

Vietnam: Proposed Amendments to Direct Power Purchase Agreement (DPPA) and Self-Consumption Mechanisms under Decree No. 57/2025/ND-CP and Decree No. 58/2025/ND-CP

In brief

On 24 October 2025, the Ministry of Industry and Trade (“**MOIT**”) has provided an updated version of a new draft Decree (“**Draft Decree**”), proposing a number of amendments to the Direct Power Purchase Agreement (DPPA) under Decree No. 57/2025/ND-CP (“**Decree No. 57**”) and the development of self-generated and self-consumed power sources, particularly regarding rooftop solar power under Decree No. 58/2025/ND-CP (“**Decree No. 58**”). The provisions of the Draft Decree remain under review and may be subject to additional revisions prior to its finalisation and official issuance by the Government.

These proposed amendments reflect Vietnam’s efforts to address several challenges currently faced by investors in implementing DPPAs and developing electricity for self-consumption.

If issued, these amendments will have a significant impact on DPPA transactions—both physical DPPAs via private connection lines and synthetic DPPAs via the national grid.

The key amendments to DPPAs proposed under the Draft Decree include the following:

In this issue

Key takeaways

Proposed amendments to original Decree No. 57’s physical DPPAs via private connection wires:

Proposed amendments to original Decree No. 57’s synthetic DPPAs via national grid:

Proposed updates compared to original Decree No. 58’s self-generation and self-consumption of electricity:

- **In relation to physical DPPAs via private connection wires:**

- Power retailers in industrial parks, economic zones, and some other regulatory clusters (“**IP Power Retailers**”) are proposed to be eligible participants in physical DPPAs, allowing them to off-take power from renewable energy generation companies (“**RE GENCOs**”) located in designated parks, zones or other clusters, and permitting RE GENCOs to sell primary or surplus power to IP Power Retailers.
- The regulatory cap set out in Decree No. 57 that the electricity selling price is not permitted to exceed the maximum price specified for the relevant generation source is proposed to be removed, allowing parties to freely agree on the electricity price.
- The regulatory cap set out in Decree No. 57 that the surplus electricity’s price of rooftop solar power sources sold by RE GENCOs located within industrial parks, economic zones, and some other clusters may not exceed the maximum price of the ground-mounted solar power generation price bracket is proposed to be removed, allowing parties to freely agree on the price of selling of the surplus electricity in this case.
- RE GENCOs are proposed to sell excess power generated from rooftop solar power sources to EVN (and its power corporations) at up to 50% of the actual electricity produced from this rooftop solar power system, increasing from the limit of 20% as set out under Decree No. 57.
- RE GENCOs investing and installing rooftop solar power sources that supply electricity directly to large power consumers are not required to complete development registration procedures (*thủ tục đăng ký phát triển*, in Vietnamese) for rooftop solar power development.
- For RE GENCOs having operated a rooftop solar power system under a DPPA between 3 March 2025 and the effective date of the Decree (once the Draft Decree is officially issued), the power sale and purchase price continues to implement according to the signed PPAs, and the parties can amend the PPAs in accordance with the new Decree.

• **In relation to synthetic DPPAs via national grid:**

- IP Power Retailers can participate in the synthetic DPPAs without the need of being authorized by large power consumers within relevant parks, zones or clusters as currently required under Decree No. 57.
- Large power consumers procuring electricity for the operation of their data centers are proposed to be eligible participants in synthetic DPPAs via the national grid.
- EVN is required to submit to the National Power System and Market Operator Company (**NSMO**) detailed data regarding the charges for utilising electricity system services per unit (C_{DPPA}) and the charges for clearing differences per unit (P_{CL}) covering both the previous 10 years and projections for the next 5 years. This update may enhance transparency in market by providing stakeholders with extended historical and projected pricing data to better support DPPA pricing decisions and risk allocation.

Key takeaways

We have summarized the key points of the Draft Decree below for your reference:

Proposed amendments to original Decree No. 57's physical DPPAs via private connection wires:

No.	Key updates	Details
1.	Addition of IP Power Retailers as eligible participants	Draft Decree expands the list of eligible participants under physical DPPA model to include IP Power Retailers in park and other cluster models, allowing IP Power Retailers to off-take power from RE GENCOs located in designated parks, zones or other clusters, and permitting RE GENCOs to sell primary or surplus power to IP Power Retailers.
2.	Removal of regulatory cap on power sale and purchase price	Currently, power sale and purchase price under a physical DPPA is agreed upon by the parties and subject to the ceiling tariff set within the applicable tariff framework of corresponding power source. Similarly, the applicable power tariff for sale of excess rooftop solar power output to IP Power Retailers is capped under the tariff framework applicable to ground-mounted solar power. Draft Decree removes these restrictions , allowing the parties to freely negotiate and mutually agree on the power tariff, without any regulatory cap.
3.	Increased cap for sale of excess rooftop power output	Draft Decree raises the allowable threshold for RE GENCOs to sell excess rooftop solar power output to EVNs or PCs from 20% to 50% of the actual power output.
4.	Additional technical responsibilities for RE GENCOs	Draft Decree introduces new technical obligations for RE GENCOs, requiring them to invest in, install and conduct acceptance testing for metering devices, reverse power on/off devices, and equipment used for data collection, monitoring and control.
5.	Exemption from development registration procedures for rooftop solar power	Draft Decree clearly specifies that RE GENCOs developing rooftop solar power sources to sell power output to large power consumers are not required to carry out procedures for registering the development of rooftop solar sources.
6.	New responsibilities imposed on IP Power Retailers	Draft Decree introduces the following new responsibilities for IP Power Retailers : <ul style="list-style-type: none"> • Being entitled to register for participation in the spot electricity market with the NSMO. • Having an electricity metering system and information and technology infrastructure that meet technical and operational requirements under the MOIT's regulations on the electricity market and power system. • Having service contracts for the use of internal grid infrastructure with power consumers within the scope of their power operation license.

No.	Key updates	Details
		<ul style="list-style-type: none"> Having audited financial statements or valid financial documentation demonstrating financial capacity and payment ability.
7.	Transitional mechanism for PPAs signed before the effectiveness of the Decree	<p>For RE GENCOs having operated rooftop solar power between 3 March 2025 and the effective date of the Decree, the power sale and purchase price continues to implement according to the signed PPAs. The parties are entitled to negotiate and amend such agreements to align with the new regulations introduced by the Decree.</p> <p>For PPAs regarding excess power output sale and purchase signed prior to the effective date of the Decree, the parties continue to perform the signed PPAs, or mutually agrees to amend to align with the new regulations introduced by the Decree.</p>

Proposed amendments to original Decree No. 57's synthetic DPPAs via national grid:

No.	Key updates	Details
1.	Expansion of large power consumers eligible as participants	Draft Decree expands the list of eligible participants under synthetic DPPA Model to include large power consumers who purchase electricity for the operation of data centers .
2.	Expansion of IP Power Retailers' role as eligible participants	Draft Decree introduces comprehensive regulations regarding the role of IP Power Retailers, allowing them to participate in the synthetic DPPA as power purchasers directly and independently , similar to large power consumers, instead of only acting as authorized representatives of large power consumers as currently regulated under Decree No. 57.
3.	Revised responsibilities of IP Power Retailers	<p>Draft Decree introduces the following revised responsibilities for IP Power Retailers:</p> <ul style="list-style-type: none"> negotiating and signing PPAs with PCs (or its authorized or decentralized units) and forward contract with RE GENCOs; agreeing on the percentage (%) of power output allocated by RE GENCOs to them; within 7 days from the date of signing the PPAs with PCs to ensure sufficient power supply according to the demand of power consumers in the relevant park and cluster models, IP Power Retailers are required to: <p>In case large power consumers in the relevant park and cluster models <u>choose to purchase power output from RE GENCOs under the synthetic DPPA mechanism</u>:</p> <ol style="list-style-type: none"> Reach an agreement with such large power consumers on the service charges to use the power grid within such park and cluster models (from the main electricity meter of the IP Power Retailers to the retail electricity meters for the relevant large power consumers) within 30 days from the date of receiving the written request and complete supporting documents from the relevant large power consumers; Amend the existing [retail] PPAs with such large power consumers on the service charges to use the power grid within such park and cluster models, and the power tariff (for power output portion beyond the supply capacity of RE GENCOs), which shall be capped at the retail power tariffs applicable to the corresponding consumer group under the MOIT's regulations. <p>In case large power consumers in the relevant park and cluster models <u>do not choose to purchase electricity from RE GENCOs under the synthetic DPPA model</u>: IP Power Retailer and large power consumers continue to implement the existing [retail] PPAs.</p>

No.	Key updates	Details
		<ul style="list-style-type: none"> for the portion of power output purchased under the DPPA mechanism, IP Power Retailers may resell to large power consumers within its licensed area of operation, at the ratio and the power tariff agreed upon between the parties, which the tariff is capped at the retail power tariffs applicable to the corresponding consumer group under the MOIT's regulations.
4.	Revised scope of DPPA-related charge disclosure	Draft Decree clarifies EVN's obligations, requiring it to submit, by 20 March of year N, to NSMO for publication, data on DPPA charge for using power system's services (C_{DPPA}) per unit of electricity , and the difference clearing charge per unit of electricity (P_{CL}) to NSMO, replacing current requirement to report total charges. In addition, the reporting period is expanded from the preceding 05 years to 10 preceding years plus 05 following years . This update is likely to enhance transparency in market by providing stakeholders with extended historical and projected pricing data to better support DPPA pricing decisions and risk allocation.
5.	Revised application procedures for DPPA participation	<p>Draft Decree revises the procedures for application to participate in the DPPA mechanism, where large power consumers and RE GENCOs shall mutually agree to authorize a representative entity, being either RE GENCOs, large power consumers, IP Power Retailers, or another entity as permitted by law, to submit the application dossier for participation in the DPPA mechanism to NSMO.</p> <p>The application dossier, under the Draft Decree, further requires:</p> <ul style="list-style-type: none"> A copy of the complete set of agreements, including the spot market PPA between RE GENCOs and EVN, the PPA between large power consumers or IP Power Retailers and PCs, and the forward contract between RE GENCOs and large power consumers or IP Power Retailers (these agreements only take effect upon NSMO's official announcement of the parties' participation in the DPPA mechanism). Application dossier for RE GENCOs' participation in the competitive wholesale electricity market in accordance with the MOIT's regulations. Written confirmation of fulfillment of technical conditions, installation of metering infrastructure, and information technology systems as required by law.

Proposed updates compared to original Decree No. 58's self-generation and self-consumption of electricity:

No.	Key updates	Details
1.	Addition of non-EVN power retailers as eligible purchasers of excess power output	Draft Decree expands the list of eligible purchasers of excess power output from self-generated and self-consumed power sources to include non-EVN power retailers that are licensed to operate within their respective areas (e.g., IP Power Retailers in park and cluster models).
2.	Master revisions to thresholds for licensing classification and technical requirements	The Draft Decree introduces a comprehensive reclassification framework for licensing and technical requirements, shifting from the current capacity-based thresholds under Decree 58 (e.g., below 100kW or 100kW and above, below 1,000 kW or 1,000 kW or above) to a voltage-based approach . Specifically, the new proposed classification is based on grid connection voltage levels, including low-voltage level (i.e., up to 1kV) and medium-voltage level (i.e., from above 1kV to 35kV) and higher.
3.	New technical requirements for grid-connected self-generated and self-consumed power sources	<ul style="list-style-type: none"> Medium-voltage connection without sale of excess power output: developers are required to install reverse power on/off devices to prevent any power output from being exported onto the national power system.

No.	Key updates	Details
		<ul style="list-style-type: none"> Low-voltage connection with sale of excess power output: the developer must agree and install the bidirectional electricity meter with the purchaser.
4.	Increased cap on sale of excess RTS power output	<p>Draft Decree raises the allowable threshold for selling excess rooftop solar power output to the excess power purchasers from 20% to 50% of the output based on the solar radiation intensity (determined at the output of the inverter, including any power output stored in battery storage systems, if applicable).</p> <p>The parties may agree on a higher excess power output ratio than 50% until 31 December 2030. After this date, the 50% cap shall apply strictly.</p>
5.	Change of notification authority of RTS power development	<ul style="list-style-type: none"> For self-generated and self-consumed RTS power, whether off-grid or grid-connected at the low-voltage level (except where capacity is below 1kW): developers shall submit a notification of development to People’s Committees of Commune (PCC), rather than to the Provincial Department of Industry and Trade (DOIT) as currently required. If there is a sale of excess power output, PCC shall notify the DOIT for management. For grid-connected self-generated and self-consumed rooftop solar power without sale of excess power output subject to notification of development: currently, developers are required to notify the DOIT, local power utility and other local authorities responsible for construction and fire prevention and fighting. Draft Decree now limits the notification requirement to the DOIT only. The DOIT, as a coordinator, will then forward the notification to other relevant authorities and units for monitoring and guidance, thereby simplifying administrative procedures.
6.	Transitional mechanism for licensing and implementation	<ul style="list-style-type: none"> Application dossiers for the issuance of a certificate of registration for the development of self-generated and self-consumed rooftop solar power received prior to the effective date of the Decree shall continue to be processed under Decree No. 58. Developers who have been granted the certificate of registration for the development of self-generated and self-consumed rooftop solar power or have submitted a notification of development of the same under Decree No. 58 prior to the effective date of the Decree shall continue to implement accordingly. Any updates to the certificate or resubmission of the notification shall comply with the Decree.

If you would like to discuss the details of any specific issues, developments and transactions in relation to DPPA or self-consumption mechanisms, please do not hesitate to contact us.

Hoang Anh Vu, Trainee Solicitor, has contributed to this legal update.

Contact Us



Oanh Nguyen
 Managing Partner
oanh.nguyen@bakermckenzie.com



Ly Le
 Senior Associate
thiyenly.le@bakermckenzie.com

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