

# MARKET SPOTLIGHT: VIETNAM



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**Renewable Energy  
Markets Asia 2025**



# Market Spotlight: Vietnam

DPPA, rooftop solar and Regulatory Developments

Giles Cooper

29 April 2025

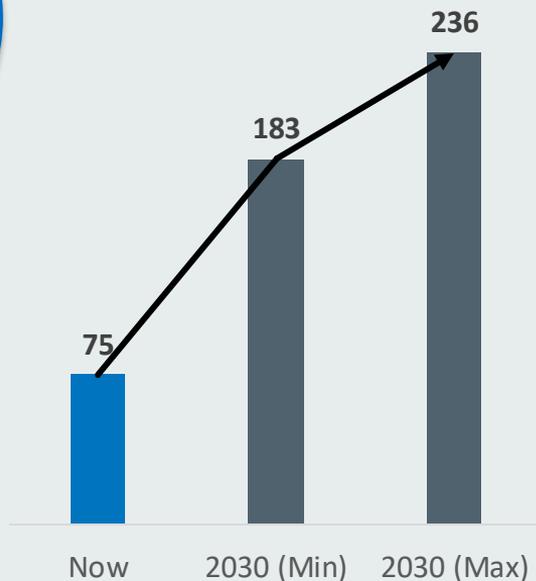
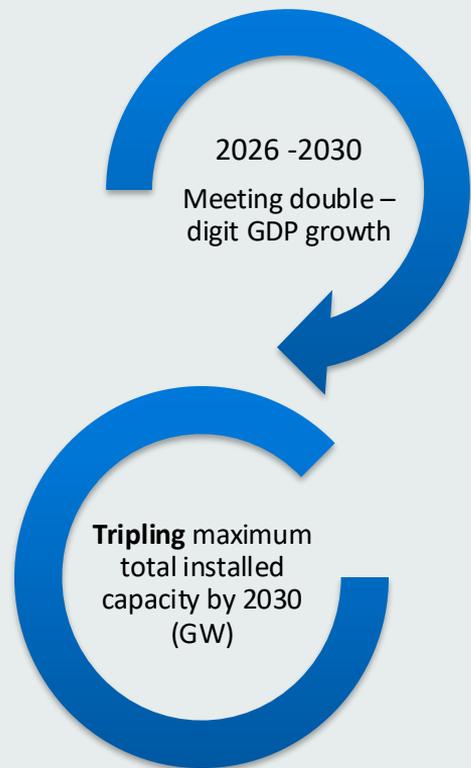
# Agenda

1. PDP8 Revision
2. 2025's new renewable energy regulations
3. Vietnam's direct power purchase agreement (**DPPA**) regime
4. Rooftop solar status
5. Key take aways
6. Panel discussion



## Where it all begins: PDP8 Revised

# 15 April 2025 – Revised PDP8: More!

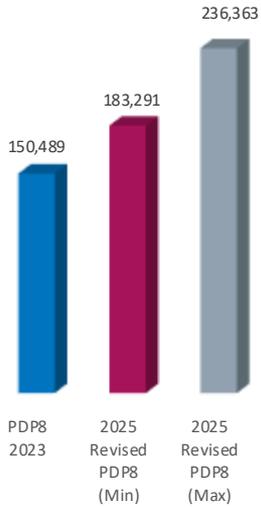


## Significant capital required (USD)

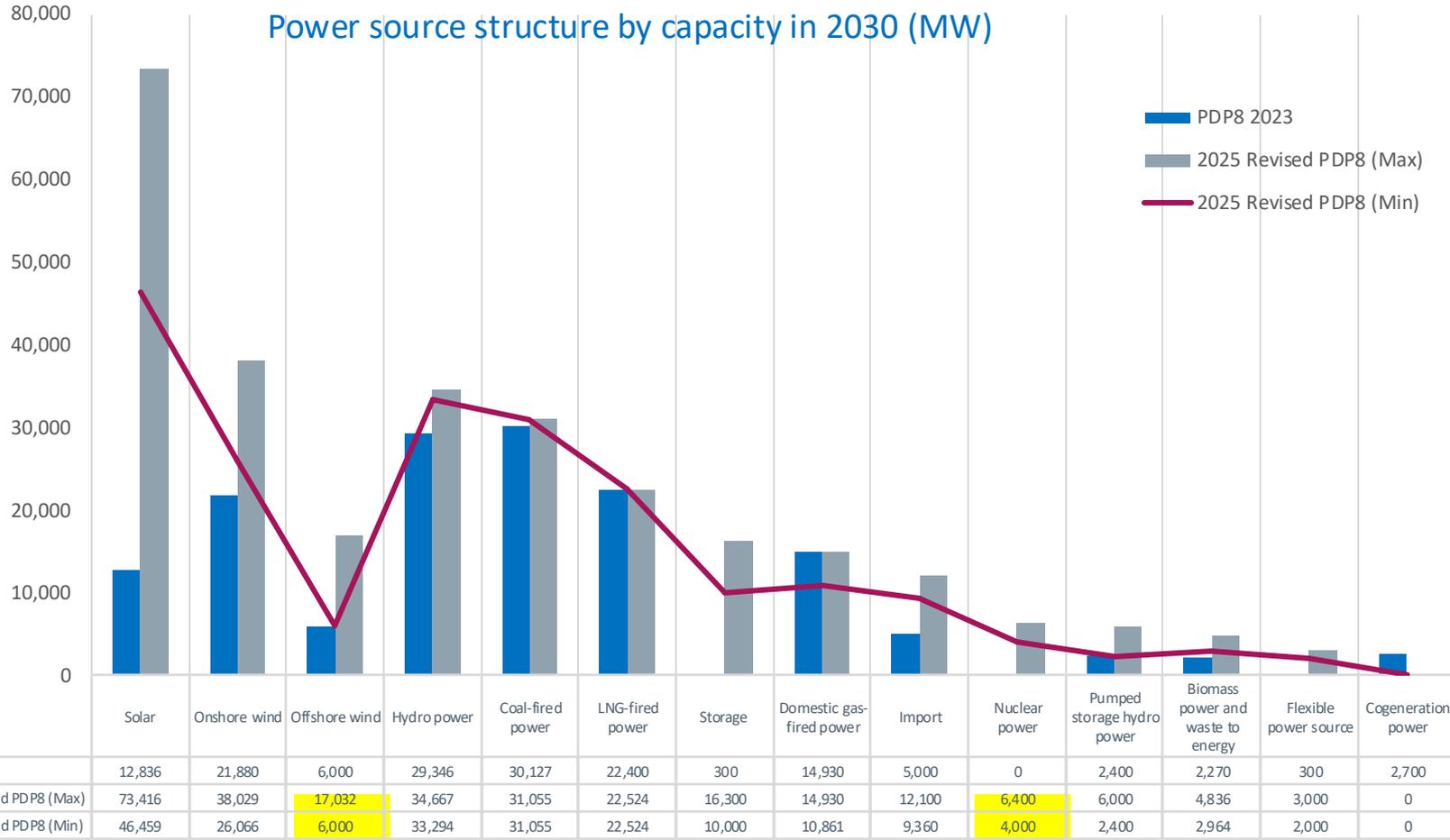
	Revised PDP8	
	2026 - 2030	2031 - 2035
Total	\$136.3b	\$130b
Per year	\$27.26b	\$26b

	PDP8	
	2021 - 2030	2031 - 2050
Total	\$120b	\$511b
Per year	\$12b	\$24b

### National total capacity (MW)



### Power source structure by capacity in 2030 (MW)



Offshore wind and nuclear power capacities are projected to come online between 2030–2035, with potential for earlier deployment if conditions are favourable.

# April25 Revised PDP8 – Highlights

1 **Dramatic increase in solar power.** Instead of zero new solar projects by 2030 as per PDP8, the revised plan has *at least double* solar power capacity by 2030.

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2 **PDP8r recognises the need to include rooftop solar (RTS) in master planning.** PDP8 allowed RTS to develop freely regardless of planning (with some exceptions). The revised plan removes this and counts RTS into the total capacity of solar power.

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3 **Nearly double onshore wind by 2030 compared to original PDP8.** From approx. 22GW to 38GW.

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4 **No offshore wind before 2030 but faster ramp up thereafter.** 6-17GW of OSW to be online by 2035. Total OSW capacity now planned to reach up to 139GW by 2050, 1.5x more than the 2050 capacity forecast in original PDP8.

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5 **BESS by 2030 jumps more than 50 times.** From 0.3GW in PDP8 to maximum of 16.3GW in April25 Revision. Concentrated solar power must couple with BESS (min 10% capacity of the solar project and storage two hours).

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6 **By 2050, the scale of RE production participating in DPPA and new energy production is expected to account for 30-60% of total RE electricity production.**

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# Key development: RE projects exempt from master planning compliance\*

## No impact to the national grid

- Self-production, self-consumption (**SPSC**) projects using RE or new energy, not connected to the national grid.

## Low impact to the national grid

- Projects connected to the national grid but having zero export equipment.
- SPSC projects using RE or new energy connected to the grid at low-voltage level (ie, below 1kV).

## No connection and no sale

- Projects not connected to and no sale to the national grid, except for exporting/importing electricity.

## Others

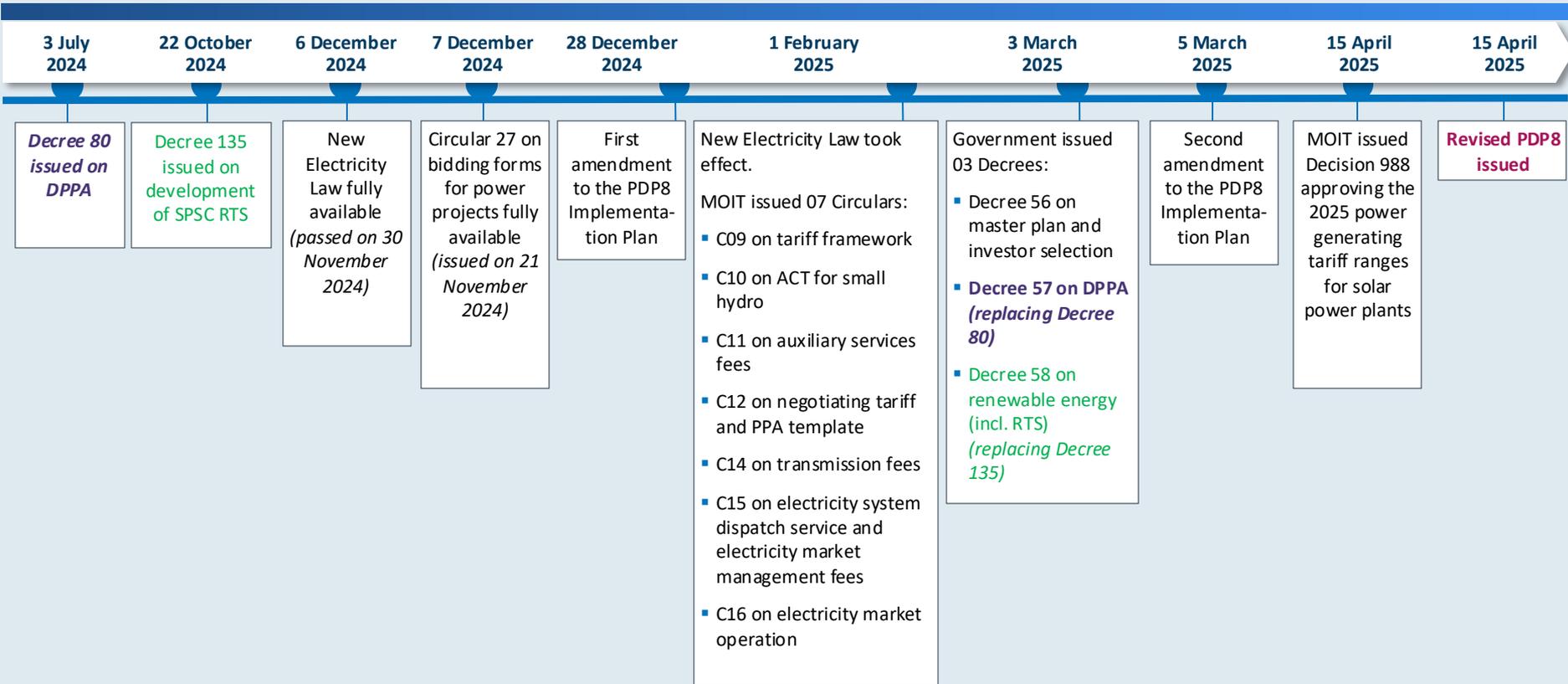
- Upgrade of power projects without increasing the capacity or voltage level and not requiring additional land.

\* Decree 56/2025

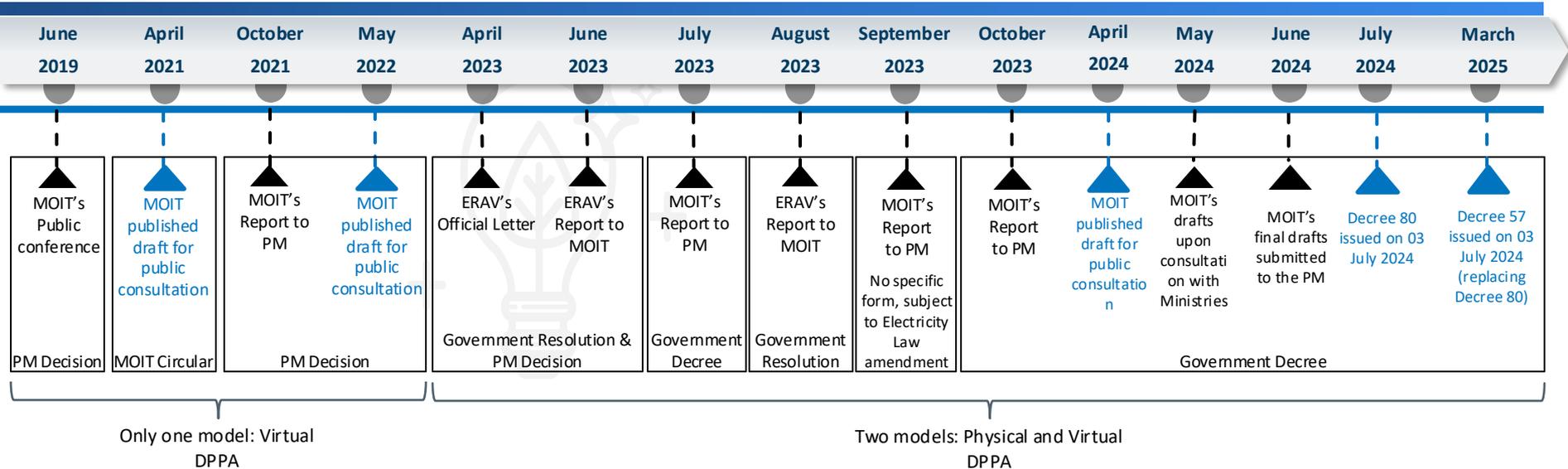


## Vietnam's long-awaited DPPA regime

# But first... a snapshot of recent regulatory changes

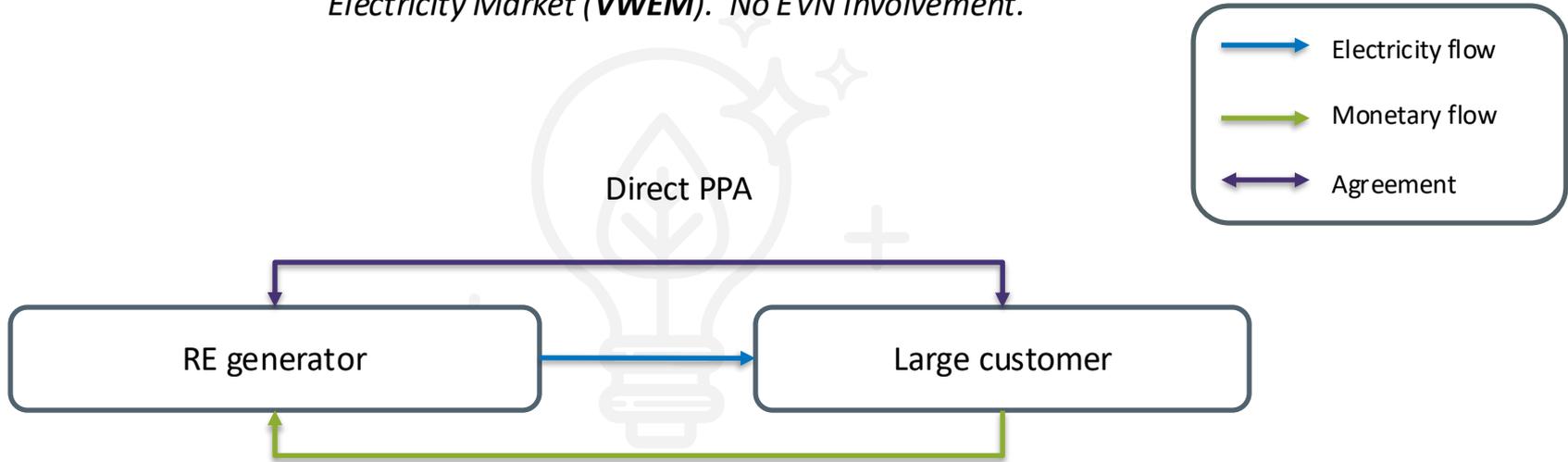


# DPPA – Chronological highlights



# Physical DPPA Model Overview

*No need for participation in the Vietnam Wholesale Electricity Market (**VWEM**). No EVN involvement.*



# Physical DPPA – Key points

1

## RE generators and projects

No eligibility requirement for RE generators:

- no limitation on capacity;
- RTS expressly included;
- all types of RE technologies permitted to participate.

Projects need to comply with master planning (ie, April 25 revised PDP8, PDP Implementation Plan (*IP*) and provincial master plans).

2

## Eligible customers

Monthly consumption no less than that of a 'large customer' as per VWEM rules.

Currently: 200,000 kWh average per month over the previous 12 months

3

## PPA terms

Parties are free to agree on PPA terms and conditions based on bullet-point key contents set out in Decree 57. There is no form or template for the PPA.

Parties may agree on foreign governing law and/or offshore arbitration, if allowed under Vietnam law.

4

## Electricity price

The electricity selling price may be negotiated and agreed upon by the parties *but must not exceed* the maximum price of the electricity generation price bracket for the corresponding generation source.

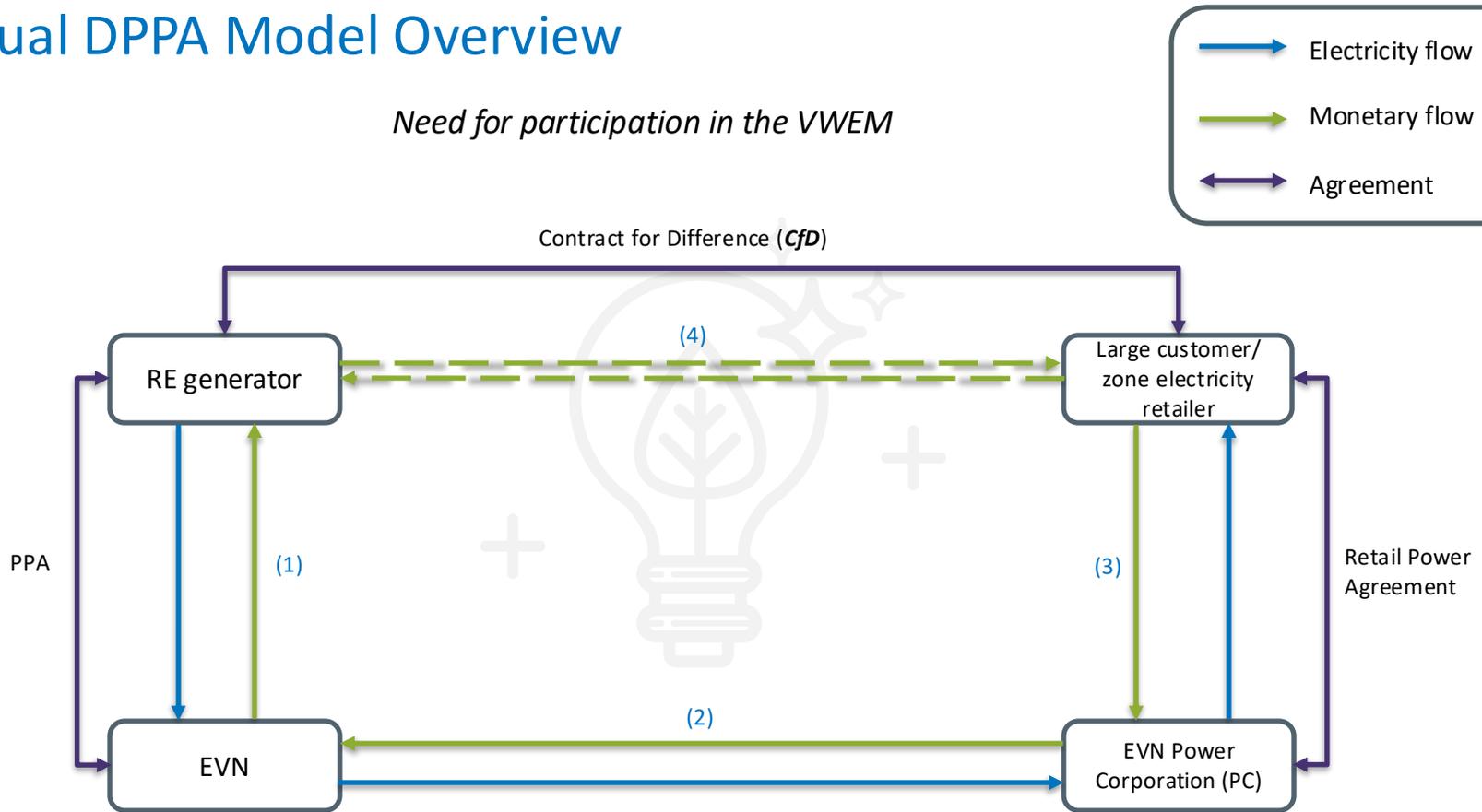
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## Sale of excess power

- RE generators may sell excess power to EVN with no cap on excess electricity output (for non-RTS projects).
- For RTS systems in physical DPPA, excess sold to EVN must not exceed 20% of actual dispatched capacity.
- The tariff for excess electricity sold by RTS systems to EVN or to industrial zone retailers is capped at the ceiling tariff for ground-mounted solar.
- The tariff for excess electricity sold by non-RTS is capped at the ceiling tariff for the applicable generation type.
- No standard PPA format issued yet for these sales.

# Virtual DPPA Model Overview

*Need for participation in the VWEM*



# Virtual DPPA – Key points

1

## RE generators and large customers

**Generators:** biomass, wind and solar projects with capacity  $\geq$  10MW. Must comply with relevant master plans.

**Large customers:** same as physical DPPA plus must use electricity for manufacturing purposes and have  $\geq$  22kV connection.

Large customers in industrial zones, hi-tech zones may authorise zone electricity retailers to participate in the Virtual DPPA on their behalf.

**Providers of charging station services for EVs** can now participate as large customers, provided they purchase power from EVN subsidiaries or authorized electricity retailers connected at 22 kV or above.

2

## Registration

Participation in the Virtual DPPA requires registration by large customer/zone electricity retailer with National Load Dispatch Centre (NLDC).

NLDC will have a final review of the PPA and the CfD before confirming Virtual DPPA participation.

3

## Contract for difference (CfD)

Decree 57 sets out key contents of CfDs, notably: (a) payment formula, (b) payments fixed in VND, and (c) Vietnamese governing law.

Decree 57 allows parties to agree on other terms and conditions of the CfD.

Parties are free to agree on the strike price (committed price – Pc) and the committed capacity (Qc) under CfD. *No statutory cap.*

4

## PPA terms

More flexibility to negotiate PPA terms between RE generator and EVN; between EVNPC and large customer; and CfD terms between RE generator and large customer.

The templates only specify key contents as bullet points to be covered in the PPA and CfD.

5

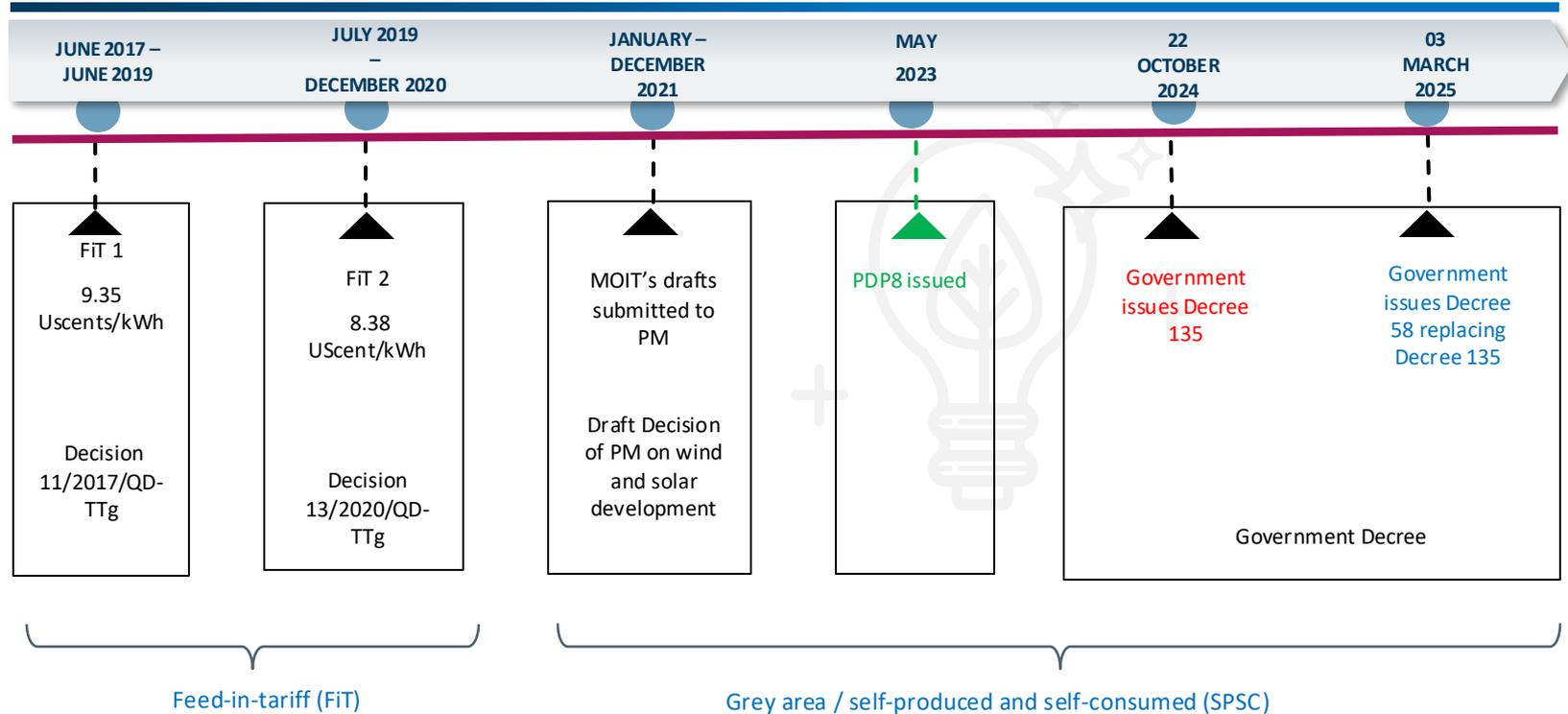
## Renewable Energy Certificates

Decree 57 allows RE generators and large customers/ authorized zone electricity retailers to freely negotiate ownership rights to renewable energy certificates (**RECs**) and carbon credits.



## A word on RTS

# RTS legal framework chronology



# SPSC – Key changes in Decree 58 replacing Decree 135

## SPSC RTS Decree 58

- SPSC RTS defined clearly for first time: rooftop power produced and consumed by the same organisation or individual
- Consists of (i) off-grid SPSC RTS and (ii) on-grid SPSC RTS

SPSC policy intent is against private power sales. Private power sales must follow DPPA regime. Query: can arrangements be structured to fit the concept of SPSC

## SPSC mechanism

SPSC mechanism is no longer limited to only RTS but expanded to other RE sources or new energy sources.

## Capacity of excess electricity sold to EVN

Subject to master planning compliance:

- **RTS:** not to exceed 20% of the dispatched capacity of the RTS power source (according to radiation intensity).
- **Other RE:** not to exceed 10% of actual dispatched capacity.

## Tariff for sale of excess electricity to EVN

- **RTS:** the average market price of the preceding year – capped at the ceiling tariff of ground-mounted solar.
- **Other RE:** the average market price of the preceding year minus fees charged for distribution and retail services – capped at the ceiling tariff of the relevant technology (except for small projects).

# Ceiling tariffs (UScent/kWh) for RE in 2025

Type of renewable energy		2025 Ceiling Tariff		Transitional projects tariff	Expired Feed-in-Tariff (FiT 2)
		Without BESS	With BESS		
Ground-mounted solar (and excess RTS power soled to EVN)	North	5.32	6.04	4.56	7.09
	Central	4.26	4.83		
	South	3.89	4.42		
Floating solar	North	6.48	7.21	5.80	7.69
	Central	5.14	5.72		
	South	4.95	5.26		
Wind	Onshore	Proposed tariff (*): 6.32		6.11	8.5
	Nearshore	Proposed tariff (*): 7.36		6.98	9.8
Biomass		Proposed tariff (*): 7.57			8.47

- Conversion rate: USD1 = VND26,000
- Expired FiT for RTS was 8.38 UScents/kWh
- (\*) Not finally approved yet.

# VWEM participation and PPA terms

## 1

### Participation of RE in VWEM

#### *Mandatory participation:*

- RE projects having installed capacity of more than 30MW and connected to the national grid;
- RE projects with FiTs but expired PPAs; and
- RE projects participating in virtual DPPA mechanism;

[except for RE projects in industrial zones which only partially sell capacity to the national grid]

#### *Voluntary participation:*

- RE projects having installed capacity of 10MW to 30MW; and
- RE projects in industrial zones which only sell part of their capacity to the national grid.

## 2

### PPA terms

- The generic PPA template provided in new Circular 12/2025 applies to most types of power plants also applies to future RE projects, unless specifically provided otherwise.
- Certain bankability issues remain – eg Vietnamese governing law.
- Generally much more flexibility to negotiate terms (as compared to previous template) – eg termination, compensation, and dispute resolution.



## Key take-aways

# Key take-aways and considerations

1

*Huge amounts of new solar power included in master plan for development by 2030. Includes RTS.*

2

*No master plan requirement for physical DPPA and SPSC RE if no or low impact to the grid, or if no connection and no sale to the grid.*

3

*No investor selection process required for RTS in physical DPPA. Direct appointment for physical DPPA projects if only one investor proposing the project.*

4

*SPSC RE: even clearer now that SPSC concept limited to true self-production and self-consumption. Beware structures to circumvent.*

5

*Physical DPPA: low regulatory hurdles but commercial viability hampered by tariff cap. Any way to supplement revenue?*

6

*The regs are in, now over to the market!*

# Contact



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