

THE MINISTRY OF
INDUSTRY AND TRADE

No.: 942/QD-BCT

SOCIALIST REPUBLIC OF VIET NAM
Independence-Freedom-Happiness

Hanoi, March 11th, 2016

DECISION

Promulgation of Regulation on Avoided Cost Tariff for 2016 Biomass Power Projects

MINISTER OF MINISTRY OF INDUSTRY AND TRADE

Pursuant to the Electricity Law dated 3 December 2004 and the Law on the Amendment of and Supplement to several articles of the Law of Electricity dated 20 November 2012

Pursuant to the Decree No. 95/2012/ND-CP dated 12 November 2012 of the Government defining the functions, tasks, powers and organizational structure of the Ministry of Industry and Trade;

Pursuant to the Decision No.24/2014/QD-TTg dated 24 March 2014 of the Prime Minister on support mechanism for biomass power project's development in Vietnam;

Pursuant to the Circular No. 44/2015/TT-BCT dated 09 December 2015 of the Ministry of Industry and Trade on project development, avoided cost tariff and standardized power purchase agreement for biomass power projects.

In response to the request made by the General Director of the General Directorate of Energy (GDE).

DECIDES:

Article 1. To issue the avoided cost tariff applied to the 2016 biomass power projects meeting the applicable conditions provided in the Circular No.44/2015/TT-BCT dated 09 December 2015 of the Minister of Industry and Trade on project development, avoided cost tariff and standardized power purchase agreement for biomass power projects (Circular No.44/2015/TT-BCT).

Article 2. The cost tariff issued together with this Decision takes effect on January 01, 2016 to December 31, 2016.

Avoided cost tariff applied to biomass power project in 2016 is compulsory for power purchase of biomass power plants meeting conditions according to Article 9 of Circular No.44/2015/TT-BCT.

Article 3. When applying the 2016 avoided cost tariff, the power units apply the power purchase agreement according to standardized contract for biomass power plants as provided in Circular No.44/2015/TT-BCT.

Article 4. Chief Office of Department, General Director of the General Directorate of Energy, General Director of the Electricity Regulatory Authority of Vietnam, Ministerial Inspector, Director of Finance, Planning, Legal Department, General Director of Electricity of Vietnam Group and organizations, individuals operating in electricity field are responsible for implementation of this Decision will be responsible to implement this Decision./.

DIRECTOR

Hoang Quoc Vuong

THE 2016 AVOIDED COST TARIFF

FOR BIOMASS POWER PROJECTS

(Issuing together with the Decision No.942 /QD-BCT dated 11 March 2016 of Minister of the Ministry of Industry and Trade)

| | Tariff Components | Cost (dong/kWh) | Equivalent to (US\$ Cent/kWh) |
|-----------------|---|--------------------|-------------------------------------|
| A | Avoided power costs | | |
| A.1. | Avoided power generation costs | 924 | 4,1341 |
| A.2. | Avoided transmission loss costs | | |
| A.2.1 | North | -15 | -0,0684 |
| A.2.2 | Central | -18 | -0,0805 |
| A.2.3 | South | 14 | 0,0604 |
| B. | Avoided power Generation capacity costs | 736 | 3,2923 |
| C. | Avoided Carbon Tax Costs* | N/A | N/A |
| D. | Benefits to Local Employment* | N/A | N/A |
| | Total | | |
| P _{MB} | North | 1.644 | 7,5551 |
| P _{MT} | Central | 1.642 | 7,3458 |
| P _{MN} | South | 1.673 | 7,4846 |

Notes:

*to be applicable when relevant legal regulation are made available

The ACT does not include VAT. The purchaser shall be liable to pay this tax for the seller in accordance with current regulations