

ALERT ON ROOFTOP SOLAR PROJECTS

Update on Official Letter No. 7088/BCT-DL guiding the installation and connection of rooftop solar projects

24 September 2020



General information

On 22 September 2020, the Ministry of Industry and Trade ("MoIT") has issued Official Letter No. 7088/BCT-DL guiding a number of specific cases related to the installation and connection of rooftop solar projects ("Official Letter No. 7088"). The guidance of this official letter is based on the stipulations under Decision No. 13/2020/QĐ-TTg dated 06 April 2020 issued by the Prime Minister on the mechanism to encourage the development of solar power in Vietnam ("Decision No. 13") and Circular No. 18/2020/TT-BCT dated 17 July 2020 of the MoIT on project development and sample of power purchase agreement applicable to solar power projects.



The main content of Official Letter No. 7088

Pursuant to Official Letter No. 7088, the MoIT refers to the definition of the rooftop solar system under Decision No. 13 and definition of construction works in accordance with the provisions of the Construction Law 2014 and Circular No. 03/2016/TT-BXD. In addition, it is required that the roof of a construction work should be appropriate for the function and the purpose of use of the construction.

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Guidance for certain specific cases of rooftop solar investment

For a rooftop solar power system that is installed on the roof of livestock, crop, forestry, salt-production, aquaculture construction and other construction works for agricultural and rural development: in order to meet the requirements under Decision No. 13, those farm construction works must have roofs and such roofs should be appropriate for the function and type of the farm. The farm owners are responsible for carrying out the production activities in accordance with the land use planning in the area.

For rooftop solar systems with a total capacity of more than 1 MW (each system with a capacity of less than 1 MW) per location (on the same land plot or roof of the industrial park); or an investor acquires multiple adjoining rooftop systems with total capacity of more than 1 MW: each rooftop solar system could be entered into a separate power purchase agreement and the electricity operating license is not required for such case.

In the case of (i) solar power system with capacity of not more than 1 MW but not installed on the roof of a construction with independent functions, (ii) the farm's solar power system with the capacity of over 1 MW or above 1.25 MWp, (iii) the solar power system connected to the voltage level above 35 kV: the Feed-in-Tariff (FiT) for rooftop solar power system as prescribed in Decision No. 13 (price of 8.38 UScents/kWh) will not be applied.



For the case that the investor utilizes the roof of the office, operator, kitchen, guest house, garage, warehouse, solar power project, hydroelectric plant, thermal plant to invest the rooftop solar: Vietnam Electricity ("EVN") is allowed to enter into the power purchase agreement if it deems appropriate.

With regard to the proposal for incentives for certain cases such as installing solar power on rooftop with capacity greater than 1 MW; shrimp pond, crop farm, etc. wishing to use photovoltaic panels as roofs: the MoIT will study the proposal and report to the Prime Minister an appropriate mechanism to apply after year 2020.

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For other matters related to business conditions, tax administration, invoices of entities with rooftop solar power systems, the MoIT requested EVN to seek advice and guidance from the Ministry of Planning and Investment, and the Ministry of Finance.

Also under the Official letter 7088, the MoIT requested EVN to be responsible for ensuring rooftop solar power systems are connected in accordance with the regulations, not to cause any overloading to the existing low-voltage, medium-voltage and high-voltage grid system.



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