a small-sized renewable-energy power plant is generated and fed into the national power grid.

6. *Cross-subsidy in electricity price* means a mechanism for setting electricity retail prices for each group of electricity consumers to uniformly apply the electricity retail tariff.

7. *Voltage level* means one of the specific nominal voltage values used in the power system, including:

- a) Low voltage: Nominal voltage level up to 1 kV;
- b) Medium voltage: Nominal voltage level above 1 kV to 35 kV;
- c) High voltage: Nominal voltage level above 35 kV to 220 kV;
- d) Extra-high voltage: Nominal voltage level above 220 kV.

8. *Avoidable cost* means the production cost of 1 kWh generated by the highest-cost generating sets in the national power system that can be avoided if the power purchaser buys 1 kWh from a substitute small-sized renewable-energy power plant.

9. *Electricity work* means a combination of means, machinery, equipment,

construction structure in direct service of activities of electricity generation, electricity transmission, electricity distribution, power system dispatch, electricity market transaction administration, electricity purchase and sale, electricity work-protecting system.

10. *Structure of the electricity retail tariff* means a table listing the percentage (%) of the average electricity retail price used to calculate the specific electricity retail price for each group of electricity consumers.

11. *Support services* mean technical services essential for maintaining the stable and reliable operation of the national power system, including frequency control, fast start, must-run operation, voltage regulation, black start, and other related technical services as specified by the Minister of Industry and Trade.

12. *Electricity project* means an investment project as defined by law, consisting of a set of proposals for the use of capital to carry out activities related to the investment, construction, renovation, and operation of electricity works within a specific location or area and over a defined timeframe. *Electricity source project* means an investment project for the construction of a power plant and, the synchronized connection power grid to the national power system (if any).

13. *New energy electricity* means electricity generated from one or more of the following sources:

a) Hydrogen produced from electricity sources specified at Points a, b, c, and d Clause 14 of this Article (hereinafter referred to as green hydrogen);

b) Ammonia produced from electricity sources specified at Points a, b, c, and d Clause 14 of this Article (hereinafter referred to as green ammonia);

c) Other forms of new energy as prescribed by law.

14. *Renewable energy electricity* means electricity generated from one or more of the following primary energy sources:

a) Solar energy;

b) Wind energy;

c) Ocean energy, including tidal, wave, and ocean current energy;

d) Geothermal energy;

dd) Water energy, including hydropower;

e) Biomass energy, including biofuels and energy derived from plant-based sources;

g) Energy from waste generated during production, business, and daily activities, excluding waste from processes using fossil fuels and waste classified as hazardous under the law on environmental protection;

h) Other renewable energy sources as prescribed by law.

15. *Self-production and self-consumption electricity* means electricity

produced and consumed at the place of electricity use by an organization or individual to primarily serve the needs of that organization or individual.

16. *Power system dispatch* means activities of commanding, directing the process of electricity generation, electricity transmission, electricity distribution in the national power system according to the determined technical processes, regulations and operation modes.

17. *Electricity market transaction administration* means activities of managing and regulating transactions of electricity purchase and sale as well as support services on the competitive electricity markets.

18. *Electricity regulation* means the impact exerted by the State on electricity activities and competitive electricity markets in order to supply electricity safely, stably and qualitatively, use electricity economically and efficiently and ensure fairness, transparency and law compliance.

19. *Electricity entities* mean organizations or individuals that carry out activities of electricity generation, electricity transmission, electricity distribution, power system dispatch and operation, electricity market transaction administration, electricity wholesaling, electricity retailing, or other relevant activities.

20. *Average electricity retail price* means the electricity retail price determined based on the principle of calculating the total cost of electricity production and business and the average profit for 1 kWh of commercial product in each period.

21. *Electricity wholesale price* means the price of electricity sold by an electricity entity to another one for resale to a third party.

22. *Electricity retail price* means the price of electricity sold by an electricity entity to electricity consumers.

23. *Electricity price and electricity service price* mean electricity wholesale price, electricity retail price and the price of electricity generation services, electricity transmission services, power system support services, power system dispatch and operation services, electricity market transaction administration services, and electricity distribution services.

24. *Power system support service price* means the price charged by the electricity-generating unit to provide power system support services.

25. *Electricity generation service price* means the price of electricity sold by the electricity-generating unit to the power purchaser.

26. *Power system dispatch and operation service price* means the price charged by the power system-dispatching unit for the performance of tasks relating to power system dispatch and operation.

27. *Electricity market transaction administration service price* means the price charged by the electricity market transaction-administering unit for the

performance of tasks relating to competitive electricity market transaction administration.

28. *Electricity distribution service price* means the price charged by the electricity-distributing unit to carry out electricity distribution activities.

29. *Electricity transmission service price* means the price charged by the electricity-transmitting unit to carry out electricity transmission activities.

30. *National power system* means the system of electricity-generating equipment and facilities, power grids and support equipment and facilities which are interconnected and uniformly controlled nationwide.

31. *Energy storage system (ESS)* means a group of devices used to receive electricity from sources, store energy, and generate electricity.

32. *Electricity activities* mean activities of agencies, organizations or individuals in the domains of electricity development master plan, investment, electricity generation, electricity transmission, electricity distribution, power system dispatch and operation, competitive electricity market transaction administration, electricity wholesaling and retailing, or other relevant activities.

33. *Power forward agreement* means a written agreement between parties regarding the purchase or sale of a quantity of electric energy at a specific time in the future at a pre-agreed price.

34. *Power purchase agreement (PPA)* means a written agreement between the power purchaser and power seller regarding the purchase and sale of electricity.

35. *Power call or put option agreement* means a written agreement between parties, in which the option buyer has the right to purchase or sell a quantity of electric energy at a specific time in the future at a predetermined contract price and must pay a certain amount of money to buy this right.

36. *Power futures agreement* means a power forward agreement with key terms standardized under this Law, that is listed on a centralized exchange within the forward electricity market.

37. *Electricity consumers* mean agencies, organizations or individuals that buy electricity for use, not for resale to other agencies, organizations or individuals.

38. *Large electricity consumers* are those that use electricity with great capacity and output prescribed by the Minister of Industry and Trade, suitable to each period of development of the power system.

39. *Electricity price bracket* means the price range between the lowest price (floor price) and the highest price (ceiling price).

40. *Electricity wholesale price bracket* means the price range between the lowest electricity wholesale price and the highest electricity wholesale price.

41. *Electricity generation price bracket* means the average electricity generation price over the lifecycle of a power plant project, with the range between the lowest average price and the highest average price.

42. *Technical safety inspection of electrical equipment and tools* means a technical activity conducted according to a specific procedure to assess and verify the compliance of the safety level of electrical equipment and tools with the corresponding electric safety standards and regulations before being put into use, as well as during their use and operation.

43. *Power grids* means systems of overhead power transmission lines or underground electric cables, transformers and support equipment and facilities for electricity transmission, including transmission grids and distribution grids.

44. *Power plant* means a complex of one or several equipment, machinery and works used for production of electric energy.

45. *Small-sized renewable-energy power plant* means a renewable-energy power plant with a capacity scale determined by the Ministry of Industry and Trade for each specific period.

46. *Minimum long-term contracted electricity output* means the lowest electricity output specified in power purchase agreements, power forward agreements, power call or put option agreements, or power futures agreements.

47. *Competitive electricity market* means a marketplace where competitive electricity trading and service provision activities occur among participants in the competitive electricity market through the national power system in order to optimize economic efficiency, ensure transparency, and improve the quality of electricity supply.

48. *Spot electricity market* means a market for the purchase and sale of electricity during trading cycles conducted by the electricity market transaction-administering unit according to various levels of the competitive electricity market.

49. *Forward electricity market* means a market for trading electric energy output through power forward agreements, power call or put option agreements, or power futures agreements.

50. *Electricity-metering and -counting device* mean those used for measuring the output, electric energy, electric current, voltage frequency, output coefficients, which include assorted electricity meters and accompanying equipment, accessories.

51. *Electricity stealing* means acts of taking electricity not through meters, intentionally impacting to falsify the readings of electricity meters and other electrical equipment related to electricity measurement or counting, deliberately or conniving in wrongly recording electricity meter reading, or any other intentional actions that misrepresent actual electricity consumption data.

## **Article 5. State policies on electricity development**

1. The State promulgates policies for the development and investment in the construction of the electricity sector to ensure that it is an important infrastructure industry to serve socio-economic development and people's lives, and to promote sustainable development by optimally utilizing all resources, meeting the electricity demands for the people's lives and socio-economic growth with stable, safe, and economical quality, civilized services, environmental protection, and contributing to ensuring national defense, security, and energy security.

2. The State holds monopoly in the following activities for the purposes of ensuring national energy security:

a) National power system dispatch;

b) Investment in construction and operation of nuclear power plant projects, multi-purpose strategic hydropower plants, and important transmission grids from 220 kV voltage level and above according to the list decided by the Prime Minister;

c) Operation of transmission grids, except transmission grids built by non-state economic sectors.

3. Policies for development of electricity in rural areas, ethnic minority regions, mountainous areas, border areas, islands, and areas with particularly difficult socio-economic conditions include:

a) Prioritizing the state budget, combining the mobilization of domestic and foreign resources for investment in developing electricity sources and power grids to ensure safe, regular and reliable electricity supply for households and serve socio-economic development, national defense and security in the locality;

b) Offering investment, financial incentives and other incentives and support for domestic and foreign organizations and individuals to build electricity source projects, power grids, and provide electricity to households in a sustainable and effective manner.

4. To attract all economic sectors to participate in investing in the construction of electricity sources and power grids according to the electricity development master plans, the electricity supply network development plans in the provincial-level master plans, plans for implementation of electricity development master plans, electricity generation, electricity distribution, electricity wholesaling, and electricity retailing activities; non-state economic sectors are allowed to operate the power grids they have invested in and built in accordance with law.

5. Electricity projects that use official development assistance capitals, concessional loans from foreign sponsors of enterprises in which the State holds 100% of the charter capital or those in which this enterprise holds 100% of the charter capital as the project owner, and are on the State's priority investment list,

are allowed to re-borrow capital and the re-lending agency shall not bear credit risks in accordance with the Law on Public Debt Management.

6. To adopt mechanisms for development of electricity projects appropriate to the level of the competitive electricity market on the basis of ensuring national energy security and finance security, protecting the interests of the State and the people, and maintaining macroeconomic stability during each period, including: the minimum long-term contracted electricity output and the duration of its application; principles for electricity price calculation; ensuring the implementation of investment projects; duration of policies applicable to each specific case.

7. To encourage fossil-fuel power plants to transition to low-emission fuel sources and install carbon capture equipment and systems to reduce emissions into the environment, ensuring the interests of the State, and the legitimate rights and interests of enterprises and workers; to coal-fired thermal power at a reasonable level, prioritizing large-capacity, high-efficiency sets that utilize advanced and modern technology, while ensuring compliance with the law on environmental protection.

8. Regarding gas-fired thermal power development policy:

a) To prioritize the development of gas-fired thermal power using domestic natural gas sources, rapidly develop gas-fired thermal power using liquefied natural gas, gradually make gas-fired electricity an important source of electric energy supply, supporting the regulation of the power system;

b) To adopt a mechanism to mobilize thermal power projects using domestic natural gas sources to the maximum extent according to gas supply capacity and fuel constraints to ensure harmony of the overall interests of the country;

c) To take a mechanism to develop thermal power plants using liquefied natural gas as prescribed in Clause 6 of this Article; to prioritize the development of electricity projects associated with the shared use of liquefied natural gas import port infrastructure and gas pipelines to reduce electricity production costs.

9. Regarding the policy for developing renewable energy electricity and new energy electricity:

a) To develop in accordance with the ability to ensure the safety of the power system with reasonable electric energy prices, synchronized with the development of the power grid and the electricity development master plan, in accordance with the level of technology, human resources, meeting the emission reduction target of Vietnam in each period;

b) To adopt incentive and support mechanisms for each type of electricity source, including small hydropower projects determined under the law, in accordance with the requirements of socio-economic development in each period; to adopt incentive and support policies and breakthrough mechanisms for the



development of offshore wind power; to encourage investment in projects participating in the competitive electricity market.

10. Regarding nuclear power development policy:

a) Nuclear power development master plan must be closely linked, synchronous, and consistent with electricity development master plan to ensure the goal of electricity supply security;

b) Investment in construction, operation, termination of operations, and safety assurance of nuclear power plants must comply with the Law on Atomic Energy and other relevant laws.

11. To form and develop a competitive electricity market with the State's regulation in order to raise efficiency in electricity activities. To restructure, innovate and improve the operational efficiency of state enterprises in the electricity sector in accordance with the levels of competitive electricity market according to the following principles:

a) Separating production, business and service provision functions from state management functions; separating natural monopoly and state monopoly activities from competitive activities in the electric energy production chain to form independent service providers, forming many electricity-generating units, many electricity-wholesaling units and electricity-retailing units to increase the number of participants and improve the operational efficiency of the electricity market;

b) Focusing on the core and strong areas of state enterprises operating in the electricity sector; optimizing the use of resources and increasing enterprise value; supplying electricity to islands, borders, areas with difficult and particularly difficult socio-economic conditions and ensuring national defense and security.

12. Regarding electricity price and electricity service price policies:

a) To ensure to reflect reasonable and valid electricity production and business costs of electricity entities; to create favorable conditions for economic sectors to invest in electricity development with reasonable profits, save energy resources, use renewable energy and new energy in electricity activities, contributing to promoting socio-economic development, especially in rural areas, ethnic minority areas, mountainous areas, border areas, islands and areas with particularly difficult socio-economic conditions;

b) Electricity sale prices comply with the state-regulated market mechanism and suit the competitive electricity market levels;

c) Electricity prices must be given to encourage efficient and economical use of electricity;

d) To implement a reasonable and gradually reducing electricity retail price structure, moving towards eliminating cross-subsidy of electricity prices between

consumer groups who do not participate in the competitive electricity retail market when they are not eligible to participate or do not choose to participate in buying and selling electricity in the competitive electricity retail market;

dd) To gradually reduce and move towards eliminating cross-subsidy of electricity prices between consumer groups, regions, and areas in accordance with the level of the competitive electricity market;

e) To ensure the right to self-determination of electricity purchase prices, electricity sale prices not exceeding the electricity price bracket, electricity retail tariff prescribed by the State;

g) To ensure the legitimate rights and interests of electricity entities and electricity consumers. Electricity prices must be implemented publicly, transparently, equally, and without discrimination between electricity entities;

h) To develop an appropriate electricity price mechanism for specific consumer groups according to the State's policies in accordance with the socio-economic development situation in each period.

### 13. Regarding the State's support for electricity payment:

a) The State will support the payment of electricity for daily-life activities for poor and social policy-benefiting households identified based on the Prime Minister-prescribed criteria and mechanisms to suit the socio-economic situation in each period;

b) The Government will issue a plan to support electricity payment reduction in case of incidents and disasters according to the provisions of the Law on Civil Defense to stabilize socio-economic development.

## **Article 6. Responsibility for state management of electricity**

1. The Government shall uniformly perform the state management of electricity nationwide.

2. The Ministry of Industry and Trade shall act as a focal point to assist the Government in unified state management of electricity.

3. Ministries and ministerial-level agencies shall, within the scope of their task and powers, coordinate with the Ministry of Industry and Trade in performing the state management of electricity in accordance with this Law under the Government's assignment.

4. People's Committees at all levels shall, within the ambit of their tasks and powers, perform the state management of electricity in their respective localities.

## **Article 7. International cooperation in electricity sector**

1. International cooperation in electricity sector must be consistent with Vietnam's foreign policy and guidelines; ensure the principles of peace, cooperation, friendship and mutual development on the basis of respecting

national independence, sovereignty and territorial integrity, non-interference in each other's internal affairs, equality and mutual benefit, in accordance with the Constitution, laws of Vietnam and treaties to which the Socialist Republic of Vietnam is a contracting party.

2. The main contents of international cooperation in the electricity sector include:

a) Promoting international cooperation in technology transfer and research and development in the electricity sector;

b) Training to improve human resources in the electricity sector;

c) Promoting financial investment cooperation, sharing information and data in the electricity sector and participating in international agreements and treaties in the electricity sector in accordance with law.

### **Article 8. Application of science, technology, and development of manufacturing industries in the electricity sector**

1. To apply scientific and technological advances to electricity activities and use with a view to saving, and raising the use efficiency of, energy sources and protecting the environment, protecting the safety protection corridor for electricity works, and ensuring electric safety as well as the safety of hydroelectric dams and reservoirs.

2. Key components, equipment, and consulting services essential for maintaining uninterrupted electricity supply and ensuring national energy security must be domestically produced and supplied in certain stages. To encourage and support research and development in technology, industrial design, manufacturing, installation, and services in the electricity sector to meet domestic demands to the fullest extent, with a focus on export-oriented growth. To prioritize the development of electrical equipment manufacturing industries and electricity services. To make efforts to achieve and fulfill specific requirements and targets concerning the localization rate in the electricity industry. To encourage the development of large-scale domestic enterprises with advanced technological capabilities capable of executing complex, high-tech projects in the electricity sector, meeting international quality standards.

3. Ministries, ministerial-level agencies, and the People's Committees of provinces and centrally-run cities (hereinafter referred to as provincial-level People's Committees) shall, within their ambit of functions, tasks, and powers, encourage the establishment of innovation centers in the electricity sector at research and training institutions; organize and implement national key programs on applied research and development of energy technology, with a focus on manufacturing energy equipment, applying types of renewable energy, new energy, and smart energy, and promoting energy efficiency; conduct digital transformation, management and operation of information and data systems, and other scientific and technological applications in the electricity sector.

4. The Government shall detail this Article.

#### **Article 9. Prohibited acts in electricity activities and electricity use**

1. Conducting electricity activities without permits as provided for by this Law.

2. Stealing electricity.

3. Stealing electrical means and equipment.

4. Vandalizing electrical means, equipment, or electricity works.

5. Using means, equipment, substances causing fire, explosion, or corrosion, or committing other acts that damage or cause incidents to electricity works.

6. Switching on, switching off electricity supply illegally.

7. Violating regulations on the protection of electricity works electric safety, and the safety of hydroelectric dams and reservoirs.

8. Planting trees, drilling, excavating, filling, constructing buildings, extracting minerals, anchoring ships or boats, discharging wastewater or corrosive substances, flying kites, releasing flying objects, or conducting other activities in contravention of the law on the safety protection corridor for electricity works.

9. Using electricity as direct protection means, except for the cases specified in Clause 4 Article 69 of this Law.

10. Supplying inaccurate or non-transparent information that infringes upon the legitimate rights and interests of agencies, organizations or individuals conducting electricity activities or using electricity.

11. Obstructing competent agencies, organizations, or individuals from repairing, renovating, or resolving incidents related to electricity works, or from inspecting and supervising electricity activities and electricity use.

12. Harassing, causing troubles, earning illicit profits in electricity activities and/or electricity use.

## **Chapter II**

### **ELECTRICITY DEVELOPMENT MASTER PLANS, ELECTRICITY SUPPLY NETWORK DEVELOPMENT PLANS, AND INVESTMENT IN ELECTRICITY PROJECTS**

**Article 10. Electricity development master plans and electricity supply network development plans**

1. The electricity development master plan is classified as a national

sectoral master plan.

2. The electricity supply network development plan is integrated into the provincial-level master plan.

3. The formulation, appraisal, approval, announcement, adjustment, and implementation of the electricity development master plan and provincial-level master plan, including the electricity supply network development plan, must comply with the planning law and this Law.

4. The formulation and adjustment of planning must adhere to the planning law and meet the following requirements:

a) Ensuring sufficient electricity supply to meet the demands of economic-social development and the daily lives of the population;

b) Efficiently exploiting and utilizing domestic energy resources to ensure sustainable development;

c) Optimizing all factors of electricity sources, electricity transmission, electricity distribution, and economical and efficient use of electricity, with a suitable roadmap aligned with sustainable exploitation and use of resources, environmental protection and economic model transformation, ensuring national energy security;

d) Facilitating energy transition in line with national goals and commitments based on scientific and technological advancements, policies for the development of renewable energy and new energy;

dd) Ensuring the power grid system is synchronized with electricity sources to meet the load growth requirements of regions and localities.

5. Based on the scale of electricity generation capacity and voltage level of the power grid, competent agencies and organizations shall formulate electricity development master plan and electricity supply network development plans within the provincial-level master plan. The electricity development master plan and electricity supply network development plans in the provincial-level master plan must not include the following projects:

a) Electricity sources that have no impact or minimal impact on the national power system;

b) Electricity sources not connected to, or not selling electricity to the national power system, except for cases of electricity export and import;

c) Low-voltage power grids;

d) Renovating and upgrading electricity works that neither increase the scale of capacity or voltage level nor create new land-use demands.

6. The Government shall detail Clause 5 of this Article.

## **Article 11. Plans for implementation of electricity development master plans and provincial-level master plans, including electricity supply network development plans**

1. The plan for implementation of an electricity development master plan must align with the planning law and meet the following requirements:

a) Closely adhering to the objectives and orientations of the planning, concretizing the tasks assigned in the planning;

b) Ensuring balanced development of electricity sources across regions and territories, aiming to achieve intra-regional supply-demand equilibrium; guaranteeing feasibility, synchronization, and flexibility in the development of electricity sources and power grids according to the national context and resources;

c) Determining the time to put projects into operation in two phases within the 10-year planning period and the next 5 years as part of the planning horizon.

2. The contents of the plan for implementation of an electricity development master plan must comply with the planning law and identify the list of electricity projects specified at Point b Clause 2 Article 5 of this Law, which serves as the basis for assigning investment and construction responsibilities to enterprises wholly owned by the State or enterprises wholly owned by such State-owned enterprises.

3. The provincial-level People's Committees shall develop and issue plans for implementation of provincial-level master plans in accordance with the planning law, including the electricity supply network development plan as a foundation for executing electricity projects and determining power grid projects to serve socio-economic development for national and public interests, invested in and constructed by enterprises wholly owned by the State or enterprises wholly owned by such State-owned enterprises.

## **Article 12. General provisions on investment in construction of electricity projects**

1. The implementation milestones for achieving the objectives of each phase of electricity source investment projects, as stipulated by the investment law, must be specified in the investment registration certificate or the written approval of the investment policy. The Government shall provide detailed regulations on the implementation milestones for achieving the objectives of each phase of electricity source investment projects as specified in this Clause.

2. For each period and type of electricity source investment project, the Government shall provide mechanisms to ensure the consumption of domestically extracted natural gas, principles for converting fuel prices into electricity prices, and minimum long-term contracted electricity output.

3. The Minister of Industry and Trade shall prescribe the principles for electricity price determination for implementing electricity projects.

4. The Government shall prescribe criteria to identify electricity projects classified under the State's priority investment list in the electricity sector. Based on the criteria established by the Government, the Minister of Industry and Trade shall determine the list of electricity projects included in the State's priority investment list as specified in Clause 5 Article 5 of this Law.

### **Article 13. Investment policy for electricity projects**

1. Except for emergency electricity projects specified in Article 14 of this Law, and electricity projects specified in Clauses 2, 3 and 4 of this Law, the decision or approval of investment policy for an electricity project subject to investment policy decision or approval shall comply with the Law on Public Investment, the Law on Investment in the Form of Public-Private Partnership, and the Law on Investment.

2. Except for emergency power grid projects specified in Article 14 of this Law, the approval of investment policy for a power grid project with a voltage level of 220 kV or lower crossing administrative boundaries of two or more provincial-level administrative units, that is subject to investment policy approval as required under the Law on Investment, shall be carried out as follows:

a) The provincial-level People's Committee of the locality where the starting point of the power line is located, as identified by the project name in the electricity development master plan or the electricity supply network development plan within the provincial-level master plan, shall have the competence to approve the investment policy;

b) The dossier and the content for appraisal of the investment policy request shall comply with the Law on Investment;

c) The procedures for approving the investment policy shall follow the order and procedures for approving the investment policy of projects under the provincial-level People's Committee's competence as specified in the Law on Investment, and provisions on the order and procedures for seeking opinions from relevant localities as stipulated at Points d and dd of this Clause;

d) The provincial-level People's Committee specified at Point a of this Clause shall consult other relevant provincial-level People's Committees within 7 working days from the date of receiving a complete dossier;

dd) Within 15 days from the date of receiving the complete dossier, the other provincial-level People's Committees must send their opinions on the dossier of investment policy proposal for the project within their respective administrative boundaries, to the provincial-level People's Committee mentioned at Point a of this Clause. Such written opinion must explicitly indicate agreement or disagreement. In cases of disagreement, reasons must be specified for the investor to complete the investment policy proposal dossier;

e) The investment registration agency shall be determined based on the provincial-level People's Committee that approves the investment policy as

stipulated at Point a of this Clause.

3. For medium-voltage and low-voltage power grid investment projects of which the investment policy is approved by the provincial-level People's Committee, the following shall apply:

a) Based on the electricity supply network development plan in the provincial-level master plan and proposals from electricity entities and investors, the provincial-level People's Committee shall approve the list of medium-voltage and low-voltage power grid projects in line with the management decentralization of electricity development master plan and the electricity supply network development plan in the provincial-level master plan;

b) The decision of the provincial-level People's Committee specified at Point a of this Clause shall replace the written approval of investment policy for each separate medium-voltage or low-voltage power grid investment project and serve as the basis for land allocation, land lease, or change of land use purposes.

4. The Government shall detail Clauses 2 and 3 of this Article and specify cases where investment projects involving renewable energy and new energy electricity fall under the investment policy approval competence of the Prime Minister as stipulated in Clause 4 Article 31 of the Law on Investment.

#### **Article 14. Emergency electricity projects and works**

1. Emergency electricity projects and works include:

a) Electricity projects and works that are newly constructed or repaired, renovated to promptly address the aftermath of natural disasters, catastrophes, or epidemics in accordance with the law on construction and other relevant laws;

b) Projects and works for constructing electricity sources and connection power grids to compensate for electricity source capacity shortfalls compared to the capacity in the electricity development master plan: caused by delays in the progress of other electricity source construction investment projects, leading to potential power shortages; resulting from unexpected regional or national load growth beyond projections; arising from the suspension of other electricity source construction investment projects;

c) Projects and works for constructing power grids that play a critical role in transmitting electricity source capacity between regions to prevent power grid overloads, or as urgent requirements for ensuring national defense and security, or addressing pressing socio-economic development needs of localities.

2. The Government shall stipulate the principles and criteria for identifying emergency electricity projects and works as specified at Points b and c Clause 1 of this Article, ensuring timely responsiveness to urgent issues concerning the security of electricity supply.

#### **Article 15. Specific provisions on investment in construction of emergency electricity works and projects**



1. Emergency electricity works and projects specified at Points b and c Clause 1 Article 14 of this Law may apply a number of specific provisions on construction and investment as follows:

a) It is not necessary to carry out procedures for approving investment policies in accordance with the Law on Investment and policies on changing forest use purposes to other purposes, but it is necessary to ensure the principle of minimizing the change of forest use purposes to other purposes under the Law on Forestry, especially natural forests when constructing electricity projects.

The Prime Minister's decision specified in Clause 2 of this Article replaces the written approval of the investment policy as prescribed in the Law on Investment and serves as the basis for land allocation, land lease, and change of land use purpose. For emergency electricity works and projects requiring the change of forest use purposes to other purposes, the Prime Minister's decision specified in Clause 2 of this Article is also the written approval of the investment policy as prescribed in the Law on Investment and the written approval of the policy of changing forest use purposes to other purposes as prescribed in the Law on Forestry; the Prime Minister's decision must clearly state the forest area that needs to be changed to other purposes to implement the project;

b) Being guaranteed by the Government in accordance with the Law on Public Debt Management; being decided by the Prime Minister on the maximum credit extension in case the total outstanding credit extension for enterprises and related persons exceeds the limit prescribed by the Law on Credit Institutions; being exempted from guaranteeing the implementation of investment projects under the Law on Investment;

c) Owners of emergency electricity projects and works are not required to carry out procedures to submit to the agency representing the State owner for approval and ratification of contents related to investment projects, capital mobilization plans, and asset mortgages for loans in accordance with the Law on Management and Use of State Capital Invested in Production and Business at Enterprises;

d) The project owner is entitled to decide on all tasks in the construction investment activities, including assigning organizations and individuals to carry out survey, design, construction and other necessary tasks for the construction of emergency works; deciding on the order of survey, design and construction; deciding on construction supervision and acceptance of construction works to meet the requirements of emergency work progress;

dd) The state management agency shall, according to its function, appraise construction design dossiers implemented after the basic design, and approve fire prevention and fighting designs simultaneously at the construction design steps, ensuring full content in accordance with the law on construction, the law on fire prevention and fighting and rescue, for emergency electricity projects and works specified at Points b and c Clause 1 Article 14 of this Law;

e) After completing the construction of the project, the project owner must inspect and re-evaluate the quality of the constructed project and carry out the construction warranty, complete the project completion dossier and archive the dossier and documents under the law on construction and final settlement of the project in accordance with law;

g) May apply the mechanism prescribed in Clause 2 Article 12 of this Law.

2. The competence to decide on emergency electricity works and projects as follows:

a) The Prime Minister shall approve the lists of emergency power grids, electricity source works and projects specified at Points b and c Clause 1 Article 14 of this Law, on the basis of the evaluation and proposals of the Ministry of Industry and Trade or the provincial-level People's Committee according to the management decentralization of master plans be applied special mechanisms under this Article, except for emergency power grids, electricity source works and projects using public investment fund, projects of which the investment policy is approved by the National Assembly in accordance with the Law on Investment;

b) The Prime Minister shall decide on assign enterprises in which the State holds 100% of charter capital or enterprises in which the State-owned enterprise holds 100% of charter capital to act as the owner of an emergency power grid, electricity source work or project specified at Points b and c Clause 1 Article 14 of this Law;

c) Competence to decide on the construction of emergency electricity projects and works specified at Point a Clause 1 Article 14 of this Law shall comply with the law on construction and other relevant laws

### **Article 16. Project contract for power plants invested under the public-private partnership (PPP) form applying the build-operate-transfer (BOT) contract type**

A dossier of project contract for power plants invested under the public-private partnership (PPP) form applying the build-operate-transfer (BOT) contract type must comprise documents as prescribed by the law on investment in the form of public-private partnership and the following documents:

1. Power purchase agreement, which is a written agreement between the power purchaser and power seller being the project enterprise;

2. Land lease agreement, which is a written agreement between the land lessor at the project site and the project enterprise (if applicable), and the decision on allocating the maritime area (if any);

3. The domestic fuel supply agreement, which is a written agreement between the domestic fuel supplier and the project enterprise (if applicable);

4. The shared infrastructure agreement, which is a written agreement

between the party investing and developing the shared infrastructure and the project enterprise (if any).

**Article 17. Development of electricity in rural areas, ethnic minority regions, mountainous areas, border areas, islands, and areas with particularly difficult socio-economic conditions**

1. Agencies, organizations and individuals may use public investment fund, equity, loan capital, investment capital under the public-private partnership form and other lawful capital sources as prescribed by law to ensure electricity supply for rural areas, ethnic minority regions, mountainous areas, border areas, islands and areas with particularly difficult socio-economic conditions.

2. The State supports investment after the meters' installation to supply electricity for domestic purposes to households in rural areas, ethnic minority regions, mountainous areas, border areas, islands and areas with particularly difficult socio-economic conditions, and households whose houses are damaged by natural disasters, fires and explosions.

3. The investment in construction of renewable energy electricity sources and medium-voltage and low-voltage power grids for supplying electricity to households for domestic use, goods production, socio-economic development, and ensuring national defense and security is entitled to investment incentive policies as stipulated by the Law on Investment. In cases where surplus electricity is fed into the national medium-voltage or low-voltage power grid, the price for surplus electricity shall be determined in accordance with the Government's regulations.

4. The owner of assets invested after the meters' installation to the household, as stipulated in Clauses 1 and 2 of this Article, shall transfer the ownership of such post-meter assets to the household for management and use.

5. The Government shall detail Clause 2 of this Article.

**Article 18. Selection of investors for electricity business investment projects**

1. The selection of investors to implement the following electricity business investment projects shall not be conducted through auction of the land use right, or bidding for investor selection:

a) Investment projects under the State monopoly as prescribed at Points a and b Clause 2 Article 5 of this Law;

b) Expansion hydropower projects and projects for the renovation or upgrading of power grids that are approved for ownership by the owners of the existing projects;

c) Electricity projects approved by competent agencies based on investment proposals of enterprises in which the State holds 100% of the charter capital or enterprises in which such state-own enterprise holds 100% of the

charter capital. The Prime Minister shall approve the list of electricity projects not subject to the of investment policy approval by the National Assembly and included in the electricity development master plan; the provincial-level People's Committee shall approve the list of electricity projects in the provincial-level master plan;

d) Emergency projects of which the investor selection follows Clause 2 Article 15 of this Law;

dd) Offshore wind power projects implemented under Clause 2 Article 29 of this Law;

e) Other cases as prescribed by the law on investment and the land law.

2. Except for the cases specified in Clause 1 of this Article, the cases of selection of investors through auction of the land use right shall comply with the land law.

3. Except for the cases specified in Clause 1 of this Article, the cases of organizing bidding for selection of investors to implement electricity business investment projects shall comply with Article 19 of this Law.

#### **Article 19. Bidding for selection of investors for electricity business investment projects**

1. For the cases specified in Clause 3 Article 18 of this Law, except for offshore wind power projects specified in Clause 3 Article 19 of this Law, the organization of bidding for selection of an investor to implement the electricity project when there are two or more investors showing their interests as prescribed by the bidding law, shall be based on criteria for evaluating the efficiency of electricity sector development, which is electricity price. For electricity projects without a price framework issued by the Ministry of Industry and Trade or electricity projects that directly purchase and sell electricity, the criteria for evaluating the efficiency of electricity sector development shall comply with the Government's regulations.

2. The winning electricity price is the maximum electricity price for the buyer to negotiate the price of the power purchase agreement with the winning investor. The power purchaser shall be responsible for negotiating and concluding the power purchase agreement with the winning investor.

3. The Government shall prescribe in detail:

a) In case of having to organize a bidding to select an investor to implement an electricity business investment project based on the socio-economic development conditions of each period;

b) Specific requirements of the electricity business investment project in the bidding dossiers to select an investor;

c) Negotiation and conclusion of the investment business project contract, power purchase agreement with the winning investor on the basis of ensuring the

interests of the parties.

### **Chapter III**

## **DEVELOPMENT OF RENEWABLE ENERGY ELECTRICITY AND NEW ENERGY ELECTRICITY**

### **Section 1**

## **PROVISIONS ON RENEWABLE ENERGY ELECTRICITY AND NEW ENERGY ELECTRICITY**

### **Article 20. General provisions on the development of renewable energy electricity and new energy electricity**

1. Agencies, organizations and individuals shall conduct activities to develop renewable energy electricity and new energy electricity on the basis of respect respecting national independence, sovereignty and territorial integrity, non-interference in each other's internal affairs, equality and mutual benefit, in accordance with the Constitution, laws of Vietnam and treaties to which the Socialist Republic of Vietnam is a contracting party. Agencies, organizations and individuals conducting activities related to the development and investment in the construction of new energy electricity and renewable energy electricity projects have the following responsibilities:

a) Complying with Vietnamese law on national defense, security, social order and safety, public health, environmental protection, response to climate change, protection of resources, cultural heritage and preservation of historical - cultural relics and scenic spots;

b) Using modern techniques and technologies, complying with national technical regulations, and applying standards in accordance with Vietnamese law.

2. Principles for developing renewable energy electricity and new energy electricity include:

a) Ensuring security of electricity supply and safety of the power system;

b) Developing in regions, areas, and localities with potential and advantages in renewable energy and new energy and synchronizing with the development of infrastructure of the power system to avoid waste and loss in construction investment due to failure to release capacity in order to effectively exploit electricity sources, ensure reliability of electricity supply; reduce technical losses, reduce pressure on long-distance electricity transmission; ensure environmental requirements and be suitable with the socio-economic conditions of the development area;

c) Ensuring synchronization of training plans, development of human

resources participating in research and activities in the field of renewable energy and new energy, moving towards technological autonomy in a number of appropriate stages;

d) Prioritizing the exploitation and effective use of renewable energy sources and new energy sources to exploit natural resources sustainably and reasonably, ensuring national energy security and serving electricity export;

dd) Prioritizing the development of large electricity source projects to form clusters of factories or renewable energy centers to promote natural advantages, power grid infrastructure, according to the release capacity and the requirements of operating the national power system of each region and locality, in accordance with the conditions and technological level in each period;

e) Encouraging the appropriate development of rooftop solar power, solar power on water surfaces and irrigation reservoirs; prioritizing development on the water surfaces of existing hydropower reservoirs, without new transmission grid investment;

g) Prioritizing the development of offshore wind power sources associated with ensuring national defense, security, and maintaining national sovereignty over borders and islands.

3. Organizations and individuals are encouraged to invest in wind power and solar power projects combined with investment in energy storage systems or production of green hydrogen and green ammonia to serve electricity generation and use. For solar and wind power sources connected to the national power system, the total generating capacity of solar and wind power plants and the capacity of the energy storage system must not exceed the capacity of the solar and wind power plants determined in the electricity development master plan or the electricity supply network development plan in the provincial-level master plan; the installed capacity shall be decided by the project owner during the implementation phase of the construction investment project on the basis of ensuring the capacity ratio of the energy storage system according to regulations and the efficiency of resource use.

4. Developing electricity from renewable energy and new energy shall create a foundation for shifting the electric energy structure towards low carbon, achieving the goal of reducing emissions and ensuring sustainable development of the power system.

5. Offshore wind power projects include all wind turbines built in the sea of Vietnam and located outside the shoreline with the lowest mean sea level in many years of the mainland towards the sea. Offshore wind power projects include the following types:

a) Nearshore wind power projects with all turbines built within the maritime zone of 6-nautical mile from the shoreline with the lowest mean sea level in many years of the mainland towards the sea;

b) Offshore wind power projects with all turbines built outside the maritime zone of 6-nautical mile from the shoreline with the lowest mean sea level in many years of the mainland towards the sea.

6. Planning and investment in the development of offshore wind power projects shall be carried out in the following order of priority:

a) Electricity production projects to supply electricity to the national power system;

b) Self-production and self-consumption electricity projects or electricity projects for the production of green hydrogen, green ammonia and other needs to serve domestic needs;

c) Projects to produce electricity for export and production of green hydrogen and green ammonia for export.

7. Developing marine renewable energy and new energy electricity in accordance with the order of priority for developing marine economic sectors in each period.

8. The Government shall specify the following contents in detail:

a) Incentive and support mechanisms for the development of energy storage systems for electricity projects from renewable energy sources in accordance with the level of technology in this field;

b) Incentive and support policies for appropriate research and development of technology in the field of wind power and solar power in Vietnam;

c) Mechanism for sharing and providing information, data on monitoring parameters of primary energy sources and statistics on electricity output of renewable energy and new energy power plants, except for self-production and self-consumption rooftop solar power sources.

## **Article 21. Basic survey on renewable energy and new energy electricity resources**

1. The scope of the basic survey on renewable energy and new energy electricity resources in the territory of Vietnam includes:

a) Solar, wind and geothermal electricity resources;

b) Wave and tidal electricity resources and other forms of electricity resources from ocean energy;

c) Electricity resources from domestic and urban solid waste;

d) Electricity resources from biomass;

dd) Electricity resources from waste from production and business processes other than those specified at Point c of this Clause;

e) Hydropower resources.

2. The responsibility for organizing the implementation of basic surveys of

renewable energy and new energy electricity resources is stipulated as follows:

a) The competence and responsibility for implementing basic surveys of renewable energy electricity and new energy electricity resources in Vietnam's sea areas shall comply with the maritime law, the law on marine and island resources and environment;

b) The competent and responsibility for implementing basic surveys of hydropower resources shall comply with the law on water resources;

c) Except for the case specified at Point d of this Clause, the provincial-level People's Committee shall preside over the implementation of basic surveys of renewable energy and new energy electricity resources on the mainland and on islands under the administrative management;

d) The Ministry of Natural Resources and Environment shall assign enterprises in which the State holds 100% charter capital to carry out, and public non-business units with the function of conducting basic surveys of marine and island resources and environment to preside over the implementation in certain sea areas within Vietnam's sea areas.

3. The State encourages and mobilizes legal financial resources and scientific and technical contributions from organizations and individuals to serve basic surveys.

4. Information and data specified in Clause 1 of this Article shall be the input for planning agencies and planning consulting units for the preparation of electricity development master plans and provincial-level master plans. For areas without the information and data specified in this Clause, the planning organizations shall be responsible for collecting reliable and appropriate data to perform their tasks in accordance with law. The Ministry of Natural Resources and Environment shall synthesize information and data nationwide as specified in Clause 1 of this Article.

5. The Ministry of Natural Resources and Environment and the provincial-level People's Committees shall manage, disclose and share information on basic surveys of renewable energy and new energy electricity resources in accordance with the law.

6. Fundings for basic surveys prescribed in Clause 1 of this Article shall be allocated from the following sources:

a) The state budget;

b) Funds of enterprises in which the State holds 100% of charter capital in charge, allocated from production and business operating costs and other lawful capital sources;

c) Funds of organizations and individuals voluntarily sponsoring basic surveys.

7. The Minister of Natural Resources and Environment shall specify in



detail the scope of basic surveys prescribed in Clause 1 of this Article, except for the contents implemented in accordance with the law on water resources, the law on marine and island resources and environment.

## **Article 22. Development of self-production and self-consumption electricity from renewable energy sources and new energy**

1. Self-production and self-consumption electricity sources shall be connected to the national power system, the connection shall be carried out in accordance with the electricity law. Surplus electricity output shall be sold in accordance with the law; land for energy projects, public lighting combined with multi-purpose projects shall be used in accordance with the land law.

2. The Prime Minister and provincial-level People's Councils shall, based on technical capacity, economic conditions and state budget capacity in each period, issue support policies for households to install self-production and self-consumption electricity as follows:

a) Financial support for investment in installing rooftop solar power and energy storage systems;

b) Technical support for design, solutions to ensure safety of construction loads, fire prevention and fighting solutions.

3. The Government shall specify the following contents in detail:

a) Produced electric energy and capacity must be consistent with the electricity load and development conditions of the power system;

b) Installation of energy storage systems combined with investment in self-production and self-consumption electricity sources;

c) Order and procedures for developing self-production and self-consumption electricity sources;

d) Mechanism for purchasing and selling prices, surplus electricity output;

dd) Responsibilities of relevant organizations and individuals when developing self-production and self-consumption electricity sources.

## **Article 23. Development of new energy electricity**

1. A new energy electricity project refers to a clean energy production project that is subject to the State's tax and investment credit policies in accordance with relevant laws.

2. The Government shall, based on the requirements for ensuring electricity supply security, scientific and technological progress, and socio-economic development conditions in each period, prescribe the conditions and duration of application of the following mechanisms and policies for new energy electricity projects:

a) Exemption and reduction of sea area use levy;

- b) Exemption and reduction of land use levy and land rental;
- c) Minimum long-term contracted electricity output for projects of selling electricity to the national power system on the basis of ensuring the interests of the State and the People, and the safety of the power system in each period.

**Article 24. Renovation, repair and replacement of equipment of renewable energy and new energy power plants**

1. During the operation period of the power plant according to the approved design in accordance with the operational period of the renewable energy or new energy power project, equipment of which the specifications are different from those under operation must be renovated, repaired and replaced to ensure safe and effective operation, in accordance with the law, without leading to an increase in land use area or sea area.

2. The electricity generation capacity into the national power system of the projects in Clause 1 of this Article must not exceed the capacity stated in the following legal documents of the projects:

- a) Written approval or decision on investment policy or certificate of investment registration;
- b) Electricity operation license.

**Article 25. Dismantling of works under renewable energy and new energy electricity projects**

1. Works under renewable energy and new energy electricity projects must be dismantled after ceasing operations in the following cases:

- a) When the service life of the work as prescribed by the construction law has expired and no extension has been granted under the construction law;
- b) When the operational term as stipulated by the investment law has expired or when the term of the investment project has ended without extension;
- c) In cases of discrepancies in the terms specified at Points a and b of this Clause, dismantling after cessation of operations shall be carried out based on the earlier condition.

2. The dismantling of solar power plants and wind power plants after cessation of operations is regulated as follows:

- a) The owner of the solar or wind power plant shall carry out the dismantling of the plant as stipulated in Clause 1 of this Article; all costs associated with dismantling shall be borne by the owner;
- b) The dismantling, recovery, handling, and management of waste, materials, and scrap must comply with the law on environmental protection and other relevant laws, ensuring the restoration of the site and environment following the dismantling of the plant;

c) From the cessation of operations as specified in Clause 1 of this Article,

the owner shall be responsible for completing the dismantling within the timeframe stipulated by the Government.

3. For cases not covered under Clauses 1 and 2 of this Article, the dismantling of works belonging to renewable energy and new energy electricity projects shall be conducted in accordance with other relevant laws.

## **Section 2**

### **PROVISIONS ON OFFSHORE WIND POWER DEVELOPMENT**

#### **Article 26. General provisions**

1. The implementation of offshore wind power projects must ensure the following requirements on national defense, security and information safety:

a) Organizations and individuals implementing and participating in the implementation of offshore wind power projects are obliged to comply with the law on national defense and security;

b) The production and use of equipment and the creation, transmission, collection, processing, storage and exchange of information and data across borders must comply with the law.

2. The implementation of offshore wind power projects must comply with this Law, Vietnamese law on maritime safety and safety of equipment and works, and conform to treaties to which the Socialist Republic of Vietnam is a contracting party.

3. Offshore wind power projects are entitled to the following mechanisms and policies with conditions and durations prescribed by the Government:

a) Long-term minimum contracted electricity output for projects selling electricity to the national power system;

b) Exemption and reduction of sea area use levy;

c) Exemption and reduction of land use levy and land rental;

4. In addition to the mechanisms and policies prescribed in Clause 3 of this Article, enterprises in which the State holds 100% of charter capital are exempted from ensuring the implementation of investment projects under the Law on Investment; the Prime Minister shall consider and decide to grant credit extension exceeding the limit for a customer and related persons for offshore wind power projects in accordance with the Law on Credit Institutions.

5. Based on socio-economic development conditions, development goals and investment attraction in each period, and the level of the competitive electricity market, to ensure security of electricity supply, the Government shall specify the following contents:

a) Clause 3 and Clause 4 of this Article;

b) Conditions for implementation and participation in offshore wind power projects of organizations that are foreign and domestic investors, including the total ratio of share ownership and capital contribution in offshore wind power projects;

c) Time of termination of application of the mechanisms and policies prescribed in Clause 3 of this Article.

6. Offshore wind power projects are identified as construction investment projects and are subject to the following provisions:

a) Surveys of offshore wind power projects may apply standards, technical regulations, economic-technical norms, and unit prices according to international and foreign standards if domestic standards, regulations, norms and unit prices are unavailable;

b) Offshore wind power projects may apply international and foreign technical standards and regulations if domestic standards and regulations are unavailable.

7. The Government shall prescribe the coordination mechanism between ministries, ministerial-level agencies, People's Committees of coastal provinces and other relevant agencies in the management of offshore wind power projects and works.

8. The transfer of projects, shares and capital contributions in offshore wind power projects must comply with Clause 1 of this Article and other relevant laws. The Government shall detail this Clause.

### **Article 27. Survey of offshore wind power projects**

1. Survey of offshore wind power projects shall be conducted in accordance with the provisions of the maritime law, the law on marine and island resources and environment, as well as the law on construction and treaties to which the Socialist Republic of Vietnam is a contracting party, and international practices.

2. The selection of survey entities for offshore wind power projects prior to selecting investors for project implementation is regulated as follows:

a) The Prime Minister shall assign an enterprise in which the State holds 100% of the charter capital to carry out the survey;

b) Based on the socio-economic development conditions of each period, the Government shall stipulate the selection of entities to conduct surveys of offshore wind power projects, except for the case specified at Point a of this Clause.

3. The handling of survey costs of enterprises specified at Point a Clause 2 of this Article shall be implemented as follows:

a) Survey costs in the case specified at Point a Clause 2 of this Article shall be arranged by enterprises in which the State holds 100% of charter capital; such enterprises shall contribute capital to invest in projects in areas assigned by the Prime Minister to conduct surveys;

b) In case of failure to comply with Point a Clause 2 of this Article, the investor selected to implement the project shall be responsible for refunding the survey costs to the enterprise specified at Point a Clause 2 of this Article.

4. Management, exploitation, use of specimens, documents, information, data and survey results of offshore wind power projects shall be implemented according to the following provisions:

a) State agencies and enterprises in charge of conducting surveys shall manage specimens, documents, information, data and survey results of offshore wind power projects they conduct; other organizations in charge of the survey shall submit approved samples, documents, information, data and survey results of offshore wind power projects to the state management agency for marine and island resources and environment for management;

b) Organizations and individuals that access, consult, exploit and use samples, documents, information, data and survey results of offshore wind power projects must keep the information confidential in accordance with the law and agreements between the parties.

5. The Government shall detail Clause 4 of this Article and the survey content, the mechanism for handling survey costs, the conditions and capacity of the survey entity; stipulate the assignment of responsibilities for prescribing economic and technical norms, survey unit prices, examining survey results, survey area and use of sea areas, and payment of costs for preparing pre-feasibility study reports on project investment and construction.

## **Article 28. Approval or decision on investment policy for offshore wind power projects**

1. Investors shall prepare dossiers requesting approval of investment policy for offshore wind power projects, including:

a) Enterprises in which the State holds 100% of charter capital shall prepare dossiers requesting approval of investment policy and approval of investors or prepare dossiers requesting approval of investment policy to bid for selection of investors;

b) Investors conducting surveys as prescribed at Point b Clause 2 Article 27 of this Law shall prepare dossiers requesting approval of investment policy to select investors if the survey area and project scale are consistent with the electricity development master plan.

2. The contents of the dossier requesting approval of investment policy and approval of investors, the dossier requesting approval or decision on investment policy of an offshore wind power project shall comply with the Law on

Investment or the Law on Public Investment or the Law on Investment in the Form of Public-Private Partnership and the following contents:

a) Expected location, coordinates and area of the sea area used in lieu of documents determining the right to use the location to implement the investment project;

b) Expected time of use of the sea area.

3. When appraising investment policies in accordance with the law on investment, the law on public investment, the law on investment in the form of public-private partnership, the agency in charge of appraising the offshore wind power project shall be responsible for consulting the following agencies:

a) The Ministry of National Defense, Ministry of Public Security, Ministry of Foreign Affairs, Ministry of Natural Resources and Environment, Ministry of Transport and other ministries and branches as assigned by the Government;

b) The People's Committee of the province with the sea area where the offshore wind power project is implemented.

4. The Government shall prescribe the cases of approval of the investment policy and approval of the investor as prescribed at Point a, Clause 1 of this Article.

#### **Article 29. Selection of investors for offshore wind power projects**

1. For offshore wind power projects, investors shall be selected as follows:

a) For public investment projects, the investor selection shall comply with the law on public investment;

b) For investment projects under the public-private partnership form, the investor selection shall comply with the law on investment in the form of public-private partnership;

c) For business investment projects, the investor selection shall comply with the law on investment.

2. Except for projects of which the investment policy is approved by the National Assembly, the Prime Minister shall approve the investment policy and approve investors for the following offshore wind power business investment projects:

a) Projects of which bidding to select investors is not organized due to national defense and security reasons according to the opinions of the Ministry of National Defense or the Ministry of Public Security;

b) Projects of which the investment policy and the investors are approved as prescribed at Point a Clause 1 of this Article.

3. In addition to the subjects specified in Clause 2 of this Article, the selection of investors to implement offshore wind power business investment projects to sell electricity to the national power system shall comply with this

Law and the bidding law. The ceiling price of electricity in the bidding dossiers must not be higher than the maximum price of the electricity generation price bracket issued by the Ministry of Industry and Trade. The successful bid price for selecting an investor shall serve as the maximum electricity price for the power purchaser to negotiate with the winning investor. Bidding dossiers shall be prepared in accordance with laws and the following documents and contents:

a) Draft power purchase agreement agreed upon by the agency organizing the bidding and the power purchaser;

b) Incentive mechanisms and policies specified in Clause 3 Article 26 of this Law.

4. Based on socio-economic development conditions, development goals and investment attraction in each period, and conditions for electricity market development, to ensure security of electricity supply, the Government shall stipulate the following contents:

a) Conditions for investors to participate in bidding;

b) Selection of investors to implement offshore wind power projects to meet development goals according to master plans and the need to attract investment in this field;

c) Negotiation and conclusion of investment project contracts and power purchase agreements with winning investors specified in Clause 3 of this Article.

## **Chapter IV**

### **ELECTRICITY OPERATION LICENSES**

#### **Article 30. Principles for grant of electricity operation licenses**

1. The fields of electricity operation that must be granted electricity operation licenses include: electricity generation, electricity transmission, electricity distribution, electricity wholesaling, and electricity retailing.

2. Organizations that meet the conditions for operation under this Law shall be granted electricity operation licenses, except for the cases specified in Article 33 of this Law.

3. No electricity operation license shall be granted for the investment phase. Investment activities in the electricity sector shall be carried out in accordance with the law on investment.

4. An electricity operation license shall be granted to an organization to carry out one or more fields of electricity operation.

5. An electricity operation license in the field of electricity generation shall be granted to an organization that owns a power plant according to a project item

or the entire project.

6. The electricity operation license in the field of electricity transmission shall be granted according to the specific scope of management and operation of the transmission grid.

7. The electricity operation license in the field of electricity distribution shall be granted according to the specific scope of management and operation of the distribution grid.

8. The electricity operation license in the field of electricity wholesaling shall be granted according to the specific scope of electricity sales.

9. The electricity operation license in the field of electricity retailing shall be granted according to the specific scope of electricity sales, except for the scope granted by the competent agency to another entity. When moving to the stage of operating the competitive electricity retail market, the electricity operation license in the field of electricity retailing shall be granted to the organization participating in the electricity retail market according to the scope of the electricity retail market.

10. Prior to the stage of operating the competitive electricity retail market, the electricity operation license in the field of electricity retailing shall be granted simultaneously with the field of electricity generation or distribution.

11. The electricity operation license shall be granted to one or more organizations participating in the same specific field and must comply with this Law, the Investment Law, the Enterprise Law and other relevant laws.

### **Article 31. Conditions for grant of electricity operation licenses**

1. Organizations that are granted an electricity operation license must fully meet the following conditions:

- a) Being lawfully established in accordance with law;
- b) Having a technical management team, business management team, and a workforce directly participating in the operation, all of which must satisfy the required quantity and professional qualifications.

2. For the fields of electricity generation, electricity transmission, and electricity distribution, organizations eligible for the grant of an electricity operation license must meet the conditions stipulated in Clause 1 of this Article, along with the following conditions:

- a) Having work items, electricity generation works, electricity transmission works, and electricity distribution works that align with the electricity development master plan, the electricity supply network development plan within the provincial-level master plan, the plan for implementation of electricity development master plan or provincial-level master plan, including electricity supply network development plan and adjustment decisions (if any); such items and works must be constructed and installed according to approved designs and



meet conditions for being put into operation and use;

b) Having projects or works for electricity generation, transmission, and distribution constructed and installed in compliance with the laws on maritime, land law, law on fire prevention and fighting, rescue and salvage, law on environmental protection, and other relevant laws;

c) Having safety management documents for dams and reservoirs in compliance with the law applicable to hydroelectric power generation sector.

3. For electricity wholesaling and retailing, organizations eligible for the grant of an electricity operation license must meet the conditions stipulated in Clause 1 of this Article and have an operational plan for electricity wholesaling and retailing that aligns with relevant requirements.

4. The Government shall provide detailed provisions on conditions for the fields of granting electricity operation licenses.

### **Article 32. Cases eligible for grant of electricity operation licenses**

1. Electricity operation licenses shall be granted in the following cases:

a) Grant of the license for first time for the work item or the entire electricity generation work in the field of electricity generation;

b) Grant of the license for first time for the specific scope in the field of electricity transmission, distribution, electricity wholesaling and retailing;

c) Grant of the electricity operation license in case of changing the operation scope, main specifications of the electricity work or technologies used in electricity operation of the granted license.

2. Modification or supplementation of electricity operation licenses applies in the following cases:

a) At the request of the licensed organization when there is a change in one of the contents of the electricity operation license as stipulated in Clause 1 Article 34 of this Law, or a reduction in the electricity operation fields as specified in Clause 2 Article 34 of this Law;

b) At the request of competent state management agencies in cases necessary to protect national defense and security, socio-economic interests, or public interests;

c) When there are errors in the content recorded in the granted license.

3. Electricity operation licenses shall be re-granted in the following cases:

a) At the request of the licensed organization in cases where the valid license is lost or damaged;

b) When the license has less than six months of validity remaining or has expired, and the licensed organization submits a request. In this case, the contents of the license as stipulated in Clauses 2, 3, and 4 Article 34 of this Law remain

unchanged from the previously granted license;

c) In cases specified in Clause 2 Article 36 of this Law.

4. An electricity operation license shall be renewed at request of the licensed organization in case where the duration from the expiration of the license to the transfer of assets, electricity works, or the cessation of project operations does not exceed 12 months. A license may be renewed once, and the renewed period must not exceed the time of transfer of assets, electricity works, or cessation of project operations.

5. The Government shall detail dossiers, order and procedures for grant of electricity operation licenses.

### **Article 33. Exemption from electricity operation licenses**

1. The following cases shall be exempted from electricity operation licenses:

a) Organizations invest in the construction of electricity-generating establishments for their own use, not for sale of electricity to other organizations or individuals, with the installation capacity below the level prescribed by the Government;

b) Organizations engaged in electricity generation with the installation capacity below the level prescribed by the Government;

c) Organizations dealing in electricity in rural areas, mountainous regions, border areas, islands, that buy electricity with output smaller than the level prescribed by the Government from the power distribution grids for direct sale to electricity consumers in rural areas, mountainous regions, border areas or islands;

d) Organizations operating electricity generation connected to the national power grid that are exempt from obtaining an electricity wholesale license;

dd) The national power system-dispatching unit and the electricity market transaction-administering unit;

e) Work items or works of constructing emergency electricity sources and power grids as stipulated in Article 14 of this Law shall be exempted from electricity operation licensing for a period of six months from the time they are put into operation and use;

g) Other electricity activities not regulated in Clause 1 Article 30 of this Law.

2. Organizations exempted from electricity operation licenses under the provisions of Clause 1 of this Article must comply with the procedures and technical regulations on operation management, regulations on electricity prices, technical conditions and safety according to the fields of electricity operation prescribed in this Law.

3. The provincial-level People's Committees shall manage and inspect

organizations engaged in electricity activities in localities prescribed in Clauses 1 and 2 of this Article.

4. The Government shall detail the capacity exempted from electricity operation licenses specified in Clause 1 of this Article.

#### **Article 34. Contents of an electricity operation license**

1. Name and head-office address or the organization licensed for electricity activities.

2. Fields of electricity activities.

3. Scope of electricity activities.

4. Main specifications of electricity works and technologies used in electricity activities for the fields of electricity generation, transmission and distribution.

5. The term of the electricity operation license.

6. Rights and obligations of the organization licensed for electricity activities.

#### **Article 35. Term of the electricity operation license**

1. The term of the electricity operation license must not exceed the operation term of a project or work of electricity generation, transmission or distribution.

2. The Government shall detail the term of the electricity operation license according to the operation field, and for each case of granting electricity operation license specified in this Law.

#### **Article 36. Revocation of electricity operation licenses**

1. Organizations shall have their electricity operation licenses revoked in the following cases:

a) The organization wishes to cease electricity operations or transfers its licensed electricity operation activities to another organization;

b) The organization fails to maintain the conditions required for the licensed electricity operation;

c) The organization fails to comply with the licensed electricity operation field or scope specified in the electricity operation license;

d) The organization leases, lends its license; or unilaterally alters the content of the electricity operation license;

dd) The organization forges documents included in the application dossier for grant of electricity operation license;

e) The organization fails to comply with decision on handling of administrative violations issued by competent state agencies regarding its

violations of electricity operation license regulations, and fails to implement remedial measures within the deadline required by competent state agencies.

2. Organizations whose electricity operation licenses are revoked under Points b, c, d, dd, and e of Clause 1 of this Article may apply for re-grant of the license after fulfilling all responsibilities and obligations as required by law.

3. The Government shall detail this Article, and dossiers, order and procedures for revocation of electricity operation licenses.

### **Article 37. Competence to grant, modify, re-grant, renew and revoke electricity operation licenses**

1. The Ministry of Industry and Trade shall grant electricity operation licenses in the fields of electricity generation, transmission and distribution, electricity wholesaling, and electricity retailing, except for Clause 2 of this Article.

2. Provincial-level People's Committees shall grant electricity operation licenses in the fields of electricity generation and distribution, electricity wholesaling, and electricity retailing within a locality according to the Government's regulations.

3. In case of necessary, the Ministry of Industry and Trade shall authorize its affiliates, the provincial-level People's Committees shall authorize their specialized agencies in charge of electricity to grant, modify, re-grant, renew and revoke electricity operation licenses in accordance with this Law.

4. The electricity activity-licensing agencies may modify, re-grant, renew and revoke electricity operation licenses.

5. The Government shall, based on socio-economic development conditions and state management requirements in each period, detail Clause 1 and Clause 2 of this Article, regarding competence to grant, modify, re-grant, renew and revoke electricity operation licenses according to the capacity scale, voltage level, and electricity operation scope.

## **Chapter V**

### **COMPETITIVE ELECTRICITY MARKET AND ELECTRICITY-TRADING ACTIVITIES**

#### **Section 1**

#### **COMPETITIVE ELECTRICITY MARKET**

#### **Article 38. Operation principles**

1. To ensure publicity, equality, fair competition, non-discrimination

among subjects participating in the competitive electricity markets; to ensure the legitimate rights and interests of electricity entities and electricity consumers.

2. To respect and protect the freedom to opt for partners and transaction forms of subjects purchasing and selling electricity on the competitive electricity markets suitable to the market levels of electricity market.

3. The state shall regulate the operation of the competitive electricity markets in order to ensure the sustainable development of the power systems, meeting the requirements of safe, stable and efficient supply of electricity.

### **Article 39. Development of competitive electricity market levels**

1. The competitive electricity market develops according to the following levels:

- a) The competitive electricity generation market;
- b) The competitive electricity wholesaling market;
- c) The competitive electricity retailing market.

2. Conditions to be completed before operating the competitive electricity markets at various levels include:

- a) Developing and completing the legal normative document system;
- b) Restructuring the electricity sector;
- c) Building and improving the infrastructure for the power system and electricity market;
- d) Reforming the electricity pricing mechanism, gradually reducing and eventually eliminating cross-subsidies between consumer groups and across regions.

3. The Prime Minister shall stipulate the conditions for and structure of the electricity industry for forming and developing different levels of the competitive electricity market; stipulate principles for operation, and a roadmap for developing the competitive electricity market in accordance with Clause 11 Article 5 of this Law and Clause 2 of this Article, and the socio-economic situation in each period.

### **Article 40. Subjects participating the competitive electricity markets at various levels**

1. Subjects participating in the competitive electricity markets include:

- a) Electricity-generating units;
- b) Electricity-transmitting units;
- c) Electricity-distributing units;
- d) Electricity-wholesaling units;
- dd) Electricity-retailing units;

- e) National power system-dispatching units;
- g) Electricity market transaction-administering units;
- h) Electricity consumers.

2. The Ministry of Industry and Trade shall detail the participation of subjects specified in Clause 1 of this Article in compliant with each development level of the competitive electricity market.

#### **Article 41. Electricity trading in the competitive electricity markets at various levels**

1. Subjects purchasing and selling electricity on the competitive electricity markets include:

- a) Electricity-generating units;
- b) Electricity-wholesaling units;
- c) Electricity-retailing units;
- d) Electricity consumers.

2. The electricity trading on the competitive electricity markets shall be effected in the following forms:

a) Trading through agreements between the power purchasers and the power sellers;

b) Spot dealing between the power sellers and the power purchasers via electricity market transaction-administering units;

c) Trading through power forward agreements, power call or put option agreements or power futures agreement between the power sellers and power purchasers.

3. The spot electricity price shall be formulated according to each transaction cycle on the competitive electricity markets and publicized by the electricity market transaction- administering units.

#### **Article 42. Electricity transaction operation and administration on competitive electricity markets at various levels**

1. Operation of, administration of transactions on, the competitive electricity markets include:

a) Fully and reliably forecasting electric energy demand and making plans for electricity market operation;

b) Spot electricity dealings on the electricity markets;

c) Price offer and market price determination;

c) Providing support services and support service prices suitable to each development level of the competitive electricity market;

dd) Making invoices and payments between electricity-trading subjects defined in Clause 1 Article 41 of this Law and the support service-providing units;

e) Supplying and disclosing information related to the operation of, administration of transactions in, the competitive electricity markets to the relevant parties;

g) Providing transaction services and payment transaction services for the portion of electric energy and output traded in form of spot dealing and support services;

h) Receiving and handling proposals related to electricity trading transaction activities in the competitive electricity markets in order to ensure the stability and efficiency and prevent acts of unfair competition;

i) Supervising electricity market operation;

k) Reporting electricity-trading activities on the electricity market.

2. The Ministry of Industry and Trade shall detail Clause 1 of this Article in compliant with each development level of the competitive electricity market.

#### **Article 43. Suspension, and resumption of operation of the spot electricity market in competitive electricity markets at all levels**

1. The spot electricity market operation in competitive electricity markets at all levels shall be suspended upon occurrence of any of the following cases:

a) Emergency situations related to disasters, natural disasters or national defense and security protection;

b) The power system operates in an extremely emergency mode, not ensuring stable, safe and continuous operation of the power system and the electricity market;

c) Other force majeure events affecting normal trading activities in the spot electricity market.

2. Resumption of the spot electricity market operation in competitive electricity markets at all levels shall be carried out when the cause leading to the suspension of operation specified in Clause 1 of this Article is resolved.

3. The Minister of Industry and Trade shall detail this Article.

## **Section 2**

### **POWER PURCHASE AGREEMENTS AND POWER SERVICE AGREEMENTS**

#### **Article 44. Power purchase agreements and power service agreements**

1. A power purchase agreement or a power service agreement must be

made in writing or in the form of data messages valid as documents in accordance with law.

2. A power purchase agreement between the electricity-generating unit and power purchaser, except for the case where the power plant is invested under the form of public-private partnership; a wholesale power purchase agreement or a power system support service agreement must contain the following principal information:

a) Information of the parties to the agreement, including name, address, telephone number and other contact methods (if any);

b) Contractual price of for purchasing electricity; electricity wholesale price; power system support service price;

c) Contracted electricity output (if any);

d) Invoicing, electricity payments and payment deadline;

dd) Rights and obligations of the parties;

e) Contractual language is Vietnamese. If the power seller has a foreign investor, the power seller and purchaser may agree to conclude an additional agreement with language used in English.

g) Other contents as agreed upon by both parties.

3. The power purchase agreement for domestic use must have the following principal contents:

a) Information of the parties in the contract, including name, address, telephone number and other contact methods (if any);

b) Service quality, standards and electricity-using address;

c) Electricity retail price, payment mode and deadline;

d) Rights and obligations of the parties;

dd) Responsibility for protecting the power purchaser's information;

e) Cases of termination of agreement performance and responsibilities arising due to termination of agreement performance;

g) Force majeure circumstances as prescribed by the civil law;

h) Method of dispute settlement;

i) Time of contract conclusion and term of the agreement;

k) Agreement on penalties for breach of the agreement;

l) Other contents as agreed upon by both parties.

4. Power purchase agreements for non-domestic purposes shall contain information as agreed upon by both parties. The power purchaser shall ensure the electric energy quality as prescribed in Article 57 of this Law. If an electricity



consumer has a large average monthly electricity consumption, he/she must take contract performance security measures as agreed upon by the parties.

5. The Ministry of Industry and Trade shall detail Clause 2 of this Article in compliant with the competitive electricity market levels.

6. The Government shall provide detailed provisions on taking security measures and electric energy quality specified in Clause 4 of this Article, provide provisions on conditions for conclusion of power purchase agreements for domestic use.

#### **Article 45. Power forward agreements, power call or put option agreements and power futures agreement**

1. A power forward agreement must contain the following principal information:

a) Contracted electricity output, electricity prices in a power forward agreement shall be determined based on negotiation and agreement between the power purchaser and seller;

b) Reference price in a power forward agreement is the spot electricity market price that is calculated and publicized according to regulations on competitive electricity market operation;

c) The power purchaser and seller are obligated to pay the differences between the electricity price and the reference price in the power forward agreement for the committed electricity output.

2. A power call or put option agreement must contain the following principal information:

a) Right in a power call or put option agreement may be a call or put option, determined based on the negotiation and agreement between the option buyer and option seller;

b) Contracted electricity output, electricity prices and term of a power call or put option agreement shall be determined based on negotiation and agreement between the option buyer and option seller;

c) The option buyer may choose to perform or not perform the right within the agreement term;

d) The option seller shall sell the electric energy output at the concluded price when the option buyer performs the call option, or purchase the electric energy output at the concluded price when the option buyer performs the put option;

dd) The purchase price shall be determined based on the supply and demand for power call or put option agreements on the forward electricity market.

3. A power futures agreement must contain information specified in Clause 1 of this Article. A power futures agreement shall be standardized and listed for

trading on the forward electricity market.

4. Value-added tax mechanisms applicable to transactions of power forward agreements, power call or put option agreements and power futures agreements shall comply with the law on value-added tax.

5. The Minister of Industry and Trade shall detail Clause 1 and Clause 2 of this Article.

6. The Government shall provide regulations on conditions and roadmap for formation and development, operation mechanism of the forward electricity market in conformity with requirements on assurance of security for electricity supply, competitive electricity market levels and relevant laws.

#### **Article 46. Electricity purchase and sale with foreign countries**

1. The electricity purchase and sale with foreign countries includes activities of electricity purchase and sale with foreign countries through the national power system or direct connection without going through the national power system. The electricity purchase and sale with foreign countries must ensure national energy security, interests of the State and the People, interests of electricity consumers, and must be in conformity with the approved strategies for electricity purchase and sale with foreign countries, and approved electricity development master plans.

2. The connection of power grids with foreign countries through the national power system must ensure the following principles;

a) To ensure security, safety, reliability and stability in operating the national power system;

b) To ensure economic and technical optimization of the power system, in accordance with standards, technical regulations, management and operation processes of the national power system;

c) Projects and works of power grid connection with foreign countries within land border areas must not change border identification signs or affect national border markers.

3. In case a part of the power grid is separated from the national power system to be connected to a foreign country's power grid, agreements between parties participating in power grid connection shall be complied with, while meeting technical regulations and standards on national power system management and operation.

4. Direct connection of power grids with foreign countries not through the national power system shall comply with agreements of the parties participating in power grid connection.

5. Prices for electricity import shall be determined at the border gates of Vietnam, as agreed upon by the power purchasers and buyer, suitable to the electricity import price bracket issued by the Minister of Industry and Trade,

strictly complying with the principle of saving costs for electricity purchase.

6. Prices for electricity export with foreign countries shall be agreed upon by the power seller and purchase following principles as bellows:

a) Complying with provisions of Clause 1 of this Article;

b) In case of exporting electricity not through the national power system, the price for electricity export must not be lower than the maximum price of the domestic electricity generation price bracket corresponding to the type of electricity generation issued by the Minister of Industry and Trade;

c) In case of exporting electricity with foreign countries not through the national power system, the price for electricity export shall be based on the electricity retail price prescribed in Clause 1 Article 50 of this Law, and must not be lower than the maximum price of the domestic average electricity retail price bracket.

7. Based on the socio-economic development demand in each period, the Prime Minister shall decide on the strategies for electricity purchase and sale with foreign countries.

8. The Ministry of Industry and Trade shall approve policies on electricity purchase and sale with foreign countries in accordance with strategies for electricity purchase and sale with foreign countries, electricity development master plans and plans for implementation of master plans that have been approved; provide regulations on dossiers, order and procedures for formulation and approval of the price bracket for electricity import, methods for formulation of the price bracket for electricity import applicable to each country, dossiers, order and procedures for electricity purchase and sale with foreign countries.

#### **Article 47. Direct electricity purchase and sale with large electricity consumers and electricity-generating units**

1. Cases of direct electricity purchase and sale with large electricity consumers and electricity-generating units include:

a) Electricity purchase and sale through a separate power grid;

b) Electricity purchase and sale through the national power grid.

2. The direct purchase and sale of electricity with large electricity consumers and electricity-generating units must be carried out on the following principles:

a) Complying with the planning law, investment law, and regulations on grant of electricity operation licenses, electricity trading activities and relevant laws;

b) Being in compliant with competitive electricity market levels.

3. The Government shall provide mechanisms for direct electricity purchase and sale with large electricity consumers and electricity-generating

units; regulate dossiers, order, procedures and responsibilities of related parties when participating in the mechanisms for direct electricity purchase and sale with large electricity consumers and electricity-generating units.

#### **Article 48. Electricity payment in power purchase agreements by large electricity consumers**

1. Electricity payment according to power purchase agreements for domestic use by large electricity consumers is prescribed as follows:

a) Payment shall be made according to the method as agreed upon by the parties in the power purchase agreement; the power purchaser that delays in making payment shall pay interests on the late payment corresponding to the late payment period to the power seller;

b) Late payment interest rates shall be agreed upon by the parties, but must not exceed the interest rates provided by the civil law;

c) The power seller who collects excess electricity bills must refund the power purchaser, including interest on the excess amount, or reach an agreement with the power purchaser to offset the excess electricity bills in subsequent electricity payments;

d) The interest rate on excess electricity bills shall be determined in accordance with Point b of this Clause;

d) The power seller shall record the electricity meter reading once a month on a fixed date, except for the cases of force majeure that pose a risk to the safety of workers as specified in the power purchase agreement. The time of recording the electricity meter reading may be moved 1 day before or after the fixed date or moved as agreed in the power purchase agreement.

2. Electricity payment according to power purchase agreements for non-domestic purpose by electricity consumers shall be made as agreed upon by the parties to the agreements. Any of the party making late payment or collecting in excess of the electricity bill is obligated to pay an amount corresponding to the late payment period at the interest rates prescribed by the civil law.

3. Provisions on re-examining the payable electricity amount:

a) The power purchasers may request the power sellers to re-examine the payable electricity amount in one of the following forms: directly at the power seller; postal service; using electronic methods or others as agreed upon by the parties;

b) Upon receiving the requests of the power purchasers, the power sellers shall have to settle them within 7 days from the receipt of the requests. Where they disagree with the settlement by the power sellers, the power purchasers shall propose competent agencies or organizations to organize the conciliation in accordance with the law on conciliation, or request the arbitration or court for settlement in accordance with law;

c) Pending the settlement, if the power purchasers' requests have not yet been settled, they will still have to pay the electricity money and the power sellers are not allowed to stop the electricity supply.

4. If the power purchasers fail to make electricity payment according to the agreements, and have received notice on electricity payment twice, each time at least 3 days apart, then the power sellers may stop the electricity supply. The time the power sellers are entitled to stopping the electricity supply shall be as agreed upon by the parties and must be specified in the power purchase agreements, within 10 days from the date of the power sellers' first notice. The power sellers must notify the time for stopping the electricity supply to the power purchasers 24 hours in advance and shall not bear any responsibility for the damage caused by the electricity supply stoppage. After the power purchasers make electricity payment and carry out adequate procedures for re-supply of electricity in accordance with the electricity law, the power sellers shall re-supply electricity as prescribed by the electricity law.

5. Electricity bills shall be made according to the electricity meter reading cycle. The form of electricity bill payment notification shall be agreed upon by both parties in the power purchase agreement.

6. The determination of payment of electricity bills in cases where the electricity-metering and -counting device is not accurate compared to the prescribed technical measurement requirements, the power purchaser uses electricity during the time the electricity-metering and -counting device system is damaged causing the electricity meter to stop working, and the power purchaser uses electricity during the time the electricity meter is lost shall comply with the Minister of Industry and Trade's regulations.

7. The Government shall detail the recording of electricity meter reading.

#### **Article 49. Electricity supply cessation, reduction for electricity consumers**

1. Electricity supply cessation, reduction for electricity consumers must comply with the law and the signed power purchase agreements. The power purchaser and seller must reach an agreement on cases of electricity supply cessation, reduction and the forms of notification of electricity supply cessation, reduction in the power purchase agreement.

2. Cases of electricity supply cessation, reduction include:

a) When a force majeure event or incident occurs that the power seller cannot control and poses a serious risk of causing insecurity to people or equipment, or due to a lack of electricity that threatens the safety of the power system, the power seller is allowed to stop or reduce the supply; but must notify the power purchaser of the status of the electricity supply and the expected time of resumption of electricity supply within 24 hours from the time of electricity supply cessation or reduction;

b) When there is a need for repair, maintenance or other planned needs, the power seller is responsible for notifying the power purchaser of the time of electricity supply cessation or reduction at least 5 days in advance by the form of notification agreed upon in the power purchase agreement;

c) Failure to pay the electricity bill as prescribed in Clause 4 Article 48 of this Law;

d) At the request of a competent state agency in case an organization or individual violates the provisions of this Law or the provisions of another law and must apply measures to stop the electricity supply as required by such law.

3. The Minister of Industry and Trade shall provide detailed provisions on procedures for electricity supply cessation or reduction specified in Clause 2 of this Article.

### **Section 3**

## **ELECTRICITY PRICE AND ELECTRICITY SERVICE PRICE**

### **Article 50. Electricity prices**

1. The electricity retail prices are regulated as follows:

a) Electricity retail prices are developed by electricity-retailing units based on electricity price policies, average electricity retail price bracket, mechanisms for adjusting average electricity retail prices and structure of the electricity retail tariff;

b) Electricity retail prices are regulated in detail for each group of electricity consumers in accordance with the socio-economic situation of each period and the level of the competitive electricity market, including: production, business, public service, and daily life. Electricity retail prices based on time of use during the day shall be applied to eligible electricity consumers, including electricity retail prices during peak, off-peak and standard hours. For groups of customers using electricity for domestic purposes, the electricity retail price for domestic use shall be applied in increasing steps for those who are not eligible to participate or do not participate in buying and selling electricity in the competitive electricity market.

2. Electricity wholesale price under the wholesale power purchase agreement shall be agreed upon by electricity entities as prescribed at Point e Clause 12 Article 5 of this Law.

3. The competence to formulate, submit, approve and decide on electricity prices as follows:

a) The Government prescribes mechanism and time of adjusting the electricity retail price;

b) The Prime Minister prescribes structure of the electricity retail tariff and average electricity retail price bracket;

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

d) The Minister of Industry and Trade prescribes the method of determining electricity wholesale prices; method of formulation, order and procedures for approving the electricity wholesale price bracket.

#### **Article 51. Electricity service prices**

1. The electricity service prices are regulated as follows:

a) Power purchase agreement price includes fixed price component determined on average according to the economic life of the project; operation and maintenance price component and a variable price component;

b) Power purchase agreement price at the base year shall be agreed upon by the electricity entities in the power purchase agreement. The power seller and the power purchaser have the right to sign a power purchase agreement with a fixed price for each year of the power purchase agreement on the basis of ensuring that the fixed price does not change;

c) In case where the power purchase agreement price has not yet been agreed, the power seller and purchaser may reach an agreement on the temporary price until the official price is given;

d) In case of organizing a bid for selection of an investor for a power plant, the power purchase agreement price shall be determined by the power seller and purchaser in accordance with Points a, b and c of this Clause and Clause 2 Article 19 of this Law;

dd) Electricity generation service price for a power plant invested under the form of public-private partnership shall comply with Article 16 of this Law;

e) Small-sized renewable-energy power plants shall apply the mechanism of avoidable cost tariff;

g) The Minister of Industry and Trade shall provide the method for determining the electricity generation service price specified in this Clause.

2. The power purchaser and seller shall agree on the power purchase agreement price on the principle of ensuring that the power plant recovers investment costs (if any), costs for electricity production and business activities, and agree on a reasonable profit level for the following power plants:

a) Small-sized renewable-energy power plants specified at Point e Clause 1 of this Article, when the duration for applying the avoidable cost tariff expires;

b) Power plants that has already been put into commercial operation and the term for applying power purchase agreement price has expired;

c) Power plants of which the BOT contract term has expired, and have been handed over to the Government under Article 16 of this Law.

3. The Minister of Industry and Trade shall prescribe dossiers, order and procedures, methods for determining the electricity generation price bracket; approve the electricity generation price bracket formulated and submitted by electricity entities.

4. The Minister of Industry and Trade shall prescribe methods of determining costs for electricity generation of power plants not yet participating in the competitive electricity market for the following cases:

a) Power plants specified in Clause 2 Article 5 of this Law;

b) Power plants coordinating in operation with power plants specified in Clause 2 Article 5 of this Law in order to support the system regulation according to the list provided by the Ministry of Industry and Trade;

c) Other power plants of which the electricity generation service price cannot be determined.

5. In case there is no method for determining the price and price bracket for electricity generation prescribed in Clauses 1 and 3 of this Article for the expanded hydropower project prescribed at Point b Clause 1 Article 18 of this Law, or the renewable energy source project combined with investment in the energy storage system prescribed in Clause 3 Article 20 of this Law, the power purchaser and seller shall agree on the development of a method for determining the electricity generation service price based on the provisions in Clause 1 of this Article and in accordance with the reality of the power plant.

6. The Ministry of Industry and Trade shall prescribe the following contents:

a) Methods for formulation, dossiers, order and procedures for approving prices for electricity transmission and distribution services, prices for power system support services, power system dispatch and operation services and prices for electricity market transaction administration services;

b) Methods for guiding and forms of valuating prices for transmission grids invested and constructed by non-state economic sectors as prescribed in Clause 4 Article 5 of this Law.



7. The Minister of Industry and Trade shall approve prices for electricity transmission and distribution services, prices for power system support services, power system dispatch and operation services and prices for electricity market transaction administration services that are formulated and submitted by electricity entities.

8. Based on specific characteristics of power plants in each period, the Minister of Industry and Trade shall decide on the following contents:

a) Application of electricity generation price bracket to offshore wind power plants specified in this Law, and power plans specified in Clause 2 of this Article;

b) Multi-component electricity price mechanism, including capacity price, electric energy price, fixed price, variable price or other price components (if any).

### **Article 52. Bases for formulation and adjustment of electricity price and electricity service price**

1. Bases for formulating electricity price include:

a) Electricity price policies;

b) National socio-economic development conditions;

c) The electricity supply-demand relationship;

d) Reasonable electricity production and business costs and reasonable profits of electricity entities;

dd) Competitive electricity market levels;

e) Audited annual financial statements of electricity entities.

2. The adjustment of an average electricity retail price is prescribed as follows:

a) The electricity retail price shall be reflected and adjusted promptly according to actual fluctuations in input parameters, compensating for reasonable and valid costs with reasonable profits to preserve and develop business capital of enterprises in accordance with socio-economic conditions of each period and level of competitive electricity market;

b) When the electricity retail market is operating, electricity retail prices shall be implemented according to market mechanisms;

c) The Government shall specify in detail Point a of this Clause.

3. Electricity entities shall prepare and publicize annual electricity production and business costs. Forms and contents of publication shall comply with the law.

4. Bases for adjusting the electricity generation price in a signed power purchase agreement include:

a) Changes in policies and laws promulgated by competent agencies, that adversely affect the legitimate interests of the power seller or purchaser;

b) Implementation of requests to review and adjust electricity generation service prices by competent state agencies;

c) The power seller is assigned to invest in construction, upgrading, and renovation of items (outside the scope of investment management of the electricity-generating unit in the signed power purchase agreement) to implement the master plan or to implement new requirements on technical standards and regulations as prescribed by law;

d) Optimizing management and production processes, changing technology and innovating in electricity production activities.

## Chapter VI

### DISPATCH AND OPERATION OF THE NATIONAL POWER SYSTEM

#### **Article 53. Principles and requirements in dispatch and operation of the national power system**

1. The dispatch and operation of the national power system must adhere to the following principles:

a) Safety, stability, quality and reliability;

b) Ensuring technical constraints of the power system;

c) Meeting the requirements for flood prevention, control, irrigation, maintenance of minimum flow and downstream water supply as prescribed by law;

d) Implementing agreements on electricity output and capacity in power purchase agreements, electricity export and import on the basis of ensuring the safety of the national power system, the interests of the State and the People; primary fuel consumption constraints for electricity generation as approved by competent state agencies;

dd) Optimizing the economic and technical aspects of the power system;

e) Ensuring fairness in mobilizing capacity and electric energy of electricity-generating units in the national power system.

2. Technical requirements and operational command of the national power system include:

a) Power generation equipment, power grids and support equipment connected to the transmission grid and distribution grid must ensure that they meet the requirements for connection and technical operation of the national power system;

b) The national power system is commanded by the authorized dispatching authority, including the national dispatching authority, regional dispatching authority and distribution dispatching authority;

c) The unit managing and operating the electricity source and power grid shall be responsible for complying with the command of the authorized dispatching authority; developing a plan for maintenance and repair of equipment within the scope of management to ensure safe operation and minimize the possibility of incidents, and coordinating with relevant units in operation to ensure the safe, stable and reliable operation of the power system.

3. In the event of an urgent situation that seriously threatens the ability to ensure electricity supply, the Minister of Industry and Trade shall decide on the operation and mobilization of power plants to ensure electricity supply. The power plant shall be responsible for complying with the mobilization, ensuring the safe operation of generating sets and equipment, and reporting to the owner on the implementation of the mobilization order.

4. The Minister of Industry and Trade shall prescribe the functions, tasks and decentralization of control authority of the dispatching authority with control authority, dispatching principles, operations, incident handling, black start and restoration of the national power system; technical requirements, connection, electricity metering and operation of the electricity transmission and distribution system; direct the development of electricity supply plans, inspection and supervision of electricity supply and power system operation to ensure balance of electricity supply and demand.

5. The Government shall prescribe urgent situations that seriously threaten the ability to ensure electricity supply specified in Clause 3 of this Article.

#### **Article 54. Electricity demand management**

1. Electricity demand management includes activities to encourage and guide changes in electricity usage; prevent waste, reduce electric energy loss; reduce peak load, reduce load difference between peak and off-peak hours.

2. Electricity entities shall be responsible for researching load, developing and implementing electricity demand management programs to optimize power system operation.

3. Electricity consumers shall be responsible for participating in the programs on electricity demand management in order to optimize power system operation, reduce the capacity differences between the peak hours and off-peak hours of the load charts of electric systems.

4. The Ministry of Industry and Trade shall develop and submit to the Prime Minister for approval the national electricity demand management program in accordance with the socio-economic situation of each period, including measures to manage electricity demand, financial mechanisms and responsibilities of relevant parties. The Minister of Industry and Trade shall

regulate the implementation of electricity demand management.

**Article 55. Thrift in electricity generation, transmission, distribution and use**

1. Thrift in electricity generation is regulated as follows:

a) The electricity-generating units shall have to select and apply eco-friendly advanced electricity-generating technologies with high efficiency, manage and apply the optimal modes of operating electricity-generating equipment to save fuels and sources of energy used for electricity generation, contributing to ensure the national energy security and environmental protection;

b) The self-supply electricity systems in power plants must be designed and installed rationally and be arranged for use in the operation process in a way suitable to the requirements of saving self-supply electricity;

c) The Minister of Industry and Trade shall prescribe the norms for self-consumption of electricity for all types of power plants.

2. Thrift in electricity transmission and distribution is regulated as follows: The systems of electricity transmission and distribution lines and transformer stations must ensure advanced techno-economic parameters and standards, be operated by optimal modes in order to satisfy the requirements of stable, safe, constant supply of electricity while taking account of economic efficiency of measures to minimize loss of electric energy.

3. Thrift in electricity use is regulated as follows:

a) Organizations and individuals using electricity for production shall have the responsibility of renewing and rationalizing the process of manufacture, and application of technologies and equipment with low electricity-consuming capacity to save electricity; ensuring the capacity coefficients according to technical standards and minimizing the under-load use of electric equipment;

b) Organizations and individuals that manufacture or import electrical equipment must ensure the minimum electricity-consuming norms so as to reduce electric energy spending, thus contributing to practicing electricity economy;

c) Organizations using electricity shall have to promulgate the regulations on thrifty use of electricity in their respective organizations.

**Article 56. Electricity measurement, counting**

1. The power sellers, electricity-generating, -transmitting and/or -distributing units shall have to invest and install all electricity-metering and -counting device as well as electricity measurement- or counting- support equipment, and the system for collecting and managing electricity metering data, except otherwise agreed upon by the parties.

2. Electricity-metering and -counting devices must satisfy measurement-related technical requirements and must be inspected, calibrated and

experimented in accordance with the law on measurement.

3. The installation positions of electricity meters must ensure safety, beautiful look and convenience for power purchasers to check the electricity meter readings and the power sellers must note down the electricity meter readings.

4. Owners of electricity-metering and -counting devices shall organize the inspection, calibration and experimentation of electricity-metering and -counting devices according to the requirements and time limit provided in the law on measurement.

5. When there is suspicion that the electricity-metering and -counting device is inaccurate, the power purchaser has the right to request the power seller to check; the power seller shall be responsible for checking, repairing or replacing. In the case of electricity retailing, the power seller must complete the checking, repair or replacement within 3 days from the date of receiving the request of the power purchaser. In case of disagreeing with the check results, repair or replacement by the power sellers, the power purchasers may request the specialized agency in charge of electricity under the provincial-level People's Committee to organize independent inspection. Within 15 days from the date of receipt of the request from the power purchaser, the specialized agency in charge of electricity under the provincial-level People's Committee shall be responsible for organizing the inspection with an independent inspection organization.

6. The expenses for organization of independent inspections of electricity-metering and -counting device under the provisions of Clause 5 of this Article shall be paid as follows:

a) In cases where the independent inspecting organizations determine that the electricity-metering or -counting device meets the technical measurement requirements, the power purchasers shall have to pay the inspection expenses;

b) In case the independent inspection organization determines that the electricity-metering or -counting device does not meet the technical measurement requirements, the power seller shall pay the inspection expenses, and at the same time collect arrears or refund electric energy according to the signed power purchase agreement and law provisions.

### **Article 57. Ensuring quality of electric energy**

1. Electricity-generating, transmitting and -distributing units must ensure the capacity, electric energy and time of electricity supply according to the agreement; voltage and frequency according to the technical requirements issued by the Minister of Industry and Trade. In case of failure to ensure the standards of voltage, electric current frequency, output, electric energy and electricity supply duration according to the signed agreements, thus causing damage to the power purchasers, the power sellers must pay compensations to the power purchasers according to law provisions.

2. The power purchasers shall have to ensure that their electrical equipment and appliances operate safely so as not to cause incidents to power systems and not to affect the voltage quality of power grids.

## **Chapter VII**

### **RIGHTS AND OBLIGATIONS OF ELECTRICITY ENTITIES AND ELECTRICITY CONSUMERS**

#### **Article 58. Rights and obligations of electricity entities licensed for electricity operations**

1. The electricity entity licensed for electricity operation shall have the following rights:

- a) To conduct electricity activities according to the contents recorded in their electricity operation licenses;
- b) To propose for re-grant, renewal or modification of electricity activities when fully meeting conditions as prescribed by law;
- c) To be provided with necessary information in the fields licensed for electricity operation in accordance with the law;
- d) Other rights as prescribed by law.

2. The electricity entity licensed for electricity operation shall have the following obligations:

- a) To conduct electricity activities according to the contents recorded in their electricity operation licenses;
- b) To maintain the conditions for the licensed electricity operation during the period prescribed in the electricity operation license;
- c) To send a report to the licensing agency at least 60 days before electricity operation cessation;
- d) Not to lease, lend or modify without permission the electricity operation license;
- dd) To propose the modification of the electricity operation license upon changing the name or registered address of the entity licensed for electricity operation;
- e) To report the licensing agency of the operation in the licensed fields before March 1 every year;
- g) Other obligations as prescribed by law.

#### **Article 59. Rights and obligations of electricity-generating units**

1. The electricity-generating units shall have the following rights:

a) To connect to national power systems when satisfying the technical conditions and requirements;

b) To propose competent state agencies to amend, supplement relevant technical regulations, and techno-economic norms;

c) To sell electricity for the power purchasers according to power purchase agreements;

d) To sell electricity for the power purchasers through power forward agreements, power call or put option agreements or power futures agreement and offer the spot electricity price on the competitive electricity market;

dd) To be provided with necessary information on electricity generation;

e) Other rights as prescribed by this Law and other relevant laws.

2. The electricity-generating units shall have the following obligations:

a) To ensure safe, stable and reliable operation of sets and equipment in power plants, prepare sufficient fuels in service of operation methods, and operation requirements of power systems for safe and constant electricity supply;

b) To cease or reduce the electricity generation if there is no other alternative in case of dangers threatening human lives and equipment safety;

c) To abide by the provisions on electricity dispatching and operation, electric safety and electricity market;

d) To abide by the operation modes, commanding orders and direction of the authorized dispatching authority;

dd) To promptly notify the authorized dispatching authority and relevant organizations as well as individuals of electricity generation incidents upon their occurrence;

e) To invest in transformer stations, meters and transmission lines to meters for power purchasers, unless otherwise agreed upon with the electricity-transmitting units, electricity-distributing units or power purchasers;

g) To report information related to the readiness and reserve capacity of power plants and related information as required by the unit dispatching the national power system, the electricity market transaction-administering unit, and competent state agencies;

h) To collect, treat and recycle ash and slag generated from thermal power plants, photovoltaic panels, electricity storage device, wind turbine blades and other discarded electrical equipment in accordance with the law on environmental protection;

i) Other obligations as prescribed by this Law and other relevant laws.

## **Article 60. Rights and obligations of electricity-transmitting units**

1. The electricity-transmitting units shall have the following rights:

a) To connect to national power systems when satisfying the technical conditions and requirements;

b) To propose competent state agencies to amend, supplement relevant technical regulations, and techno-economic norms;

c) To elaborate and submit for approval the electricity transmission service prices;

d) To provide electricity transmission services as prescribed;

dd) To be provided with necessary information on electricity transmission;

e) To enter the areas under power purchasers' management to operate, maintain, repair or replace electric equipment of electricity-transmitting units;

g) Other rights as prescribed by this Law and other relevant laws.

2. The electricity-transmitting units shall have the following obligations:

a) To ensure the provisions of transmission services as well as support services for the concerned parties, rights of connection to the transmission grids assigned to manage and operate by organizations and individuals engaged in electricity activities, except where the transmission grids are overloaded under certification by the Ministry of Industry and Trade;

b) In case of danger threatening human lives and equipment safety, to cease or to request the authorized dispatching authority to reduce the transmitted load, if there is no other alternative;

c) To draw up plans for investment in development of the electricity transmission grids and invest in the development of electricity transmission grids to satisfy the electricity transmission demands under the electricity development master plan, plans for implementation of electricity development master plans; to invest electricity-metering or -counting device as well as support equipment, unless otherwise agreed upon with electricity-generating units, electricity-distributing units or electricity consumers;

d) To ensure the safe, stable and reliable operation of the power grids and equipment within the scope of operation management;

dd) To abide by the provisions on electricity dispatching and operation, electric safety and electricity market;

e) To abide by the operation modes, commanding orders and direction of the authorized dispatching authority;

g) To promptly notify the authorized dispatching authority and relevant organizations as well as individuals of transmission grid incidents upon their occurrence;

h) To report information related to the readiness and reserve capacity of equipment and other information as required by the unit dispatching the national power system, the electricity market transaction-administering unit, and



competent state agencies;

i) Other obligations as prescribed by this Law and other relevant laws.

### **Article 61. Rights and obligations of electricity-distributing units**

1. The electricity-distributing units shall have the following rights:

a) To connect to national power systems when satisfying the technical conditions and requirements;

b) To propose competent state agencies to amend, supplement relevant technical regulations, and techno-economic norms;

c) To elaborate and submit for approval the electricity distribution service prices; to provide electricity distribution services as prescribed

d) To enter the areas under power purchasers' management to operate, maintain, repair or replace electric equipment of electricity-distributing units;

dd) To be provided with necessary information on electricity distribution;

e) Other rights as prescribed by this Law and other relevant laws.

2. The electricity-distributing units shall have the following obligations:

a) To ensure the provision of electricity distribution services for electricity-using customers, electricity-retailing units, electricity-wholesaling units up to the technical requirements, service quality and safety requirements under contracts, except where the electricity distribution grids are overloaded under certifications by the specialized agency in charge of electricity under the provincial-level People's Committee;

b) To draw up plans for investment in the development of electricity distribution grids and to invest in the development of electricity distribution grids to meet the electricity demands under electricity development plans in the provincial-level master plan; plans for implementation of provincial-level master plan, including plans for development of electricity supply network; to invest meters and transmission lines to meters for power purchasers, unless otherwise agreed upon with the power purchasers;

c) To abide by the provisions on electricity dispatching and operation, electric safety and electricity market, operation methods as required by authorized dispatching authority, carry out load adjustment, cease and reduce electricity supply as prescribed to ensure the power system operates safely and continuously;

d) In case of dangers threatening human lives and equipment safety, to cease or reduce the electricity distribution if there is no other alternative;

dd) To report information related to the readiness and reserve capacity of equipment and other information as required by the unit dispatching the national power system, the electricity market transaction-administering unit, and competent state agencies;

e) In urgent situations that seriously threaten the ability to ensure electricity supply, the electricity-distributing units shall mobilize backup generators of electricity consumers to supplement the supply to the national power system;

g) Other obligations as prescribed by this Law and other relevant laws.

### **Article 62. Rights and obligations of electricity-wholesaling units**

1. The electricity-wholesaling units shall have the following rights:

a) To purchase electricity directly from the power sellers under wholesale power purchase agreements;

b) To use electricity transmission, distribution services and power system dispatching services and electricity market transaction administration services suitable to each level of the competitive electricity markets;

c) To purchase and sale electricity on the competitive electricity market under wholesale power purchase agreements, power forward agreements, power call or put option agreements and power futures agreements; to determine electricity wholesale prices within the approved electricity wholesale price bracket;

d) To be provided with necessary information on electricity-wholesaling activities;

dd) Other rights as prescribed by this Law and other relevant laws.

2. The electricity-wholesaling units shall have the following obligations:

a) To sell electricity strictly according to the volume, quality and at prices agreed upon in agreements;

b) To pay compensations when causing damage to power purchasers or power sellers according to law provisions;

c) To comply with provisions on the competitive electricity market operation and electric safety; to provide necessary information relating to the participation of competitive electricity market at request of the national power system-dispatching units, electricity market transaction-administering units or competent state agencies;

d) Other obligations as prescribed by this Law and other relevant laws.

### **Article 63. Rights and obligations of electricity-retailing units**

1. The electricity-retailing units shall have the following rights:

a) To purchase electricity directly from the power sellers under retail power purchase agreements;

b) To compete for electricity purchase and sale on the competitive electricity market under power purchase agreements, power forward agreements, power call or put option agreements and power futures agreements; to determine electricity retail prices on the competitive electricity markets as prescribed;

c) To use electricity transmission, distribution services and power system dispatching services and electricity market transaction administration services suitable to each level of the competitive electricity markets;

d) To enter areas under the electricity buyers' management to check electricity meters, record the electricity meter reading and to contact customers;

dd) To be provided with necessary information on electricity-retailing activities;

e) Other rights as prescribed by this Law and other relevant laws.

2. The electricity-retailing units shall have the following obligations:

a) To sell electricity strictly according to the volume, quality and at prices agreed upon in agreements;

b) To pay compensations when causing damage to power purchasers or power sellers according to law provisions;

c) To supply necessary information on the retailed electricity volumes at requests of competent state agencies;

d) To conduct inspection of the performance of power purchase agreements;

dd) To comply with regulations on operation of competitive electricity markets, electric safety;

e) Other obligations as prescribed by this Law and other relevant laws.

#### **Article 64. Rights and obligations of the national power system-dispatching unit**

1. The national power system-dispatching unit shall have the following rights:

a) To command and direct the electricity-generating units, electricity-transmitting units, electricity-distributing units in implementing the plans, modes of operating the national power system;

b) To command the handling of emergency or abnormal circumstances in the national power system; to mobilize capacities and outputs of power plants in the national power system; to command the operation of electricity transmission grids and electricity distribution grids; to cease or reduce electricity supply in case of danger threatening the safe, reliable operation of the national power system;

c) To adjust plans, modes of mobilizing capacities of power plants in emergency or abnormal circumstances in the national power system to ensure the safe and stable operation of the national power system;

d) To formulate and submit for approval of the power system dispatching service prices;

dd) To request relevant electricity entities to supply information on

technical properties, readiness to participate in operation and load carriage of electricity-generating, - transmitting or-distributing equipment; electricity demands of consumers in order to determine the modes of operation of the national power system;

e) To conduct assessment of the balance of supply and demand of the power system;

g) To be entitled to preferential mechanisms and policies issued by the Government to ensure infrastructure and other essential systems serving the dispatch and operation of the power system to meet operational requirements, contributing to ensuring electricity supply;

g) To be entitled to prioritized mechanisms and policies issued by the Government to attract high-quality human resources for power system dispatching activities;

i) Other rights as prescribed by this Law and other relevant laws.

2. The national power system-regulating unit shall have the following obligations:

a) To operate the national power system to ensure safety, stability and economy;

b) To comply with regulations on dispatching and operating the national power system, electricity transmission system, and electricity distribution system issued by the Minister of Industry and Trade;

c) To prepare and submit to the Ministry of Industry and Trade for approval the annual national power system operation method; to prepare, approve and implement other power system operation methods;

d) To notify the mobilized capacities, outputs and support services to the electricity market transaction-administering unit;

dd) To management, operation, maintenance and repair of telecommunications and information system infrastructure and specialized systems serving power system dispatching;

e) To report in time to the Ministry of Industry and Trade on, and to notify the electricity market transaction-administering unit of, emergency or abnormal circumstances seriously threatening the safe and reliable operation of the national power system;

g) Other obligations as prescribed by this Law and other relevant laws.

### **Article 65. Rights and obligations of the electricity market transaction-administering unit**

1. The electricity market transaction- administering unit shall have the following rights:

a) To operate the spot electricity market;

b) To request relevant electricity entities to provide data to serve the operation of transactions on the competitive electricity market in accordance with law;

c) To invest in, install, manage and operate the metering data collection system and the metering data management system within the scope of management according to each level of the competitive electricity market;

d) To invest in and develop the electricity market information infrastructure within the scope of management to serve the operation of the electricity market according to the levels of the competitive electricity market;

dd) To formulate and submit for approval of the electricity market transaction administration service prices;

e) To be entitled to incentive mechanisms and policies issued by the Government to ensure infrastructure and other essential systems serving the administration of the electricity market;

g) To be entitled to prioritized mechanisms and policies issued by the Government to attract high-quality human resources for electricity market administration activities;

h) Other rights as prescribed by this Law and other relevant laws.

2. The electricity market transaction- administering unit shall have the following obligations:

a) To comply with regulations on competitive electricity markets;

b) To regulate and coordinate electricity trading activities and support services in the competitive electricity market;

c) To prepare and publish information on the electricity market operation plan for the next year, next month, next week, schedule for the next day, next cycle;

d) To prepare and publish spot electricity prices and support service prices;

dd) To provide transaction services and payment services for electric energy and capacity traded in the spot electricity market and support services suitable for each level of the competitive electricity market;

e) To manage, operate, maintain and service the electricity market information infrastructure and telecommunications infrastructure, specialized information serving the dispatch of the power system and the operation of electricity market transactions;

g) To receive, appraise, evaluate and confirm registration dossiers for participation in the electricity market of units wishing to participate in the electricity market;

h) To monitor registration activities for participation in the electricity market of members;

i) Other obligations as prescribed by this Law and other relevant laws.

## **Article 66. Rights and obligations of electricity consumers**

1. The electricity consumers shall have the following rights:

a) To be supplied with adequate electricity volume, output, be assured of electricity quality, already agreed upon in agreements;

b) To request the power sellers to promptly restore the electricity supply after blackouts;

c) To be compensated for damage caused by the power sellers according to law provisions;

d) To request the power sellers to check the electricity service quality, the precision of electricity-measuring or -counting device, the payable electricity charges;

dd) To be provided with necessary information relating to electricity-retailing activities and electric safety guidance;

e) To select the power sellers in the competitive electricity-retailing market;

g) Other rights as prescribed by this Law and other relevant laws.

2. The electricity consumers shall have the following obligations:

a) To pay electricity charges fully and on time and to fulfill other agreements in power purchase agreements;

b) To use electricity safely, thriftily and efficiently; to comply with regulations and programs on management of electricity demands to ensure safe and constant operation of the power system;

c) To use electricity transmission, distribution services and power system dispatching services and electricity market transaction administration services suitable to each level of the competitive electricity markets;

d) To use electricity for the right purpose and subject as stipulated in the power purchase agreement;

dd) To promptly notify the power sellers of abnormal phenomena upon detection thereof, which may cause blackouts, unsafety to people and properties;

e) To create conditions for the power seller, the electricity-transmitting unit, the electricity-distributing unit to inspect, repair, record electricity metering indexes, maintain, repair, install and replace the electricity metering system, electrical equipment of the electricity-transmitting unit, the electricity-distributing unit and contact consumers;

g) To invest in transmission lines after the meter to the place of electricity use, except for the case specified in Clause 2 Article 17 of this Law; to design the power system in the project under the management scope to meet the technical

standards and regulations as prescribed by law;

h) To ensure the technical and safety requirements and fire prevention and fighting requirements of electrical equipment;

i) To pay compensations for damage caused to power sellers according to law provisions;

k) To protect the electricity meter located within the scope of its management as agreed in the power purchase agreement; not to arbitrarily remove or move the electricity meter. When there is a need to move the electricity meter to another location, the consent of the power seller must be obtained and the moving costs must be borne by the consumers;

l) Other obligations as prescribed by this Law and other relevant laws.

3. The large electricity consumers shall have the following rights:

a) The rights specified in Clause 1 of this Article and the right to use electricity transmission and distribution services as stipulated in the agreement signed with the electricity- transmitting and -distributing unit;

b) When participating in the competitive electricity market, they have the right to purchase electricity directly from the electricity-generating unit through power purchase agreements, power forward agreements, power call or put option agreements and power futures agreement and spot electricity purchase on the competitive electricity market.

4. The large electricity consumers shall have the following obligations:

a) Obligations specified in Clause 2 of this Article;

b) To follow the electricity-using regime at the request of competent dispatching authority, to apply measures to ensure the electricity quality requirements, electric safety and other contents agreed upon in the power purchase agreement, and agreement signed with electricity-transmitting and distributing unit.

## **Chapter VIII**

### **PROTECTION OF ELECTRICITY WORKS AND ELECTRIC SAFETY IN ELECTRICITY SECTOR**

#### **Section 1**

#### **PROTECTION OF ELECTRICITY WORKS AND ELECTRIC SAFETY**

##### **Article 67. Electricity work safety protection**

1. Electricity entities and organizations and individuals shall be responsible for protecting the safety of overhead electricity transmission lines, underground electric cables, transformer stations, power plants and other electricity works in

accordance with law. Land users shall be responsible for creating favorable conditions for electricity entities to access electricity works for inspection, repair, maintenance and troubleshooting.

2. When constructing, renovating, repairing, or expanding power plants or other works that may affect each other, the electricity entity and relevant organizations and individuals shall have the following responsibilities:

a) Coordinating and synchronously implementing measures to ensure electric and construction safety;

b) Promptly notifying competent state agencies and relevant organizations and individuals when detecting risks and unsafe phenomena for power plants;

c) Paying compensations for damage caused to organizations and individuals in accordance with the civil law.

3. When no longer in use, power plants and electrical equipment must be handled, dismantled, and managed to ensure safety in accordance with the law on construction and the law on environmental protection.

4. Ministries, ministerial-level agencies, government-attached agencies, and People's Committees at all levels shall, within the scope of their functions, tasks, and powers, be responsible for organizing the implementation of regulations on the protection of safety of electricity works in this Law and other relevant laws; inspecting, preventing, and promptly handling violations of the law on the protection of safety of electricity works.

5. The Government shall detail Clause 1 and Clause 2 of this Article.

#### **Article 68. Electricity work safety protection corridor**

1. The safety corridor of an electricity work is the area surrounding a power plant that requires protection measures to ensure the safety of people and power plants, determined in the air, on the ground, underground, on the water surface, or under the water surface depending on the type of power plant.

2. The electricity work safety protection corridor includes:

a) The overhead electricity transmission line safety protection corridor;

b) The underground electric cable safety protection corridor;

c) The transformer station safety protection corridor;

d) The safety corridor of a wind power plant and other power source plants.

3. The use of land in the electricity work safety corridor is regulated as follows:

a) Land in the electricity work safety corridor may continue to be used for the purposes determined in accordance with the law; the use of land must not affect the electricity work safety protection. Land users shall be compensated and supported due to restrictions on land use and damage to property attached to the



land in accordance with the land law;

b) In cases where the use of land in the electricity work safety corridor affects the safety of electricity works, the land user must coordinate with the electricity entity to take remedial measures;

c) In cases of failure to remedy as prescribed at Point b of this Clause, the State shall recover the land and compensate in accordance with the law. Compensation, support and resettlement when the State recovers land in the electricity work safety corridor shall be implemented in accordance with the land law;

d) In cases where the electricity work safety corridor overlaps with the safety corridor of another work, the handling shall be carried out in accordance with the provisions of the Government.

4. The safety corridor of an offshore electricity work is part of the sea area assigned to implement the electricity project. The use of sea areas within the safety corridor of offshore electricity works must comply with the following regulations:

a) Using marine resources economically and effectively;

b) Ensuring safety for people, electricity works and other legal exploitation and use of marine resources in accordance with the law;

c) Ensuring safety for living species, wild animals and migratory birds in accordance with the law on biodiversity and treaties to which the Socialist Republic of Vietnam is a contracting party.

5. In cases where houses and constructions are located outside the electricity work safety corridor but have electric field intensity exceeding the permitted regulations, the owners of houses, constructions and land users shall be compensated and supported as in the case of being located within the electricity work safety corridor as prescribed in Clause 3 of this Article.

6. Trees inside and outside the electricity work safety corridor must ensure the safe distance for discharge according to voltage level. Trees that grow in violation of the safe distance for discharge must be promptly trimmed by the tree owner or land user. In case the tree grows in violation of the safe distance for discharge causing a power grid incident, depending on the level of damage, the tree owner or land user will be handled in accordance with the law. The electricity entity shall be responsible for coordinating with local authorities to organize the trimming of trees that violate the safe distance for discharge in areas where the tree owner has not been identified.

7. Houses, works and activities must ensure the safety conditions permitted to exist in the electricity work safety corridor. Owners or users of dwelling houses or works, which are allowed to exist in the electricity work safety protection corridors must not use the roofs or any parts of such dwelling houses or works, that violate the electricity discharge safety distance according to the voltage

grades and must comply with the regulations on protection of electricity work safety when repairing, renovating the dwelling houses or works.

8. Dwelling houses and works where people live or work must not be allowed to exist in the safety protection corridors of the overhead electricity transmission lines of 500 kV or higher, except for specialized works in service of operation of such power grids.

9. The People's Committees at all levels shall, within the scope of their tasks and powers, be responsible for formulating and executing the plans on ground clearance, population relocation and resettlement; paying compensations for losses of land and properties, costs for investment in land; managing and protecting the land and sea areas reserved for the projects and the safety corridors of the electricity works.

10. The Government shall detail this Article.

### **Article 69. General provisions on electric safety**

1. People directly performing the work of constructing, repairing, renovating, managing, operating power systems, electricity works; inspecting electrical equipment, tools and other work directly related to the power system must be trained, tested and issued electric safety cards.

2. Owners of electricity works, organizations and units managing the operation, construction, repair and renovation of electricity works and activities using electricity for production have the following responsibilities:

a) Complying with standards and technical regulations on electrical engineering, electric safety and the laws on electric safety;

b) Installing prohibition signs, signs and warning signals on electric safety, fire prevention and fighting safety, and traffic safety in accordance with law;

c) Organizing or hiring a unit with sufficient capacity to organize training, testing and issue electric safety cards to workers in Clause 1 of this Article within the scope of management;

d) When an electrical incident or accident occurs, measures must be immediately taken to remedy the incident or accident, first aid must be given, people must be evacuated from the dangerous area and a report must be promptly sent to competent state management agencies;

dd) Implementing the reporting regime on electric safety and violations of the safety corridor of electricity works.

3. Organizations and individuals manufacturing and trading in electrical equipment and tools must be responsible for the quality of products and goods in accordance with law; provide consumers with instructions on installation, use, preservation and maintenance of electrical equipment and tools to ensure safety according to regulations.

4. The use of electricity as a direct means of protection may only be carried out when other protective measures are ineffective in areas where electric fences are permitted as prescribed by the Minister of Public Security and the Minister of National Defence, and must ensure safety conditions according to the regulations of the Minister of Industry and Trade.

5. The Minister of Industry and Trade shall be responsible for promulgating technical regulations on electrical engineering and electric safety as prescribed at Point a Clause 2 of this Article; regulating the contents of safety inspection in electricity generation, transmission, distribution and use.

6. The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with relevant ministries, sectors and provincial-level People's Committees in, developing, submitting to the Prime Minister for promulgation and organize the implementation of the National Program on Safety in Electricity Use.

7. The Minister of Construction shall be responsible for stipulating requirements for power systems for houses and construction works in accordance with the law on construction.

8. Provincial-level People's Committees shall be responsible for promulgating regulations on safety management in the use of electricity in their localities; organizing safety inspections in the use of electricity in accordance with this Law and other relevant laws; organizing propaganda, dissemination, guidance and raising awareness for agencies, organizations and individuals using electricity.

9. The Government shall detail Clause 1 and Clause 2 of this Article.

#### **Article 70. Technical safety inspection of electrical equipment and tools**

1. Electrical equipment and tools on the list specified in Clause 4 of this Article must be inspected before being put into use, during use and operation to ensure compliance with technical standards and regulations as prescribed by law.

2. Technical safety inspection of electrical equipment and tools must be performed by an organization that meets the conditions for provision of business inspection services and is certified by the Ministry of Industry and Trade to register for product and goods quality inspection activities in accordance with the law on product and goods quality.

3. The Ministry of Industry and Trade and the provincial-level People's Committees shall, within their authority, be responsible for inspecting and examining technical safety inspection activities of electrical equipment and tools.

4. The Ministry of Industry and Trade shall prescribe the list of electrical equipment and tools subject to inspection; inspection content; inspection cycle; inspection process; responsibilities of organizations and individuals in technical safety inspection of electrical equipment and tools.

## **Article 71. Electricity generation safety**

1. Organizations and individuals investing in construction, management and operation of electricity generation works must comply with general provisions on electric safety specified in Article 69 of this Law and the following provisions:

a) Provisions on environmental safety distance for residential areas in accordance with the law on environmental protection;

b) Technical regulations, standards on construction, electric techniques, electric safety, fire prevention and fighting and environmental protection;

c) Adopting measures to prevent unauthorized persons from illegally entering electricity generation works;

d) Conducting periodic technical safety assessments as prescribed by the Minister of Industry and Trade.

2. In case of fire, explosion, incident or electrical accident, the project owner or the management unit shall promptly apply measures to rescue victims from the dangerous area, provide first aid and emergency care to victims; organize handling and prevent the possibility of fire, explosion, incident or accident continuing to cause dangerous harm, and reduce damage to people and property; take measures to ensure electric safety for forces and means mobilized to handle fire, explosion, incident or accident; organize to determine the cause and implement remedial measures after fire, explosion, incident or accident according to regulations.

## **Article 72. Safety in electricity transmission, distribution**

1. Transformer station and power grid work owners shall comply with general provisions on electric safety specified in Article 69 of this Law. The construction, management and operation of transformer stations and power grid works must be in line with construction master plans, comply with the law on assurance of safety for railways, land roads, inland waterways, marine fairways and other relevant laws.

2. At cross-sections between overhead transmission lines and railways, land roads, inland waterways, and underground electric cables or cables shared with other structures, safety distances must be ensured according to the Government's regulations. The installation and renovation of other lines running in conjunction with overhead transmission lines must ensure safety and urban aesthetics and must be permitted by the project owner of the overhead transmission line. The project owner and the unit managing and operating the overhead transmission line and underground electric cable shall be responsible for establishing, managing, maintaining, servicing and maintaining specialized signals in accordance with the law.

3. When handing over the power grid project, the project owner must hand over to the unit managing the operation of power grids technical documents,

operating procedures, maintenance procedures, acceptance minutes, land allocation decisions, land lease decisions and documents related to compensation, site clearance, compensation for damage due to limited land use, environmental protection, fire prevention and fighting in accordance with law.

4. Units managing the operation of power grids must periodically organize the inspection, technical maintenance and repair of power grids, ensuring that the power grid systems operate safely according to regulations; conduct regular checks, detect and prevent acts of violating the regulations on electric safety, electricity work safety protection corridor and coordinate for implementation of technical solutions and optimal operation in order to reduce electric energy loss in the course of electricity transmission.

5. When repairing or maintaining electricity transmission works, the units managing the operation of power grids and units performing the repair or maintenance must fully and strictly follow the order of safety measures prescribed by the regulations on electric safety techniques.

6. The lightning-arresting and earthed equipment and systems of the transformer stations and electricity transmission and distribution grids must be installed strictly according to designs, accepted and periodically checked strictly according to electric safety regulations and technical standards.

### **Article 73. Safety in use of electricity for production**

1. Organizations and individuals using electricity for production must comply with general provisions on electric safety specified in Article 69 of this Law and the following provisions:

a) Electrical equipment must ensure quality according to relevant technical standards and regulations;

b) System of electric equipment and tools, lightning-arresting and earthed systems must be accepted, periodically and extraordinarily checked, inspected for technical safety, and repaired and maintained according to standards and technical regulations on electrical engineering, electric safety and other relevant laws. The diagrams of these systems must be compatible with actual positions and be archived together with repair and maintenance dossiers and inspection minutes throughout the course of operation;

c) The power grid under the management of organizations and individuals using electricity must be installed and managed according to standards and technical regulations on electrical engineering, electric safety and other relevant laws;

d) Electricity transmission lines must be designed and installed to ensure clear and airy production ground, thus avoiding mechanical or chemical impacts with may cause breakdowns; It is not allowed to use metal structures of factories, machinery, metal pipes, lightning protection wires as working neutral wires;

dd) Power systems in areas with flammable and explosive substances must

be designed, installed and used in accordance with regulations on fire and explosion prevention and fighting; use specialized fire and explosion prevention and fighting equipment and tools in accordance with the law.

2. Power sellers shall ensure to supply electricity in a safe and continuous manner to serve the production in accordance with law. The power sellers shall conduct the inspection of the consumers' power system safety at the competent agencies' requests. In case of detecting the risk of unsafety, they must promptly take measures to prevent or stop electricity supply.

#### **Article 74. Safety in use of electricity for daily-life and service activities**

1. Agencies, organizations and individuals using electricity for daily-life and service activities shall have the following responsibilities:

a) Designing and installing wires, switching devices and electrical equipment in dwelling houses and works serving daily-life and service activities to ensure quality, electric safety, fire prevention and fighting safety, standards and technical regulations on construction works in accordance with law and the total electricity demand of users;

b) Installing electric wires from electricity meters to dwelling houses, works and areas using electricity to ensure quality, safety and not hinder traffic and transportation activities;

c) Providing information on the power system in dwelling houses, works and electricity demand when signing power purchase agreements;

d) Ensuring safety for the power system in dwelling houses and works that they own, manage and use. Regularly checking, promptly repairing and replacing wires and electrical equipment that do not ensure quality. When an electrical incident occurs, measures must be taken to prevent the risk of fire spreading to other objects and equipment in the dwelling house or building and promptly notify the power seller and local authorities;

dd) Coordinating with functional agencies in checking safety in the use of electricity.

2. The power sellers shall have the following rights:

a) Providing guidance on the installation and use of power systems and electrical equipment to ensure safety; providing electricity consumers with information on risks of unsafe electricity use and measures to ensure electric safety;

b) Applying digital technology in informing electricity consumers about risks of unsafe electricity use;

c) Periodically organizing propaganda, dissemination, guidance and awareness raising activities for consumers to use electricity safely;

d) When requested by a competent agency, the power seller shall be

responsible for coordinating to inspect the safety of the power system of the electricity consumer. In case of detecting any risk of unsafety, it must promptly take measures to prevent or stop the electricity supply in accordance with law.

3. The Government shall detail this Article.

## **Section 2**

### **SAFETY OF HYDROELECTRIC WORKS**

#### **Article 75. Principles of safety management for hydroelectric works**

1. Ensuring the safety of dams and hydroelectric reservoirs is the highest priority in investment, construction, management and operation of hydroelectric works.

2. Safety management of hydroelectric works must be carried out regularly and continuously throughout the process of survey, design, construction, management, operation and protection of hydroelectric works, ensuring compliance with this Law and the law on construction, safety of dams and reservoirs, law on water resources, law on natural disaster prevention and control, and the law on environmental protection.

3. Owners, organizations and individuals managing the operation of hydroelectric works shall take responsibility for the safety of the hydroelectric works they own and invest in, and synchronously apply advanced technical infrastructure solutions in the management and exploitation of hydroelectric works to ensure safety, promote the effectiveness of comprehensive exploitation, serve multiple purposes of the hydroelectric system, and contribute to ensuring safety for the downstream area of the dam.

4. In case of an incident in the management and operation of a dam or hydroelectric reservoir, the project owner and the management and operation unit shall be responsible for coordinating with functional agencies to deploy response plans and remedial measures to ensure the safety of the dam, hydroelectric reservoir, and downstream area of the dam and bear other responsibilities as prescribed by law.

5. Hydroelectric works shall be classified and graded to serve the design, construction, management, operation, maintenance, monitoring and inspection to ensure the safety of the works.

6. The Minister of Industry and Trade shall promulgate technical regulations on hydroelectric works.

7. The Government shall detail Clause 5 of this Article.

**Article 76. Safety during the construction phase, before putting into operation**

1. During the construction of a hydroelectric work, the construction owner and the construction unit must comply with the law on dam and reservoir safety and the law on construction.

2. During the construction of a new hydroelectric work, the project owner shall be responsible for developing a disaster response plan for the work and the downstream area of the hydroelectric work dam, submitting it to the competent state agency for approval and organizing its implementation in accordance with the law on natural disaster prevention and control. For an expanded investment project, the project owner shall be responsible for assume the responsibility for, and coordinating with the unit managing and operating the existing work to develop and submit to the competent state agency for approval a disaster response plan for the work and the downstream area of the dam, and organizing its implementation in accordance with the law on natural disaster prevention and control.

3. The project owner shall be responsible for formulating reservoir operation process, emergency response plan, dam and reservoir protection plan, and submitting it to the competent state agency for appraisal and approval before storing water and assigning the management and operation organization and state management agencies in charge of electricity, irrigation, water resources, and natural disaster prevention and control.

4. Before approving the first water storage, the project owner shall fulfill its responsibilities and obligations under this Law and the law on construction, land law, law on water resources, law on forestry and the law on environmental protection. The first water storage plan must be notified to the agency competent to approve the hydroelectric reservoir operation process and the People's Committees at all levels in the area 10 days before the date of the first water storage.

5. The competence to appraise and approve the operation process of hydroelectric reservoirs, emergency response plans, and dam and reservoir protection plans is stipulated as follows:

a) The Ministry of Industry and Trade appraises and approves the operation process of hydroelectric reservoirs, dam and reservoir protection plans for hydroelectric works of special importance and hydroelectric works located in 2 or more provincial-level administrative units;

b) The provincial-level People's Committee appraises, approves or delegates authority to management agencies under its management to appraise and approve the operation process of hydroelectric reservoirs, emergency response plans, and dam and reservoir protection plans for hydroelectric works in areas under its management, except for the subjects specified at Point a of this Clause.

6. The Government shall detail Clause 3 and Clause 4 of this Article; prescribe dossiers, order and procedures for appraisal and approval of procedures



and plans specified in Clause 5 of this Article.

### **Article 77. Safety during management and operation**

1. Project owners, organizations and individuals managing and operating hydroelectric works shall be responsible for complying with the law on dam and reservoir safety, the law on water resources, the law on natural disaster prevention and control and the following provisions:

a) The operation of hydroelectric works must comply with the inter-reservoir operation process, the hydroelectric reservoir operation process, the emergency response plan, the dam and hydroelectric reservoir protection plan approved by the competent state management agency;

b) Carrying out the declaration and registration of dam and hydroelectric reservoir safety; monitoring dam and hydroelectric reservoir works, reservoir sedimentation; conducting specialized hydrometeorological monitoring; periodically or suddenly inspecting works; inspecting and assessing the safety of dams and hydroelectric reservoirs; establishing and carrying out maintenance, repair, upgrade and modernization of works and equipment; protecting and ensuring the safety of works, downstream areas of dams and hydroelectric reservoirs; archiving dossiers according to regulations;

c) Installing and maintaining stable operation of the water discharge warning system, surveillance cameras, water level monitoring equipment, online information transmission system, specialized monitoring equipment and updating information and data into the database system on hydroelectric work operations according to regulations;

d) Organizing inspection and assessment of dam and hydroelectric reservoir safety and implement the dam and hydroelectric reservoir safety reporting regime before and after the annual rainy season;

dd) Arranging personnel to manage the safety of dams and hydroelectric reservoirs with appropriate expertise, who are periodically trained and fostered in knowledge and skills on dam and hydroelectric reservoir safety management.

2. Every 5 years or when there is a change in the scale or items of a hydroelectric work, the owner of the hydroelectric work shall be responsible for reviewing and adjusting the hydroelectric reservoir operation process, emergency response plan, and dam and reservoir protection plan and submitting them to the competent state management agency for approval.

3. Before the annual rainy season, the competent state management agency shall be responsible for organizing an inspection of the safety assessment of dams and hydroelectric reservoirs by the owner of the hydroelectric work.

4. The Ministry of Industry and Trade shall build, manage, and operate the database system on the operation of hydroelectric works. The maintenance of the database system on the operation of hydroelectric works is guaranteed by the state budget and other legal sources of capital as prescribed by law.

5. The Government shall detail this Article.

### **Article 78. Hydroelectric work protection area**

1. The protection area of a hydroelectric work includes dams, reservoirs, energy lines, factories, power stations, other support works and the surrounding area determined according to the level of the hydroelectric work; when adjusting the scale and purpose of use, the surrounding area must be adjusted in accordance with law. The surrounding area specified in this Clause includes the vicinity of the dam, the vicinity of the energy line and the vicinity of the hydroelectric reservoir.

2. The owner of the hydroelectric work shall be responsible for setting up markers to mark the protection area of the hydroelectric work and ensuring funding for setting up markers and maintaining markers for the protection area of the hydroelectric work.

3. The organization or unit managing and operating the hydroelectric work shall implement the hydroelectric work protection plan approved by the competent authority; coordinate with the local state management agency to inspect activities within the protection area of the hydroelectric work; promptly report to competent agencies when detecting activities that pose a risk to the hydroelectric work safety.

4. The organization and implementation of plans to protect important hydroelectric works related to national security shall be carried out in accordance with this Law and the law on the protection of important works related to national security.

5. Activities within the protection area of hydroelectric works must meet the safety requirements of dams and hydroelectric reservoirs.

6. Activities of exploration and exploitation of sand and gravel and dredging activities combined with mineral recovery in the bed of hydroelectric reservoirs must ensure the safety of dams and hydroelectric reservoirs as prescribed in Clause 5 of this Article and comply with the law on geology and minerals, and the law on water resources.

7. Existing works within the protection area of hydroelectric works shall continue to be used for the purposes determined in accordance with law. In case of affecting the safety and operational capacity of hydroelectric works, remedial solutions must be implemented according to the requirements of local state management agencies; in case of not being able to remediate, they must be dismantled or relocated in accordance with the law on construction and other relevant laws.

8. The Government shall detail Clause 1 and Clause 5 of this Article.

## **Chapter IX**

## IMPLEMENTATION PROVISIONS

### **Article 79. Amending and supplementing a number of articles of relevant Laws**

1. To amend and supplement the Law on Construction No. 50/2014/QH13, which had a number of articles amended and supplemented under Law No. 35/2018/QH14, Law No. 40/2019/QH14, Law No. 62/2020/QH14, Law No. 45/2024/QH15, Law No. 47/2024/QH14 and Law No. 55/2024/QH15, as follows:

a) To amend and supplement Point a Clause 2 Article 52 as follows:

“a) For national important projects, group-A projects financed by public investment capital; PPP projects as prescribed by the law on investment under the form of public-private partnership; projects of which the investment policies are approved by the National Assembly and the Prime Minister under the Law on Investment, electricity projects subject to bidding for investor selection under the Electricity Law, construction investment pre-feasibility study reports are required;”;

To add Point i1 after Point i, and amend, supplement Point k Clause 2 Clause 4 Article 89 as follows:

“i1) Offshore works of offshore wind power projects that have been assigned sea area for implementation by competent authorities;

k) Project owners of construction of works as prescribed at Points b, e, g, h, i and i1 of this Clause, except for separate houses specified at Point i of this Clause shall be responsible for sending written notices of the time of construction commencement enclosed with construction design dossiers as prescribed to state management agencies in charge of construction in localities for managing.”.

2. To amend and supplement Clause 1 Article 3 of the Law on Marine and Island Resources and Environment No. 82/2015/QH13, which had a number of articles amended and supplemented under the Law No. 35/2018/QH14 and Law No. 18/2023/QH15 as follows:

“1. Marine and island resources include living and non-living resources underwater, on the seabed and the subsoil thereof, sea surface, in coastal land areas as well as on archipelagoes, islands, low-tide elevations and banks (below collectively referred to as islands) which are under the sovereignty, sovereign rights and jurisdiction of Vietnam.”.

3. To amend and supplement Section 2 provided in Appendix No. 02 of the Law on Price No. 16/2023/QH15, which had a number of articles amended and supplemented under Law No. 44/2024/QH15, as follows:

2	Pipeline natural gas transportation service and liquefied natural gas storage, regasification, transportation and	The Ministry of Industry
---	-------------------------------------------------------------------------------------------------------------------	--------------------------

	distribution services for electricity generation	and Trade sets specific prices
--	--------------------------------------------------	--------------------------------

### **Article 80. Effect**

1. This Law takes effect from February 1, 2025.
2. The Electricity Law No. 28/2004/QH11, which had a number of articles amended and supplemented under Law No. 24/2012/QH13, Law No. 28/2018/QH14, Law No. 03/2022/QH15, Law No. 16/2023/QH15 and Law No. 35/2024/QH15 (hereinafter referred to as the Electricity Law No. 28/2004/QH11), ceases to be effective from the effective date of this Law, except for the cases specified in Clauses 1, 2, 3 and 4 Article 81 of this Law.

### **Article 81. Transitional provisions**

1. For approved electricity business investment projects of which bidding dossiers have been issued before the effective date of this Law, the organization of investor selection, contract conclusion and implementation management shall continue to be implemented in accordance with the Electricity Law No. 28/2004/QH11 and its detailing and guiding documents. The Government shall prescribe the transitional application for bidding for selection of investors for implementation of electricity business investment projects.
2. Power purchase agreements that are signed before the effective date of this Law shall continue to be implemented under such signed agreements. In case where the agreements contain regulations on levels of competitive electricity markets different from that of this Law, the parties shall modify such agreements accordingly.
3. Electricity entities granted with electricity operation licenses before the effective date of this Law may continue to implement until the expiry date recorded on such licenses. In case where they are exempted from electricity operation licenses before the effective date of this Law, they shall continue to be exempted from electricity operation licenses.
4. If an organization has submitted a dossier for grant or modification of an electricity operation license to the licensing agency before the effective date of this Law, but has not yet been granted a license, the licensing shall comply with the Electricity Law No. 28/2004/QH11. In case where an organization requests for grant, modification, re-grant or renewal of a license under this Law, the licensing shall comply with this Law.
5. For investment projects on construction of power grids with a voltage level of 220 kV or lower crossing administrative boundaries of two or more provincial-level administrative units, of which valid dossiers for approval or modification of the investment policy have been received by the Ministry of Planning and Investment before the effective date of this Law, such project shall continue to be implemented under the Law on Investment No. 61/2020/QH14, which had a number of articles amended and supplemented under Law No.

72/2020/QH14, Law No. 03/2022/QH15, Law No. 05/2022/QH15, Law No. 08/2022/QH15, Law No. 09/2022/QH15, Law No. 20/2023/QH15, Law No. 26/2023/QH15, Law No.27/2023/QH15, Law No. 28/2023/QH15, Law No. 31/2024/QH15, Law No. 33/2024/QH15, Law No. 43/2024/QH15 and Law No. 57/2024/QH15.

6. For power grid projects with a voltage level of 220 kV or lower crossing administrative boundaries of two or more provincial-level administrative units, of which the investment policy has been approved by the Prime Minister before the effective date of this Law, but now are subject to the provincial-level People's Committees' investment policy approval as prescribed at Point a Clause 2 Article 13 of this Law, the modification of investment policy of such projects shall be approved by the provincial-level People's Committees.

---

*This Law was passed on November 30, 2024, by the XV<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 8<sup>th</sup> session.*

**CHAIRMAN OF THE NATIONAL  
ASSEMBLY**

**Tran Thanh Man**