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**HANOI, 27 – 29 JUNE 2016**  
MOBILIZING FINANCE FOR  
PRIORITY ACTIONS

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# Peer Updates: Effective country strategies

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## Current policy measures and financing mechanisms

| RE type     | Status               |           | Tarrif level   | Note                           |
|-------------|----------------------|-----------|--|--------------------------------|
|             | Existing             | Proposing |  |                                |
| Small hydro | Avoided cost         |           | Depending on seasons, issues annually (about 5 UScents/kWh)  | - 2008<br>- 2014               |
| Wind power  | FIT                  | revising  | 7.8 UScents/kWh  | 2011, Under revising procedure |
| Biomass     | FIT/<br>avoided cost |           | - CHP: 5.8 UScent/kWh<br>- Generation Cost of imported coal power plant, issues annually (~ 7.5 Uscent/kWh for 2016) | 2014                           |
| MSW         | FIT                  |           | - Land fill gas: 7.28 UScent/kWh<br>- Incineration: 10.05 UScent/kWh   | 2014                           |
| Solar PV    | Drafting             | FIT       | -MOIT has submitted to PM  | Waiting for approval by PM     |
| Biogas      |                      | FIT       | Under studying   |                                |
| Geothermal  |                      | FIT       | Under studying   |                                |

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## Current policy measures and financing mechanisms

- ✓ CIT Tax: rate 10% in 15 years, exemption for the first four years and reduce to 50% in the next 9 years.
- ✓ Import tax exemption
- ✓ Offtake obligation: all electricity generated from RE Projects will be bought by EVN
- ✓ Template PPA for 20 years
- ✓ Land lease: free



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## Considered policy measures and financing mechanisms

Study and propose other supporting mechanism to promote

RE:

- Other renewable energy types: biogas, ocean, tide
- Renewable Portfolio Standard – RPS.
- Net-metering mechanism
- Establishment of RE Fund: environmental fee, carbon taxes ...
- Renewable energy project bidding/auctions
- PPP



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## **Main barrier/challenge to catalysis finance for grid-connected clean energy in Vietnam**

- Costs of RE in Vietnam
- Low FIT rate



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**THANKS FOR YOUR ATTENTION!**

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