

Renewable Energy Buyers Vietnam Working Group

Webinar #2

Vietnam's Rooftop Solar Sector: Tools, Templates, and Lessons Learned for Corporate Renewable Energy Buyers

Key Takeaways and Summary

On May 21, the Renewable Energy Buyers Vietnam Working Group hosted its second webinar in the four-part series occurring throughout May 2020.

Co-organized by the Clean Energy Investment Accelerator ([CEIA](#)) and the USAID Vietnam Low Emission Energy Program (V-LEEP), the Working Group brings together corporate energy users, renewable energy project developers, investors, government representatives and supporting stakeholders seeking to increase corporate clean energy use and investment in Vietnam.

This webinar shared rooftop solar market information and [new procurement tools for corporate energy users in Vietnam](#). These insights are timely given the sector's rapid growth: more than 550 megawatts (MW) of new rooftop solar capacity installed in the last 16 months, with industry insiders and government officials projecting that up to 1 gigawatt (GW) of rooftop solar could be operating in Vietnam by the end of 2020.

In April, the Prime Minister approved Decision No. 13/2020/QĐ-TTg ("[Decision 13](#)"), the new national solar regulation. Under the regulation, rooftop solar projects can utilize a feed-in-tariff of 8.38 US¢/kWh and private on-site power purchase agreements (PPAs) are now legally allowed between solar project developers and rooftop solar customers.

The continued growth of rooftop solar, combined with the Direct Power Purchase Agreement (DPPA) Pilot Program to enable offsite virtual renewable energy transactions, positions Vietnam as one of the most attractive markets for corporate renewable energy procurement in Southeast Asia.

Key insights from Webinar #2 include:

- **Vietnam's rooftop solar sector expects continued rapid growth:** The Prime Minister's approval of Decision 13 is an important driver of the rooftop solar market's continued upward trajectory in Vietnam. The feed-in-tariff (FIT) of 8.38 US¢/kWh, paired with solar's cost-competitiveness against grid-based electricity and the legal ability to engage in private on-site PPA contracts, mean that commercial and industrial (C&I) energy users continue to have attractive rooftop solar procurement choices.
- **Some uncertainty remains after 2020:** The current 8.38 US¢/kWh FIT for rooftop solar will expire at the end of 2020, creating uncertainty for investors and customers planning C&I solar projects that reach commercial operation after December 31st. Industry experts expect a new regulation to offer some level of FIT throughout 2021, given the mechanism's importance to customers seeking to use the net billing scheme, but lack of clarity may result in a rush to finalize projects this year.

- **Upfront analysis, external advice, and organized competitive procurement can be vital ingredients for C&I energy users to consider when seeking rooftop solar solutions:** As highlighted by speakers from Deep C Industrial Zones, Adidas, and CEIA, companies seeking rooftop solar solutions will benefit from a methodical approach to procurement including the following steps:
 - Collect and analyze technical and economic data associated with your facility and location to assess the business case and feasibility of different rooftop solar procurement choices (i.e., self-purchase vs. private PPA).
 - Actively seek input and advice from external sources if your company doesn't have in-house resources or technical capacity. This can include attending events, hiring consultants or legal counsel, issuing Requests for Information, or meeting with similar companies with rooftop solar procurement experience.
 - Conduct an organized competitive procurement with clear goals, guidelines, timelines, and preferences. Use a bid assessment framework with qualitative and quantitative elements to analyze and understand the "pros and cons" of different rooftop solar vendors, contract structures, and pricing offers. Project aggregation can lower costs and risks.

- **Tools, templates, and information sources are available at no cost to market stakeholders:** The CEIA, USAID V-LEEP, and other supporting organizations have developed an array of tools for corporate energy users and other market stakeholders including:
 - [Rooftop Solar Procurement Toolkit](#) developed by CEIA, including RFP templates for private PPAs or turnkey purchase procurement models, proposal evaluation guidelines, and scoring spreadsheets. These free tools are currently available for download [here](#) and will also be featured in the *CEIA Vietnam Corporate Renewable Energy Procurement Guidebook*, set to be published on CEIA's website later in 2020.
 - The [Rooftop Solar Vietnam Portal](#) created by USAID and other organizations in partnership with the Government of Vietnam offers market information, statistics, and other tools for download.

All presentation materials from Webinar #2 are available [here](#) and are accessible to all Working Group participants. A recording of the webinar is not available.

The CEIA and USAID V-LEEP teams are pleased to continue working alongside industry stakeholders to increase and improve the pathways for corporate clean energy use in Vietnam. We look forward to supporting Vietnam's rooftop solar market toward 1 GW and beyond.

For additional information, please contact the CEIA Vietnam team via Evan Scandling (ers@allotropepartners.com) and Hang Dao (hangdao@cleanenergyinvest.org) as well as USAID V-LEEP via Duc Hai Nguyen (duc.nguyenhai@rcee.org.vn).