KPMG

Legal Update

July 2025

Revised Power Development Plan VIII of Vietnam under Decision 768/QD-TTg dated 15 April 2025 and its implementation guidance under Decision 1509/QD-BCT dated 30 May 2025

On 15 April 2025, the Prime Minister of Vietnam issued Decision 768/QD-TTg (“**Decision 768**”) approving the revision to the National Power Development Plan for the period 2021–2030, with a vision to 2050 (“**Revised PDP8**”). This decision took effect on the date of issuance, i.e., 15 April 2025, and supersedes Decision 500/QD-TTg dated 15 May 2023 approving the original PDP8.

Subsequently, on 30 May 2025, the Ministry of Industry and Trade issued Decision 1509/QD-BCT (“**Decision 1509**”) approving the implementation plan for the Revised PDP8, as a prompt action to operationalize Decision 768.

The Revised PDP8 sets out the development strategy and outlines the planning for power sources and transmission grids (220kV and above), renewable and new energy industries and services in Vietnam, as well as cross-border grid connections. Below are key highlights of the Revised PDP8 and its implementation plan.

1. Development planning

The Revised PDP8 sets new development targets focused on (i) ensuring national energy security, (ii) promoting a fair energy transition, and (iii) developing industrial ecosystems and renewable energy services, specifically as follows:

Criteria	By 2030	By 2050
(i) Ensuring national energy security		
Provide sufficient electricity for domestic demand and socio-economic development	For average GDP growth rate of about 10.0%/year in 2026 ~ 2030	For average GDP growth rate of about 7.5%/year in 2031 ~ 2050
Commercial electricity	500.4 ~ 557.8 billion kWh	1,237.7 ~ 1,375.1 billion kWh
Electricity production and import	560.4 ~ 624.6 billion kWh	1,360.1 ~ 1,511.1 billion kWh
Maximum capacity	89,655 ~ 99,934 MW	205,732 ~ 228,570 MW
Ensure safe and reliable electricity supply, meeting the N-1 criteria for important load areas and N-2 for especially important load areas and nuclear power sources	The reliability of electricity supply to be in the top 4 leading countries in ASEAN, and electricity access index to be in the top 3	Not mentioned
Self-consumed rooftop solar power	50% of office buildings and 50% of houses	Not mentioned

(ii) Promoting a fair energy transition		
Develop strongly the renewable energy sources (excluding hydropower)	To reach 28 ~ 36%	To reach 74 ~ 75%
Control greenhouse gas emissions from electricity production	To reach 197 ~ 199 million tons	To reach 27 million tons
(iii) Developing industrial ecosystems and renewable energy services		
Set up inter-regional RE centers	To set up 02 inter-regional RE industrial and service centers	Not mentioned
Develop renewable energy and produce new energy for export to Singapore, Malaysia and other regional partners	To reach 5,000 ~ 10,000 MW of export capacity or higher in 2035	Not mentioned

To achieve the above, Decision 1509 provides the following action plan:

- Developing and improving the legal framework and regulations: From 2025 to 2030, to focus on amending the Law on Economical and Efficient Use of Energy, finalizing the mechanism for direct power purchase agreements, building up a framework for the application of science and technology in the electricity sector, and developing a mechanism for the carbon credit market.
- Enhancing science and technology capacity, establishing basic research and development centers, and improving the quality of human resources: From 2025 to 2050, with multiple detailed tasks for each objective as specified in Decision 1509.

2. Targeted power generation capacity

The Revised PDP8 introduces new goals for the country's electricity generation capacity. The total capacity of power plants serving domestic demand (excluding exports) is projected to reach 183,291 ~ 236,363 MW by 2030 and 774,503 ~ 838,681 MW by 2050, representing an increase compared to the previous plan.

Detailed planning for the major categories is as follows:

Category	By 2030	By 2050
Onshore and nearshore wind power	26,066 ~ 38,029 MW (accounting for 14.2 ~ 16.1%)	84,696 ~ 91,400 MW (10.9%)
Offshore wind power	6,000 ~ 17,032 MW (3.2 ~ 7.2%)	113,503 ~ 139,097 MW (14.7 ~ 16.6%)
Solar power	**46,459 ~ 73,416 MW (25.3 ~ 31.1%) (highest)**	**293,088 ~ 295,646 MW (35.3 ~ 37.8%) (highest)**
Hydropower	33,294 ~ 34,667 MW (14.7 ~ 18.2%)	40,624 MW (4.8 ~ 5.2%)
Nuclear power	4,000 ~ 6,400 MW (2.2 ~ 2.7%)	10,500 ~ 14,000 MW (1.4 ~ 1.7%)
Storage source	10,000 ~ 16,300 MW (5.5 ~ 6.9%)	95,983 ~ 96,120 MW (11.5 ~ 12.4%)
Coal-fired thermal power	31,055 MW (13.1 ~ 16.9%)	**0 MW (0%), no longer using coal for power generation**

Domestic gas-fired thermal power	10,861 ~ 14,930 MW (5.9 ~ 6.3%)	• Switching to use LNG: 7,900 MW (0.9 ~ 1.0%) • Switching to run entirely on hydrogen: 7,030 MW (0.8 ~ 0.9%)
LNG thermal power	22,524 MW (9.5 ~ 12.3%)	• CCS (new construction, installation of carbon capture and storage equipment): 1,887 ~ 2,269 MW (0.2 ~ 0.3%) • Burning with hydrogen: 18,200 ~ 26,123 MW (2.3 ~ 3.1%) • Converted to run entirely on hydrogen: 8,576 ~ 11,325 MW (1.1 ~ 1.4%)
Import from Laos and China	9,360 ~ 12,100 MW (4.0 ~ 5.1%)	14,688 MW (1.8 ~ 1.9%)

In line with these general goals, Decision 1509 sets out in its Appendix II a list of specific projects with clearly defined commissioning timelines, along with notes on existing issues related to certain projects.

Especially for offshore wind and solar power projects, which are key priorities in the coming period, investors are entitled to invest and operate under the mechanisms and incentives provided in the Law on Electricity 2024, Decrees 57/2025/ND-CP and 58/2025/ND-CP.

- For offshore wind power, the regulations specify incentives such as exemptions and reductions in sea area and land use fees during the construction phase, as well as guaranteed minimum power purchase commitments for eligible projects (namely, projects granted an in-principle decision or approval before 1 January 2031, or projects supplying electricity to the national electrical system with a capacity of at least 6,000 MW and having been approved in the power development plan).
- Meanwhile, solar power projects are entitled to benefit from preferential mechanisms if they align with national planning and technical conditions. In addition, the adoption of the Direct Power Purchase Agreement (DPPA) mechanism provides a channel for renewable energy developers to sell electricity directly to large electricity consumers, further enhancing investment opportunities in the sector.

These policies reflect the Government's strong commitment to accelerating the energy transition and encouraging private sector participation.

3. Transition

Power projects that are included in the power development plan or its implementation plans under Decision 500/QD-TTg dated 15 May 2023, Decision 262/QD-TTg dated 1 April 2024, or Decision 1682/QD-TTg dated 28 December 2024, or that have been approved by competent authorities for electricity import, are permitted to continue implementation in accordance with the approved plan or import approval.

Key takeaways

- The Revised PDP8 sets a clear roadmap for transitioning to a more sustainable, diversified, and market-oriented power sector. It emphasizes the development of renewable energy, particularly offshore wind and solar power, while gradually reducing reliance on power generated from coal.
- By fostering a competitive direct power purchase mechanism, enhancing grid infrastructure, and aligning with the country's net-zero emissions target by 2050, the Revised PDP8 demonstrates Vietnam's commitment to energy security, environmental responsibility, and attracting private sector participation in power development.
- Overall, the new regulations and power development plan issued in the first half of 2025 are expected to provide a solid foundation for investors to develop business strategies, select appropriate technologies, and prepare proper financial projections before investing in power projects in the coming period.

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