

Law No. 24/2012/QH13

Hanoi, November 20, 2012

LAW

AMENDING AND SUPPLEMENTING A NUMBER OF ARTICLES OF THE ELECTRICITY
LAW

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented a number of articles under the Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on amending and supplementing a number of articles of the Electricity Law No. 28/2004/QH11,

Article 1.

To amend and supplement a number of articles of the electricity law as follows:

1. To supplement Clause 17 and clause 18 to Article 3 as follows:

“17. *The electricity wholesale price* means the electricity sale price of an electricity unit to another for resale.

18. “17. *The electricity retail price* means the electricity sale price of an electricity unit to electricity users.”

2. To supplement Clause 1a to behind clause 1; to amend and supplement clause 3 and clause 4 of Article 4 as follows:

“1a. To prioritize development of electricity to service for rural, mountainous, border areas, islands, and areas in extremely difficult socio-economic conditions.

3. To apply scientific and technological advances to electricity activities and use with a view to saving, raising the efficiency of using various energy sources, environmental protection; to encourage research, development, production and use of modern equipment to service for the requirement of electricity development.

4. To step up the exploitation and use of sources of new energies, renewable energy for electricity generation; to have incentive policy for projects on investment in development of power plants using sources of new energies, renewable energy.”

3. Clause 1 and clause 3 of Article 8 are amended and supplemented as follows:

“1. The electricity development plannings are specialized plannings including national electricity development plannings and electricity development plannings of central-affiliated cities and provinces. The electricity development plannings must be elaborated and approved for use as basis for activities of investment in electricity development and be adjusted to suit to the socio-economic conditions in each period. The electricity development plannings must be suitable to plannings on sources of primary energies used for electricity generation including sources of new energies, renewable energy and with calculation of other relevant plannings as prescribed by law.

3. The electricity development plannings of central-affiliated cities and provinces are elaborated on the basis of the local socio-economic development master plans and must be suitable to the national electricity development plannings. The electricity development plannings of central-affiliated cities and provinces are elaborated for each ten-year period and with the orientation for the next ten years.”

4. To supplement Article 8a to behind Article 8 as follows:

“Article 8a. Content of the electricity development plannings

1. The national electricity development plannings include the following key contents:

a) The overview on socio-economic development situation and the national energy system in the planning periods;

b) The forecast of electricity demand;

c) Assessment on sources of primary energy, ability of exploitation, ability of energy import and export; Assessment on ability of electricity exchange among regions, areas; forecast of fuel prices for electricity production;

d) The programs on development of national electricity include detailed programs for development of electricity sources, development of Power grid, connection of Power grid with countries in the region, development of rural electricity, development of sources of new energies, renewable energies and other relevant contents;

dd) Synthesis of construction volume and the investment capital for programs on national electricity development, the economic - financial analysis of the programs on national electricity development;

e) The environmental protection and natural disaster fighting and prevention;

g) Anticipation on land fund for electricity works;

h) The mechanisms, policies, solutions ensure implementation of the programs on national electricity development in the zoning periods.

2. The electricity development plannings of central-affiliated cities and provinces include the following key contents:

- a) The plannings, orientations and objectives of socio-economic development of central-affiliated cities and provinces in the planning period;
- b) The forecast of electricity demand detailed for districts, towns, provincial cities in the planning period;
- c) The assessment on potentiality to develop local electricity sources including the electricity sources using new energies, renewable energies; ability of electricity exchange with adjacent areas;
- d) The assessment on conditions of local electricity supply, especially areas in extremely difficult socio-economic conditions;
- dd) The programs to develop electricity sources, power grids of central-affiliated cities and provinces for terms of elaboration of plannings; design of development diagram of detailed power grids for districts, towns, provincial cities;
- e) The environmental protection and natural disaster fighting and prevention;
- g) Synthesis of construction volume and the investment capital for programs on electricity development planning being chosen, the economic - financial analysis of the chosen projects;
- h) Anticipation on land fund for electricity works;
- i) The mechanisms, policies, solutions ensuring implementation of the plannings on electricity development of central-affiliated cities and provinces in the planning period.”

5. To amend, supplement name of Article 9 and content of Clause 1, clause 2 of Article 9 as follows:

“Article 9. Elaboration, approval, announcement and adjustment of the electricity development plannings

- 1. The Ministry of Industry and Trade shall organize the elaboration of the national electricity development plannings and submit them to the Prime Minister for approval; publicize and guide, monitor and inspect the implementation of the approved national electricity development plannings; specify the contents, order and procedures for elaboration, appraisal, and adjustment of electricity development plannings and guide elaboration of plans to deploy implementation.
- 2. The People's Committees of the provinces or centrally run cities (hereinafter referred collectively to as the provincial-level People's Committees) shall organize the elaboration of electricity development plannings of central-affiliated cities and provinces and submit them to the People's Councils of the same level for adoption before their submission to the Minister of

Industry and Trade for approval; publicize and guide, monitor, inspect the implementation of the approved electricity development plannings of central-affiliated cities and provinces.”

6. Clause 1 of Article 11 is amended and supplemented as follows:

“1. Electricity development investment must comply with electricity development plannings. Investment projects not yet included in the electricity development plannings shall be executed only when agencies elaborating the electricity development plannings submit them to authorities competent to approve the plannings for permission.”

7. Point e, Clause 1 of Article 16 is amended and supplemented as follows:

“e) To organize energy auditing periodically and apply adjusting measures after the audit conclusions as prescribed by law on use of energy in thrifty and effectiveness.”

8. Clause 2 of Article 18 is amended and supplemented as follows:

“2. The Prime Minister shall provide conditions, structure of electricity sector to form and develop levels of electricity market; provide the roadmap of development of electricity markets, review and adjust to push up the roadmap in conformity with the socio-economic situation under each period.”

9. Clause 6 of Article 23 is amended and supplemented as follows:

“6. In cases where the electricity buyers do not pay the electricity money though they have been notified of the payment twice by the electricity sellers, fifteen days after the first notification, the electricity sellers may stop supplying the electricity. The electricity sellers must notify the time for stopping the electricity supply to the electricity buyers 24 hours in advance and shall not bear responsibly for the damage caused by the electricity supply stoppage.”

10. Clause 2 of Article 24 is amended and supplemented as follows:

“2. The electricity-measuring or -counting equipment must ensure the technical requirements in measurement and be tested, gauged, experimented as prescribed by law on measurement.”

11. To amend, supplement name of Article 25 and content of Clause 1, clause 2 of Article 25 as follows:

“Article 25. Testing, gauging, experiment of the electricity-measuring or -counting equipment

1. Only organizations of testing, gauging, experiment which have been registered or appointed as prescribed by law on measurement may test, gauge, experiment electricity-measuring or -counting equipment.

2. The electricity sale parties are responsible for organization of testing, gauging, experiment of the electricity-measuring or -counting equipment in accordance with requirement and time limit as prescribed by law on measurement.”

12. Point c, Clause 2 of Article 28 is amended and supplemented as follows:

“c) Not to cause harms to the interests of electricity-using customers, interests of State and the national energy security.”

13. To supplement Clause 1a to behind clause 1; to amend and supplement clause 3 and clause 4 of Article 29 as follows:

“1a. The electricity sale price is implemented in according to the market mechanism with the regulation of State in conformity with level of development of electricity market.

3. To implement the structure of electricity retail price table suitable to groups of customers; the State support electricity retail price for living activities of poor households, social policy households based on criteria prescribed by the Prime Minister in conformity with the socio-economic situation in each period.

4. To ensure the right of subjects buying or selling electricity on the electricity markets to determine by themselves the electricity-buying or -selling prices within the price brackets and electricity retail price table structure prescribed by the State.”

14. To supplement Clause 6 to Article 30 as follows:

“6. The financial statement has been audited annually of the electricity unit.”

15. Clauses 1, 2 and 3 of Article 31 are amended and supplemented as follows:

“1. The electricity retailing prices shall be elaborated by the electricity retailing unit based on the price frame of average electricity retail price, mechanism of adjustment of price and structure of the electricity retail price table prescribed by the Prime Minister in conformity with the level of development of the electricity market, except for the case specified in clause 2 Article 62 of this Law.

The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with the Ministry of Finance to elaborate the price frame of the average electricity retail price, mechanism of adjustment of price and structure of the electricity retail price table and submit them to the Prime Minister for decision.

The adjustment of the electricity retail price must be implemented publicly, transparently regarding changes of component elements relating to adjustment of price. The State uses measures to stabilize the electricity sale price in conformity with provisions of law on price.

2. The brackets of electricity generation prices, electricity-wholesaling prices, electricity transmission prices, prices of auxiliary services for electrical system, charges for regulating the electric-system operation and charges for electricity market transaction administration shall be elaborated by the concerned electricity units and appraised by the electricity-regulating agency before they are submitted to the Minister of Industry and Trade, the Minister of Finance for approval under assignment of the Government, except for the case specified in clause 2 Article 62 of this Law.

The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with the Ministry of Finance to guide methods to elaborate the brackets of electricity generation prices, electricity-wholesaling prices, electricity transmission prices, prices of auxiliary services for electrical system, charges for regulating the electric-system operation and charges for electricity market transaction administration.

3. The electricity-generating prices under the contracts of electricity purchase with a defined term, the electricity-wholesaling prices are implemented under agreements of electricity units but not exceed the frame of electricity generation prices, electricity-wholesaling prices have been approved.”

16. To amend, supplement Clause 1 and clause 4; supplement clause 5 to Article 32 as follows:

“1. Organizations, individuals are granted license for conducting one or many fields of electricity activity

4. The Government shall specify the conditions to grant licenses for each field of electricity activity.

5. The Ministry of Industry and Trade shall stipulate order and procedures for grant, extension, amendment, supplementation and the term of electricity activity licenses for each field of electricity activity.”

17. Point a, Clause 2 of Article 39 is amended and supplemented as follows:

“a) To abide by the processes and technical regulations on operation of power plants, electricity grids; for Hydropower plants, regulations on safety of Hydropower dam and operation of water reservoirs must be abided;”

18. Point c, Clause 1 of Article 44 is amended and supplemented as follows:

“c) To set the sale prices on the competitive electricity retailing market as prescribed in clause 1 Article 31 of this Law, except for the cases prescribed in Clause 2, Article 62 of this Law.”

19. To amend, supplement name of Article 49; supplement clause 4 to Article 49 as follows:

“Article 49. The responsibility in cooperation to implement when building, renovating, ending usage of electricity works and other works

4. When the electricity works are no longer exploited, used, they must be handled, managed to ensure safety as prescribed by the Government.”

20. Clause 1 of Article 54 is amended and supplemented as follows:

“1. Power plants, electricity-generating stations must be strictly protected, surrounded by protection walls, signboards for electric safety, fire prevention and fighting; unauthorized persons are not allowed to enter power plants, electricity-generating stations.

Water reservoirs, Hydropower dams and auxiliary works in service of Hydropower plants must be built, managed, protected to ensure safety in operation of Hydropower plants and lowlands. All acts of encroaching upon Hydropower dams, reservoir beds and polluting water sources, which affect the electricity-generating capacity are strictly forbidden.”

21. To supplement Article 59a to behind Article 59 as follows:

“Article 59a. Handling of electricity incidents

1. In case happening the electricity incidents, the electricity units shall, within their duties, powers, handle as prescribed by law.

2. In case happening the serious electricity incidents which cause serious damages, promulgation of emergency circumstance and application of the response measures must be implemented as prescribed by law on emergency circumstances.”

22. Article 62 is amended and supplemented as follows:

“ Article 62. The electricity sale price in rural, mountainous, border and island areas

1. The electricity sale prices in rural, mountainous, border and island areas which connecting with the national Power grids, are implemented as prescribed in Article 31 of this Law.

2. The electricity sale prices in rural, mountainous, border and island areas which having not yet connected with the national Power grids, are implemented as follows:

a) The electricity retail prices for living purpose are elaborated by the relevant electricity units, being decided by the provincial People’s Committees in conformity with the mechanism on electricity retail price support for living purpose at this area, having been prescribed by the Prime Minister;

b) Other electricity prices are elaborated by the relevant electricity units, being decided by the provincial People’s Committees under the principle of assurance of helping electricity units cover full costs, attain reasonable profit for electricity units on the basis of consultancy of the electricity regulation agency.”

23. To amend, supplement points dd, g and k clause 1; to supplement point m and point n clause 1; to amend, supplement clause 2 Article 66 as follows:

“dd) Formulating the price frame of average electricity-retailing price, mechanisms of adjusting prices and structure of electricity-retailing price tables; organizing the implementation of electricity price-related mechanisms and policies;

g) Prescribing the frame of electricity generation prices, electricity wholesaling prices, approving the electricity transmission prices, prices of services supporting the electrical system, charges for regulating the electric-system operation and charges for electricity market transaction administration;

k) Inspecting, supervising the adjustment and implementation of electricity prices;

m) Inspecting the contracts of electricity purchase and sale with a defined term between the electricity generation units and electricity purchase units, the contracts of electricity purchase and sale with a defined term as prescribed by the Government;

n) Inspecting and handling violation in the electricity field as prescribed by law.

2. The Prime Minister shall specify organization, functions, tasks, powers of the electricity-regulating agency.”

24. Article 67 is amended and supplemented as follows:

“Article 67. Electricity-specialized inspectorate

Electricity-specialized inspectorate shall perform as prescribed by law on inspection.”

Article 2.

1. To amend and supplement some terms of the electricity law as follows:

a) To replace the phrase “local electricity development plannings” by the phrase “electricity development plannings of central-affiliated cities and provinces” in clause 2 Article 10;

b) To replace the phrase “support service charges” by the phrase “support service prices” at the point h clause 1 Article 21; to replace the phrase “charges of assorted services” by the phrase “support service prices” in point b clause 2 Article 21;

c) To replace the phrase “the electricity transmission charges” by the phrase “electricity transmission prices” in point b clause 1 Article 40;

d) To replace the word “rules” by the phrase “technical regulations” in clause 4 Article 11; point b clause 2 Article 28, clause 2 Article 34; point dd, clause 1 Article 39; point d clause 1 Article 40; point dd clause 1 Article 41; point b clause 1 and point a clause 2 Article 45; point b clause 5

and clause 6 Article 54; clause 7 and clause 8 Article 55; clauses 1, 2, 3 and 7 article 57; clause 1 Article 64;

dd) To replace the phrase "technical rules" by the phrase "technical regulations" in clause 12 article 3; clause 5 article 55;

e) To replace the phrase "the Ministry of Industry" by the phrase "the Ministry of Industry and Trade" in clause 7 Article 3; clause 4 Article 10; clause 5 Article 11; clause 3 Article 13; clause 3 Article 21; point b clause 1 Article 34; clause 1 and clause 2 Article 38; clause 1 and clause 2 Article 56; clause 5 Article 59; clauses 3 article 61; clause 4 Article 64; clause 2 and clause 3 Article 65.

2. To annul the word "ordering" in clause 1 Article 18; to annul point b, clause 1 Article 41; point e clause 1 Article 66 of the Electricity Law.

3. To supplement the word "transparency" to behind the phrase "To ensure publicity" in clause 1 Article 17 of the Electricity Law.

4. To supplement the phrase "ensuring rights and benefits of parties but not contrary to provisions of law" to behind the phrase "except otherwise agreed upon by the parties" in clause 1 and clause 3 Article 24; supplement to the end of point i clause 2 Article 39, point e clause 2 Article 40 and point c clause 2 Article 41 of the Electricity Law.

5. To supplement the word "border" to behind the phrase "rural, mountainous" at name of Chapter VIII; name of Articles 60, 61 and 64; clauses 1, 3 and 4 Article 60; clause 4 Article 61; clauses 1, 2 and 4 Article 64 of the Electricity Law.

Article 3.

1. This Law takes effect on July 01, 2013.

2. The Government, competent agencies shall detail and guide the implementation of articles, clauses assigned in the Law.

This Law was passed on November 20, 2012, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 4th session.

**CHAIRMAN OF THE NATIONAL
ASSEMBLY**

Nguyen Sinh Hung

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