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Implementation Plan for the National Power Development Plan VIII of Vietnam

Following the issuance of the National Power Development Plan VIII (**PDP8**) on 15 May 2023, the Vietnam Prime Minister, on 01 April 2024, approved Decision No. 262/QD-TTg with immediate effect, laying down the Implementation Plan for the PDP8 (**Implementation Plan**). This is the first in the 2-plan proposal from MOIT to the Prime Minister for PDP8.

This legal update provides an overview of some key takeaways of the Implementation Plan.

1. Project approvals, investor selection, and tariffs

The Implementation Plan does not contain a full list of the projects that have been approved for implementation with respect to all electricity-produced sources. Instead, the Implementation Plan:

- allocates the approved capacity in respect of certain sources (such as offshore wind) to the various regions within Vietnam;
- sets out the list of approved projects (together with the expected operating life cycle and the completion status of such projects), in respect of certain sources (such as onshore wind, domestic gas, hydropower, biomass, and liquefied natural gas (**LNG**)); and
- remains silent on the projects to be implemented in respect of certain sources (such as self-consumption solar projects).

While the Implementation Plan does not provide guidance on the means to determine investor selection or specify how project tariffs will be determined, it contemplates the issuance of subsequent laws that could address such issues (e.g. Decree 80 on Direct Power Purchase Agreement, Decree 135 on Self-consumed Rooftop Solar).

2. Detailed energy mixes under PDP8

The Implementation Plan outlines in greater detail the energy mixes under PDP8 and the status of implementing conventional sources by 2030. These numbers highlight the industry's strong attempts at diversification and prosperity.

Source	Capacity (MW)
Prioritised sources	
Domestic gas	14,930
LNG	22,400
Coal-fired	30,127
Cogeneration	2,700
Hydropower	29,346
Pumped storage hydropower	2,400
Renewables	
Offshore wind	6,000
Onshore wind (including near shore)	21,880
Hydropower	29,346
Biomass	1,088
Waste-to-energy	1,182
Rooftop solar (self-consumption)	2,600 ¹
Battery storage	300
Other power sources	
Flexible	300
Laos import	5,000 - 8,000

3. Plan for renewable energy sources

With the principle of no legalised violation, the violating renewable projects specified in the Inspection Conclusion of Governmental Inspectorate² will not be included in the PDP until violation cleared. At the time of the Implementation Plan, none of the 154 solar and 05 wind power projects successfully remedied their violation. MOIT accordingly proposed to the Prime Minister to divide PDP8's implementation plan into 2 phases, including the Implementation Plan – phase 1 which does not have the list of renewable projects. This list will be included in the 2nd implementation plan when the Ministry of Public Security (MPS) finished their investigation and confirmed the remedy of the aforementioned violations. However, according to the most recent draft of the 2nd implementation plan, MOIT does not provide the list as MPS is still under the investigation.

(a) Wind power

¹ This figure represents the additional approved capacity for the period of 2023 - 2030 and the Implementation Plan does not specify the total approved capacity.

² Notice No.3116/TB-TTCT dated 25 December 2023 of the Governmental Inspectorate concluding the compliance with policies, laws regarding PDP7 and PDP7 (as amended).

In accordance with PDP8, the Implementation Plan authorizes 6,000 MW of offshore wind power by 2030, without a list of approved offshore wind projects. Rather, it allocates the authorized capacity across the four main regions of Vietnam: North (2,500 MW), Central Middle (500 MW), Southern Central (2,000 MW) and South (1,000 MW).

For onshore wind, the approved capacity (including near shore projects) up to 2030 is 21,880 MW. Appendix III of the Implementation Plan sets out the list of approved onshore wind projects (with the expected operating life cycle and the COD status of such projects). Having said that, the total capacity of these projects is only 10,102 MW. The gap of 11,778 MW will be the potential market for players who want to invest in wind power in Vietnam.

(b) **Solar power**

The Implementation Plan provides 2,600 MW of additional approved capacity of self-consumption rooftop solar projects for the period of 2023 to 2030. Such increase is in line with the figures set out in PDP8. As analysed, there is no list of approved solar projects in the Implementation Plan, including self-consumed rooftop solar. However, it does contemplate the issuance of new laws regulating self-consumed rooftop solar, which is finally Decree No. 135/2024/ND-CP issued on 22 October 2024.

Delayed grid-connected solar projects: As with PDP8, the Implementation Plan provides that the 27 solar projects that were previously approved under PDP7 but have not been assigned to an investor will be put on hold and considered after 2030.

Key contacts

If you have any questions or would like to know how this might affect your business, please contact these key contacts.



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