

DECISION

On amending and supplementing several articles of the Prime Minister's Decision No. 24/2014/QĐ-TTg dated 24 March 2014 on support mechanisms for the development of biomass power projects in Viet Nam

Pursuant to the Law on Governmental Organization dated 19/6/2015;

Pursuant to the Law on Electricity dated 03/12/2004; the Law amending and supplementing a number of articles of the Electricity Law dated 20/11/2012;

Pursuant to the Law on Investment dated 26/11/2014; the Law amending and supplementing a number of articles of the Investment Law dated 22/11/2016;

Pursuant to the Law on Construction dated 18/6/2014;

Pursuant to the Law on Planning dated 24/11/2017;

At the request of the Minister of Industry and Trade;

The Prime Minister promulgates the Decision on amending and supplementing a number of articles of the Prime Minister's Decision No. 24/2014/QĐ-TTg dated 24/3/2014 on supporting mechanisms for development of biomass power projects in Viet Nam.

Article 1. To amend and supplement several articles of the Decision No. 24/2014/QĐ-TTg dated 24/3/2014 on supporting mechanisms for the development of biomass power projects in Viet Nam

1. To revise clause 1 and 2 of Article 1 as follows:

“1. This Decision provides regulations on mechanisms to promote development of grid-connected power generation projects using biomass energy in Viet Nam, hereinafter referred to as biomass power projects.

2. Applicable subjects of this Decision include organizations and individuals involved in power-related activities regarding to development of biomass power projects.”

2. To revise clause 1 and 2 of Article 2 as follows:

“1. Electricity buyer means EVN or its authorized members or organizations taking over the rights and obligations of such entities in line with law regulations.

2. Electricity seller means organizations, individuals involved in power generation from biomass power projects or organizations, individuals taking over the rights and obligations of such entities in line with law regulations.”.
3. To repeal clause 8, 10 and 11 of Article 2; Article 3, 4 and 5.
4. To revise Article 6 as follows:

“Article 6. Investment and construction of biomass power projects

1. The development of biomass power projects shall be in line with the power development plan (PDP). The appraisal and approval of additional biomass power projects to be included in the PDP shall comply with current legal regulations on planning. Approved biomass power projects in the PDP of all levels shall follow regulations on implementation transition prescribed in Article 59 of the Planning Law 2017 and the Resolution No. 751/2019/UBTVQH14 dated 16/8/2019 of the National Assembly Standing Committee explaining some articles of the Planning Law 2017.
 2. Main equipment of biomass power projects shall meet current technical regulations and specifications. The power quality of biomass power projects shall satisfy technical requirements for voltage and frequency and prevailing operation requirements of the national power system.
 3. The investment and construction of biomass power projects shall comply with legal stipulations on investment, construction, power safety, land, fire prevention and fighting, environmental protection and other relevant legitimate regulations.”
5. To revise Article 7 as follows:

“Article 7. Connection of biomass power projects to the electrical system

1. The Electricity seller shall be responsible for investing, installing, operating and maintaining power measuring meters, lines and step-up transformer substations (if any) from the power plant of the Electricity seller to the point of connection to the Electricity buyer’s grid, organizing accreditation, calibration and test of electric meters in line with lawful regulations on measurement.
 2. The connection point shall be agreed upon by the Seller and the Buyer on the principle of ensuring capacity transmission from the Seller’s power plant in line with the approved plan. Where the connection point is different from the point of meter installation, the Electricity seller shall bear the power loss of the connection line and of the step-up transformer of the power plant.”
6. To repeal Article 8, 9 and 10.
 7. To revise Article 11 as follows:

“Article 11. Responsibility for buying electricity from biomass power projects

1. The Electricity buyer shall be responsible for buying all the power generated from biomass power projects in line with regulations on the national power system operation and technical standards and regulations of the power sector, prioritizing to use the entire power generated from biomass power projects.
2. It is compulsory for the Buyer and the Seller to apply the standardized Power Purchase Agreement for biomass power projects.
3. The term of the Power Purchase Agreement for biomass power projects is 20 years from the date of commercial operation. After this term, an extension of the term of the agreement or entering into a new PPA shall be implemented in accordance with current laws.”
8. To repeal Article 12 and 13
9. To revise Article 14 as follows:

“Article 14. Feed-in tariff for biomass power projects

1. For combined heat and power (CHP) co-generation projects: The FiT at the power delivery point is 1,634 VND/kWh equivalent to 7.03 UScents/kWh based on the exchange rate for the VND against the USD as announced by the State Bank of Vietnam on 21 February 2020.
2. For non-CHP generation projects: The FiT at the power delivery point is VND 1,968/kWh equivalent to 8.47 UScents/kWh based on the exchange rate for the VND against the USD as announced by the State Bank of Vietnam on 21 February 2020.
3. The FiT scheme specified in Clauses 1 and 2 of this Article does not include VAT and shall subject to be adjusted according to fluctuations of the US dollar (equivalent to UScents/kWh). The applicable exchange rate is the VND/USD exchange rate set by the State Bank of Vietnam on the date that the Seller issues bill.
4. Biomass power projects which were put into operation before promulgation of this Decision will apply the FiT as specified in clauses 1 and 2 of this Article from the effective date of this Decision for the remaining time of the signed power purchase agreement.
5. The cost for buying electricity from the biomass power projects mentioned in clauses 1 and 2 of this Article shall be fully calculated and included in input figures of EVN’s annual power pricing scheme.
6. The biomass power projects which apply the FiT in accordance with this regulation are not entitled to apply output-based pricing mechanisms for power projects according to other current regulations”.
10. To repeal Article 15.
11. Revise Article 16 as follows:

“Article 16. Responsibilities of relevant organizations and individuals

1. The Ministry of Industry and Trade

- a) To provide guidelines for and collaborate with the people’s committees of provinces and centrally administrated cities to examine and expedite the implementation of this Decision.
- b) To promulgate a standard Power Purchase Agreement applicable to biomass power projects in compliance with this Decision.
- c) To issue technical regulations and standards on equipment, acceptance and trial run of a biomass power plant.
- d) To monitor and propose adjustments in the power buying price for biomass power projects and report to the Prime Minister for his consideration and decision.

2. People’s committees of provinces and centrally administrated cities

- a) To collaborate with and provide assistance to investors in terms of compensation, site clearance, infrastructure and resources for the investment in and implementation and development of biomass power projects in provinces/cities.
- b) To monitor, supervise and examine the realization of biomass power projects in provinces/cities within their authorities.
- c) To fulfill their state management responsibilities with regard to biomass-power related activities in provinces/cities following the current legal regulations.

3. The Electricity of Vietnam (EVN)

The EVN shall adequately calculate costs to buy electricity from biomass power projects and include input statistics in the EVN’s annual power selling price plan to be submitted to relevant authorities for their approval.

4. The power sellers

To comply with regulations on operating the power system, power transmission system, power distribution system and measuring system and other relevant regulations.”

Article 2. Implementation effectiveness

1. This Decision comes into force from April 25th, 2020.
2. Ministers; heads of ministerial-level agencies; heads of Government's agencies; Chairmen of people's committees of provinces and centrally administrated cities; heads of agencies, units and organizations associated with the development of biomass power projects in Vietnam are responsible for implementing this decision./.

Recipients:

- The Party's Secretariat;
- Prime Minister, Deputy Prime Ministers;
- Ministers, ministerial-level agencies, government's agencies;
- People's councils, People's committees of provinces and centrally administrated cities;
- Office of the Party's Central Committee and Party's Committees;
- Office of the Party's Secretary General;
- Office of the President of the Socialist Republic of Vietnam
- Ethnic Council and Committees of the National Assembly;
- Office the National Assembly;
- The Supreme People's Court;
- The Supreme People's Procuracy;
- The State Audit Office of Vietnam;
- The National Financial Supervisory Commission;
- Vietnam Bank for Social Policies;
- Vietnam Development Bank;
- Vietnam Fatherland Front Central Committee;
- Central bodies of mass organizations;
- Office of the Government: Chairman, Vice Chairmen, Assistant to the Prime Minister, Director of the Portal, Departments, affiliated units, Official Gazette;
- Archive: Document Servicing Department, Industry Department (2).

PRIME MINISTER

Nguyen Xuan Phuc