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Vietnam Accelerates its Direct Power Purchase Agreement Framework: Key Changes under Decree 243/2026/ND-CP

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On 26 June 2026, the Government of Vietnam issued Decree No. 243/2026/ND-CP (***Decree 243***), which entered into force immediately upon publication. Decree 243 amends two foundational instruments in Vietnam's renewable energy framework: Decree No. 57/2025/ND-CP (***Decree 57***) on the Direct Power Purchase Agreement (***DPPA***) mechanism, and Decree No. 58/2025/ND-CP (***Decree 58***) on renewable and new energy development.

The amendments represent a material liberalisation of the DPPA framework, lowering market access thresholds, deregulating certain pricing arrangements, streamlining regulatory procedures, and expanding the categories of eligible market participants. Clients with existing or prospective investments in renewable energy generation, data centre infrastructure, and industrial zone operations should review their current contractual and regulatory positions in light of these changes.

1. Comparative Overview: Decree 243 vs Decree 57

The table below summarises the key changes to the DPPA mechanism introduced by Decree 243:

Category	Decree 57	Decree 243
	Off-Grid DPPA	
Eligible Buyers	Large electricity consumers	**Expanded:** Adds electricity retailers within industrial parks/clusters as eligible participants[1]
Large Electricity Consumer Criteria	200.000 kWh/month or more[2]	**Optimised:** Threshold lowered to 20,000 kWh/month or more[3]
Rooftop Solar Power Excess Electricity Sales to PC	Capped at 20% of actual output	**Increased:** Capped at 50% of actual output[4]
Tariff for Rooftop Solar Power Excess Electricity Sales to PC	Average electricity market price (***SMP***) of the previous year, as announced by National Power System and Market Operator Company (NSMO), subject to the tariff cap applicable to ground-mounted solar power tariff framework	Remain unchanged
Pricing Mechanism for Rooftop Solar Power Excess Electricity Sales to Electricity Retailer	By mutual agreement, but strictly subject to subject to the tariff cap applicable to ground-	**Deregulated:** By mutual agreement with no price cap applied[5]

[1] Article 1.1 Decree 243.
[2] Article 3.51 Circular 16/2025/TT-BCT.
[3] Article 3.51 Circular 29/2026/TT-BCT, effective from 20 July 2026.
[4] Article 1.6(c) Decree 243.
[5] Article 1.6(dd) Decree 243.

Category	Decree 57	Decree 243
	mounted solar power tariff framework	
Registration of Rooftop Solar Power Development	Universally applicable to all developers	**Exempted:** Excludes GENCOs investing in Rooftop Solar DPPAs[6]
Grid Connected DPPA		
Large Electricity Consumer	General large electricity consumers	**Expanded**: Adds data centres, and electric vehicle/vehicle charging stations[7]
Large Electricity Consumer Criteria	200.000 kWh/month or more	Remain unchanged
Electricity Retailers	Electricity retailers in industrial zones and clusters	**Excluded**: residential zones and free trade zones.[8]
Procedures for Participation	7 steps	**Simplified**: 3 steps[9]

2. Off-Grid DPPA

Expanded eligible participants

The addition of licensed industrial zone retailers as eligible DPPA participants creates a new intermediate layer in the off-grid supply chain. A retailer may now simultaneously hold a DPPA as buyer (purchasing directly from a generation company (***GENCO***)) and operate as seller under a separate DPPA with a Large Electricity Consumer within its zone. Parties structuring multi-party off-grid arrangements should consider how credit support, curtailment risk allocation, and metering obligations flow across that two-tier structure.

Revised Large Electricity Consumer threshold

The reduction of the Large Electricity Consumer threshold to 20,000 kWh/month (from 200,000 kWh/month) is the single most commercially significant change for the off-grid model. It brings a substantially larger universe of corporate consumers into eligibility and should be reviewed against existing off-take pipelines where prospective buyers previously fell below the previous threshold. Note that the 200,000 kWh/month threshold remains unchanged for the grid-connected model.

Increased surplus sales cap and deregulated pricing

The volume of rooftop solar surplus electricity that a GENCO may sell to EVN, its generation subsidiaries, or power corporations (***PCs***) has been raised from 20% to 50% of actual output. The applicable tariff - the prior calendar year's average spot market

[6] Article 1.8 Decree 243.
[7] Article 1.2 Decree 243.
[8] Article 1.10(a) Decree 243.
[9] Article 1.22 Decree 243.

price (***SMP***) as published by the National Power System and Market Operator Company (***NSMO***), subject to the ground-mounted solar tariff ceiling - remains unchanged.

For surplus sales made directly to licensed electricity retailers within industrial zones and clusters, Decree 243 removes the price cap that applied under Decree 57. Pricing is now determined entirely by mutual agreement, without reference to any regulatory ceiling. This introduces genuine commercial flexibility for GENCOs with rooftop solar assets in industrial zones. In practice, negotiated pricing will likely reference prevailing market rates, but the absence of a regulatory cap removes a material constraint on deal economics for both parties.

Abolition of rooftop solar registration for GENCOs

The obligation to register rooftop solar power development - previously of universal application - has been removed with respect to GENCOs investing in rooftop solar DPPAs. This eliminates an administrative step for GENCO-led rooftop solar projects and should reduce time-to-market for such investments.

3. Grid-connected DPPA

Expanded categories of Large Electricity Consumer

Decree 243 explicitly includes data centres and electric vehicle / vehicle charging stations as qualifying Large Electricity Consumers under the grid-connected model. For the data centre sector in particular, this resolves a structuring ambiguity that has been a recurring consideration in grid-connected DPPA negotiations, and should enable data centre developers and operators to proceed with DPPA structuring without the qualification uncertainty that attached under Decree 57.

Boundary on electricity retailer participation

While industrial zone retailers may now participate in off-grid DPPAs, Decree 243 maintains a firm boundary for the grid-connected model: retailers in residential zones and specified free trade zones are expressly excluded. This reflects a deliberate policy choice to contain retail market liberalisation within commercially defined industrial areas, preserving the integrity of the national retail distribution network. Clients with assets or operations that straddle industrial and non-industrial zone designations should obtain formal zone classification confirmation before relying on retailer eligibility.

Streamlined three-step participation procedure

The seven-step registration process under Decree 57 has been replaced by a consolidated three-step procedure. The most practically significant change is the consolidation of all regulatory submissions into a single dossier filed with NSMO through one authorised representative. Parties should agree at the outset of negotiations which entity will act as the authorised representative and ensure that the output allocation ratio agreement - which must accompany the dossier - is finalised in parallel with the PPA and Contract for Difference (***CfD***) rather than treated as a post-signing administrative step.

The three steps are as follows:

(i) Commercial agreement execution: The GENCO and the Large Electricity Consumer or Electricity Retailer negotiate and execute the Power Purchase Agreement (***PPA***) and CfD. The effective dates of these agreements are subject to the parties' commercial agreement.

(ii) Centralised application submission: A single consolidated dossier is submitted to NSMO through a designated authorised representative (which may be the GENCO, the Large Electricity Consumer, or the Electricity Retailer). Among other technical documents, the dossier must include: (i) the DPPA application form; (ii) the executed PPA and CfD; (iii) an application for participation in the competitive wholesale electricity market; and (iv) an agreement on the output allocation ratio by the GENCO across all relevant Large Electricity Consumers and Electricity Retailers.

(iii) Regulatory review and onboarding confirmation: NSMO reviews the submitted dossier and issues a regulatory report to the Ministry of Industry and Trade (***MOIT***). The parties' formal participation under the DPPA mechanism takes effect on the date NSMO issues written notice to the relevant PCs, GENCOs, Large Electricity Consumers, and Electricity Retailers.

4. Transitional provisions

Decree 243 contains transitional arrangements of direct relevance to parties with existing DPPA positions or pending regulatory applications:[10]

(i) Existing PPAs and surplus electricity agreements: Power Purchase Agreements and surplus electricity sales agreements executed prior to 26 June 2026 remain valid and enforceable under their original terms. The parties are, however, free to renegotiate and amend those agreements by mutual consent to align with the more favourable framework introduced by Decree 243.

(ii) Existing registration certificates and official notifications: All registration certificates and official notifications validly issued under Decree No. 135/2024/ND-CP, Decree 57, or Decree 58 prior to the effective date of Decree 243 remain valid. Any subsequent amendments or adjustments to those registrations must be processed in accordance with the Decree 243 framework.

(iii) Pending administrative dossiers**:** Active applications for rooftop solar registrations submitted but not yet finalised prior to 26 June 2026 will continue to be processed under the previous regulatory framework. Similarly, legacy applications for offshore wind surveys filed before the effective date will be evaluated and determined under the prior rules.

Outlook and Practical Considerations

Decree 243 signals a clear and continued policy direction: the Vietnamese Government is committed to broadening private sector participation in renewable energy procurement and reducing the structural friction that has constrained DPPA adoption since the framework's introduction. The threshold reduction for off-grid Large Electricity Consumers, the deregulation of industrial zone retail pricing, and the three-step grid-connected procedure are each individually material improvements - collectively, they represent the most significant recalibration of the DPPA framework since Decree 57.

For clients currently in DPPA negotiations or structuring renewable energy projects for corporate offtake in Vietnam, the timing of existing agreements and the election of whether to renegotiate under the Decree 243 framework will be a near-term priority. For data centre developers and operators in particular, the explicit recognition as qualifying Large Electricity Consumers under the grid-connected model removes a structuring uncertainty and should be factored into ongoing power procurement strategies without delay.

[10] Article 3 Decree 243.

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