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TAX & LEGAL ALERT

Decree No. 135/2024/ND-CP stipulating the mechanism and policies to encourage the development of self-produced and self-consumed rooftop solar power

October 2024



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On 22 October 2024, the Government officially issued Decree No. 135/2024/ND-CP stipulating the mechanism and policies to encourage the development of self-produced and self-consumed rooftop solar power (“RSP”).

1. Applicable subject:

Solar power installed on the roofs of construction projects including housing, offices, industrial parks, industrial clusters, export processing zones, high-tech zones, economic zones, production facilities, business establishments are invested and built in accordance with the provisions of law.

2. Incentives policies

- Organizations and individuals installing RSP are exempted from electricity operation licenses and have no installed capacity limits in certain cases (i.e., not connected to the national grid or with an anti-backflow device system into national grid, households and individual houses developing self-produced and self-consumed RSP with a capacity of below 100 kW).
- Organizations and individuals installing self-produced and self-consumed RSP with an installed capacity of 1,000 kW or more and selling surplus electricity to the national grid shall carry out the procedures on power planning and request a power operation license as prescribed by law.
- Administrative procedures for self-produced and self-consumed RSP are simplified as per specialized laws.
- Construction projects with self-produced and self-consumed RSP installed are exempted from having to adjust or supplement energy land and functions as prescribed by law.
- Self-produced and self-consumed RSP of households, individual houses, offices, and public buildings are determined as public assets and technological equipment attached to the construction works.
- Households and individual houses developing self-produced and self-consumed RSP are exempted from or do not need to adjust their business licenses.
- Organizations and individuals are encouraged to self-decide the installation of a battery storage system (BESS) to ensure the safe and stable operation of the power system.
- Self-produced and self-consumed RSP connected to the national grid within the planned capacity, and those connected to the national grid of households and individual houses with a capacity of less than 100 kW that is not fully consumed, shall be allowed to sell to the national grid but **not exceeding 20%** of the actual installed capacity.
- Self-produced and self-consumed RSP are entitled to enjoy tax incentives as prescribed by prevailing tax laws.

Decree 135/2024/ND-CP provides a supportive regulatory framework for the development of self-produced and self-consumed RSP, offering incentives, simplifying procedures to promote the use of renewable energy and reduce dependence on the national grid.

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