

Vietnam: Resolution No. 253/2025/QH15 — New Mechanisms and Policies for Accelerating Energy Development during the 2026-2030 period

In brief

On 11 December 2025, the National Assembly of Vietnam officially adopted Resolution No. 253/2025/QH15 (“**Resolution 253**”). This resolution introduces a series of new mechanisms and policies across key areas, such as adjustments to power master plans, tariff determination, investor selection, power purchase agreements (PPAs), offshore wind (OSW) power development and direct power purchase agreement (DPPA) implementation.

These reforms are expected to enhance investment efficiency, accelerate project implementation across the energy sector and address some concerns and proposals raised by energy investors in Vietnam during the 2026-2030 period. The issuance of these policies and mechanisms demonstrates Vietnam’s strong commitment to attracting further investment in the energy sector and achieving its energy security targets.

Key highlights include the following:

- Bid-winning tariff to be the final power tariff under the PPA (except for thermal power, small module nuclear power and OSW power projects): no post-bid power tariff negotiations and shortened PPA execution timeline
- Expanded categories of power projects eligible for direct investor approval
- Updates to the DPPA mechanism: removal of tariff cap, inclusion of power retailers as large power consumers and clarification of eligible consumers
- Enhanced framework to promote OSW power development with an expected operation period during 2025-2030 and 2031-2035
- Adjustments and updates to national and provincial power master plans
- Streamlined procedures for implementing power grid projects
- Promotion of research and development of small modular nuclear power
- Next actions required for the Government of Vietnam

Resolution 253 will be in effect from 1 March 2026 until 31 December 2030. In the case of discrepancies between Resolution 253 and other laws or resolutions of the National Assembly on the same matter, Resolution 253 will prevail. If other legal normative documents provide more favorable mechanisms or incentives, eligible entities may opt for the most beneficial option. Resolution 253 does not apply to pending projects that require the resolution of difficulties and obstacles, which fall under the functions and tasks of the Government Steering Committee established under Prime Minister Decision No. 751/QD-TTg dated 11 April 2025.

Key takeaways

We have summarized the key points of Resolution 253 below for your reference.

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Key takeaways

1. **Bid-winning tariff to be the final tariff and shorter timeline for PPA execution**
2. **Expanded categories of power projects eligible for direct investor approval**
3. **New policies on the DPPA mechanism**
4. **Enhanced framework to promote OSW power development**
5. **Adjustments and updates to power master plans**
6. **Streamlined procedures for power grid projects**
7. **Promotion of small modular nuclear power**
8. **Next actions required for the Government of Vietnam**
9. **Surviving mechanisms and incentives**

1. Bid-winning tariff to be the final tariff and shorter timeline for PPA execution

Unlike the previous approach under the Electricity Law 2024 and Decree No. 56/2025/ND-CP, which set out that the winning bidder's proposed ceiling power tariff would be the maximum power tariff for post-bid negotiation with Vietnam Electricity (EVN) under the PPA, Resolution 253 introduces a more streamlined process for power projects (excluding thermal power, small modular nuclear power and OSW power projects). The process is as follows:

- The bid-winning tariff, capped by the ceiling tariff framework applicable to the bidding year, will be the final tariff under the PPA, with no further negotiation required.
- The PPA negotiation and execution timeline is shortened from 03 months to 30 days, starting from the submission of a valid negotiation dossier by the winning investor.

This new mechanism applies to the projects scheduled for operation during the 2026-2030 period as specified in the invitation-to-bid dossier, and having the operation period within the 2025-2030 period as outlined in the national or provincial power master plan.

2. Expanded categories of power projects eligible for direct investor approval

In addition to the existing cases under the electricity, investment and land laws, Resolution 253 adds the following power projects eligible for investor approval (i.e., without undergoing a land use rights auction or project bidding):

- OSW power projects that sell electricity to the national grid and meet certain regulated conditions eligible for investor approval without undergoing land use rights auction or project bidding.
- Projects where investors are approved for agreement on receiving land use rights for implementing power projects under investment laws and land laws
- Projects where investors already hold land use rights as allocated, leased or recognized by the State, and request to implement power projects under land laws
- Projects that have urgent requirements to implement immediately to ensure timely schedule completion and energy security, which fall under the case of applying the "investor selection in special cases" method in accordance with the bidding laws and regulations
- Chairman of Provincial People's Committees (PPCs) may directly appoint wholly SOEs, or their wholly owned subsidiaries, to develop power grid projects in the national or provincial power master plan, based on submitted proposals from these entities

3. New policies on the DPPA mechanism

- Previously, under Decree No. 57/2025/ND-CP ("**Decree 57**"), power tariffs under PPAs in the physical DPPA model (i.e., power sale and purchase via private grid) were capped within the applicable tariff framework for the corresponding power source. Resolution 253 removes this restriction, allowing parties to freely negotiate and agree on power tariffs.
- Resolution 253 further clarifies that power tariffs under electricity forward contracts in the synthetic DPPA model (i.e., power sale and purchase via national grid) are subject to the freedom of negotiation.
- Resolution 253 allows power retailers operating in industrial parks, economic zones, export processing zones, industrial clusters, high-tech zones, concentrated digital technology zones, high-tech agricultural zones, urban zones or free-trade zones to directly participate in the DPPA mechanism. Previously, under Decree 57, these power retailers could only act as authorized representatives of large power consumers in the synthetic DPPA model.
- Resolution 253 specifically requires the Ministry of Industry and Trade (MOIT) to define the scale of large power consumers eligible to participate in either the physical or synthetic DPPA model.

A new decree amending Decree 57 is expected to be issued shortly to implement these changes.

4. Enhanced framework to promote OSW power development

- **Costs and fees incurred by SOEs:** Costs incurred by wholly SOEs for conducting OSW surveys and preparing investment policy approval dossiers in preparation for investor selection through the bidding process will be funded from the enterprise's production and business expenses. If no investor is selected, or the enterprise does not make an equity contribution into the project or the project is not feasible for investment, these costs will be accounted for as production or business expenses of such enterprise.

- **For projects having electricity sold to the national power system with an expected operation period during the 2025-2030 period, the following applies:**
 - The investment policy approval dossier will include the contents required under the investment laws, the contents of the pre-feasibility study report under construction laws and other contents as regulated by the Government.
 - The following projects are eligible for investment policy approval concurrently with investor approval by the Prime Minister without undergoing land use rights auction or project bidding:
 - (i) Selling power output onto the national power system
 - (ii) Meeting national defense, security, sovereignty, marine and island resources and environment, maritime, oil and gas requirements
 - (iii) Being included in the approved national power master plan and having the operation period within the 2025-2030 period

The approved investor will negotiate and sign the PPA with the power purchaser, with the power tariff subject to the ceiling tariff framework of OSW power applicable to the negotiation year.

- **For projects having electricity sold to the national power system with an expected operation period during the 2025-2030 period, the following applies:**
 - The preparation of the investment policy approval dossier should follow a similar process as that for projects with an expected operation period during the 2025-2030 period.
 - PPCs that have proposed locations for aggregating capacity from OSW power projects may approve the investment policy for these projects, provided that prior written consent is obtained from the Ministry of National Defense, Ministry of Public Security, Ministry of Foreign Affairs, MOIT, Ministry of Finance, Ministry of Construction, Ministry of Agriculture and Environment, and other relevant agencies.
 - The competent authority allocates sea areas to wholly SOEs to conduct surveys for OSW power projects if these projects have not been approved for investment policy or where no survey entity has submitted a complete and valid application for survey.

5. Adjustments and updates to power master plans

Resolution 253 introduces new legal basis, allowing adjustments and updates to national and provincial power master plans, which are not subject to the cases of adjustment of master plans in accordance with the planning laws, subject to the following:

- **Scope of adjustments and updates:** Updating and refining certain contents of the power master plans according to practical requirements without (i) changing viewpoints, objectives and major orientations and (ii) increasing the total installed capacity according to the structure of each type of power source in the approved power master plans
- **The cases eligible for adjustments and updates are as follows:**
 - (i) Implementation in accordance with the treaties between the Government of the Socialist Republic of Vietnam and the foreign contracting party
 - (ii) Adjustments to power generation or battery energy storage system (BESS) projects, including name, capacity scale, schedule and administrative location (if any); additions of power generation projects to compensate for or replace delayed or non-implemented projects; or additions of BESS projects to enhance the power system's operational capacity
 - (iii) Adjustments to the number of projects in the list of national or provincial power master plans
 - (iv) Adjustments to the name, quantity, capacity scale, voltage level, connection point and schedule of power grid projects, and additions of power grid projects to synchronize with power sources, releasing power source capacity, meeting load demand and ensuring the safe and stable operation of the national power system

Adjustments and updates to power master plans do not require a strategic environmental assessment report in accordance with the laws on environmental protection.

- **Approval authority:** The Minister of the MOIT or the Chairman of the PPC will approve adjustments and updates to the national power master plan or the provincial power master plan, respectively, and report the results to the Prime Minister.

The Government will provide guidance on the implementation of adjustments and updates to power master plans.

6. Streamlined procedures for power grid projects

Power grid projects included in the national or provincial power master plans are exempt from investment policy approval procedures.

7. Promotion of small modular nuclear power

- SOEs and private enterprises are encouraged to research and develop small module nuclear power, which is a nuclear power plant that uses small modular nuclear reactors in accordance with the definition/classification of the International Atomic Energy Agency (IAEA).
- The development of small modular nuclear reactors must ensure nuclear security and safety in accordance with the laws on atomic energy and other relevant laws.

8. Next actions required for the Government of Vietnam

Moving forward, the Government is responsible for issuing legal documents to provide detailed guidance on the regulations specified in Resolution 253 through a shortcut process for the following matters:

- Adjustments and updates to the power master plans
- Surveys for OSW power projects, including the conditions applicable to survey entities
- Investment mechanism for developing small modular nuclear power based on development needs and the commercialization status of technology in each period
- Development of OSW power projects to sell power output onto the national power system as approved in the power master plans with an operation period during the 2025-2030 and 2031-2035 periods, including the eligibility of enterprises proposing investment policy approval, as well as investment policy approval and site survey procedures
- Power tariffs and eligible power retailers under the DPPA mechanism

9. Surviving mechanisms and incentives

- Mechanisms, policies, projects and works approved by the competent authorities for implementation under Resolution 253, if not completed by the time Resolution 253 expires, will continue to be implemented in accordance with the issued decisions.
- Projects, works and activities approved and granted incentives under this Resolution during its effective period, if not completed by the time Resolution 253 expires, will continue to enjoy these incentives until their completion.

If you would like to discuss the details of any specific issues, developments and transactions in relation to Resolution 253, please do not hesitate to contact us.

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

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