

PRIME MINISTER

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No. 39/2018/QĐ-TTg

Hanoi, September 10, 2018

DECISION

AMENDING AND SUPPLEMENTING A NUMBER OF ARTICLES OF DECISION NO.37/2011/QĐ-TTg DATED JUNE 29, 2011 BY THE PRIME MINISTER ON SUPPORT MECHANISM TO DEVELOP WIND POWER PROJECTS IN VIETNAM

Pursuant to Law on Government organization dated June 19, 2015;

Pursuant to Electricity Law dated December 03, 2004 and the Law dated November 20, 2012 on amending and supplementing some articles of the Electricity Law;

Pursuant to Investment Law dated November 26, 2014;

Pursuant to Constructin Law dated June 18, 2014;

At the request of the Minister of Industry and Trade;

The Prime Minister promulgates Decision on amending and supplementing some articles of Decision no.37/2011/QĐ-TTg dated June 29, 2011 by the Prime Minister on support mechanism to develop wind power projects in Vietnam.

Article 1. Amend and supplement a number of Articles of Decision no.37/2011/QĐ-TTg dated June 29, 2011 by the Prime Minister on support mechanism to develop wind power projects in Vietnam.

1. Clauses 12, 13 and 14 shall be added to Article 2 as follows:

“12. Onshore wind power project” refers to any grid-connected wind turbine power project constructed and operated in mainland and coastal areas of which outer boundary is taken to be the mean low water mark baseline of several years (18.6 years).

13. Offshore wind power project” refers to any grid-connected wind turbine power project constructed and operated offshore and outside the mean low water mark baseline of several years (18.6 years).

14. Commercial operation date” refers to the day on which either a part of or the whole grid-connected wind power plant is ready to sell electricity to Electricity Buyers and satisfying the following requirements:

- a) The power plant has completed initial testing for either a part or the whole grid-connected wind power plant and its connection equipment;
- b) The power plant has been granted with an electricity operation license for power generation;
- c) The electricity seller and buyer have mutually agreed upon the electricity meter reading in order to proceed payment.”

2. Articles 3, 4 and 5 shall be abolished.

3. Article 6 shall be amended as follows:

“Article 6. Investment in construction of wind power projects

1. The investment in wind power project construction shall be conformable with the power development plans approved by competent authorities.
2. The investment in wind power project construction shall comply with provisions of the laws on management of construction work investment.”

4. Article 8 shall be amended as follows:

“Article 8. Commencement of wind power project construction

The investor is only permitted to commence building the wind power project upon meeting the conditions of satisfying construction commencement requirements specified in the laws for construction, having entered into an power purchase agreement with an electricity buyer, having entered into a connection agreement with a power distributor or transmitter and having collected a wind measurement report for a period of at least 12 consecutive months.”

5. Article 9 shall be abolished.

6. Article 10 shall be amended as follows:

“Article 10. Reporting regime

1. The investor is responsible for submitting a certified copy of the decision on investment undertakings or the certificate of investment registration to the Ministry of Industry and Trade for supervision and management purposes within 5 working days from its issuance date.

2. Provincial People’s Committees of provinces in which wind power projects are constructed shall submit, before January 15 and July 15 every year, regular reports of the previous 6 months to the Ministry of Industry and Trade on investment registration and implementation status of the projects for supervision and management purposes.”

7. Article 14 shall be amended as follows:

“Article 14. Electricity tariff for grid-connected wind power projects

1. The buyer shall purchase the whole electricity output generated by the wind power projects at the purchase price at the delivery point as follows:

a) For onshore wind power projects: The purchase price at delivery point is VND 1,928 per kWh (excluding VAT and equivalent to 8.5 UScents/kWh according to USD/VND official exchange rate quoted by the State Bank of Vietnam on August 30, 2018 - USD 1 = VND 22,683). The electricity purchase price shall be adjusted according to the fluctuation of the VND/USD exchange rate.

b) With regard to offshore wind power projects: The purchase price at delivery point is VND 2,223 per kWh (excluding VAT and equivalent to 9.8 UScents/kWh according to USD/VND official exchange rate quoted by the State Bank of Vietnam on August 30, 2018 - USD 1 = VND 22,683). The purchase price shall be adjusted according to the fluctuation of the VND/USD exchange rate.

2. Electricity purchase cost from wind power projects shall be calculated and fully included as an input data for annual the electricity pricing plan of EVN.

3. For a part of or the whole grid-connected wind power plants whose commercial operation date is earlier than November 01, 2021, the purchase price specified in Clause 1 of this Article shall apply and remain unchanged for 20 years from commercial operation date.

4. For wind power projects whose commercial operation date is earlier than the issuance date of this decision, the purchase price specified in Clause 1 of this Article shall apply from the effective date of this Decision until expiration of the signed power purchase agreement.

5. Wind power projects that apply the purchase price herein shall not apply electricity price mechanism for power projects under other regulations in force.

6. The Ministry of Industry and Trade is responsible for proposing and submitting for the Prime Minister's consideration and decision- making an auctioning mechanism for wind power development and wind power purchase price to be applied from November 01, 2021."

8. Points d and dd shall be added to Clause 1 of Article 16 as follows:

"d) Review and provide regulations for management of investment and construction process of wind power projects;

dd) Conduct research and submit a regulation proposal to the Prime Minister on support mechanism for domestic production of wind-power equipment and increase of the localization rate of wind power projects."

9. Clause 2 of Article 16 shall be abolished.

Article 2. Effect

1. This Decision takes effect from November 01, 2018.

2. Ministers, Directors of ministerial agencies and Governmental agencies, Chairpersons of People's Committees of provinces and municipalities, Directors of agencies and organizations involved in development of wind power projects in Vietnam shall take responsibility to implement this Decision./.

Recipients:

- The Secretariat of the Central Committee Communist Party of Vietnam;
- Prime Minister, Deputy Prime Ministers;
- Ministries, Ministerial-level agencies, agencies under the Government;
- People's Council and People's Committee of Provinces and Municipalities;
- Office of the Party Central Committee and divisions and affiliates;
- Office of General Secretary;
- Office of the President;
- The Ethnic Council and the Committees of the National Assembly;
- The Office of the National Assembly;
- The People's Supreme Court of Vietnam;
- The Supreme People's Procuracy of Vietnam;
- State Audit of Vietnam;
- National financial supervision commission of the socialist republic of vietnam
- Vietnam Bank for Social Policies
- Vietnam Development Bank;
- Central Committee of Vietnam Fatherland Front
- Central agencies of unions;
- Government Office: Minister-Chairman, Vice-Chairmen, Assistant of Prime Minister, General Director of Vietnam Government Web Portal, Departments and affiliates, Public Bulletin
- Files: Archives, Industry (2)

PRIME MINISTER

Nguyen Xuan Phuc

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