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VIETNAM: TARIFF CEILINGS FOR TRANSITIONAL SOLAR AND WIND POWER PROJECTS APPROVED

Expiry of Feed-in-Tariff in 2020/2021

The earlier introduced feed-in-tariffs for renewable energy projects expired back in December 2020 for solar, and October 2021 for wind projects.

A number of renewable projects were not able to be fully completed in time to benefit from that tariff, and have been facing uncertainty as to the price at which they would be selling power.

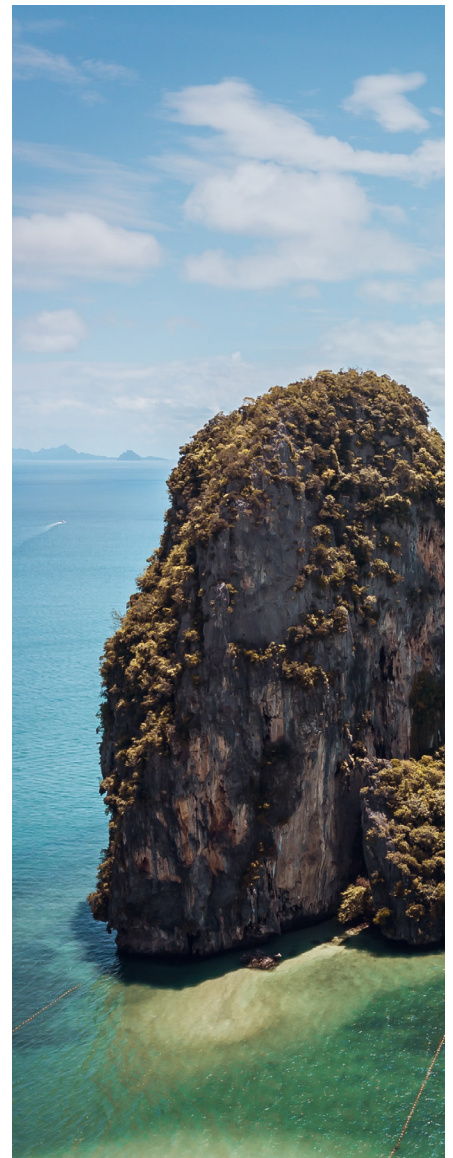
“Transitional projects”

In October 2022, the Ministry of Industry and Trade (“**MOIT**”) issued Circular No. 15/2022/TT-BCT (“**Circular 15**”) establishing the process to determine tariff brackets for transitional solar and wind power projects.

It defined “transitional projects” as

- a. solar power plants that have signed a power purchase agreement (“**PPA**”) with EVN before 1 January 2021; or
2. wind power plants with PPA signed before 1 November 2021,

but did not meet the eligibility criteria for the feed-in tariff.



Latest development - tariff caps set for Transitional Projects

Following Circular 15, on 7 January 2023 the MOIT issued Decision No. 21/QD-BCT ("**Decision 21**") approving the ceiling tariffs for the transitional solar and wind power projects as follows:

Type of power project	Tariff cap Vietnamese dong (VND)
Ground mounted solar	VND 1,184.90/kWh <i>(approx. US cent 5.02/kWh)</i>
Floating solar	VND 1,508.27/kWh <i>(approx. US cent 6.39/kWh)</i>
Onshore wind	VND 1,587.12/kWh <i>(approx. US cent 6.39/kWh)</i>
Offshore wind	VND 1,815.95/kWh <i>(approx. US cent 7.69/kWh)</i>

Note that Decision 21 refers to VND amounts only. USD amounts are indicated in the reference table above for information purposes only. USD / VND exchange rate as published by the State Bank of Vietnam on 10 January 2023 was used: 1 USD equivalent to VND 23,603.

According to Decision 21 as well as EVN re-stated on its website¹, the above ceiling tariffs shall now be the basis for negotiations between EVN and the organizations investing in the transitional solar power and wind power projects.

1 EVN Website: <https://www.evn.com.vn/d6/news/Bo-Cong-Thuong-ban-hanh-khung-gia-phat-dien-nha-may-dien-gio-dien-mat-troi-chuyen-tiep-141-167-118672.aspx>

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