

THE PRESIDENT**Order No. 26/2012/L-CTN of December 3, 2012, on the promulgation of law**

THE PRESIDENT OF THE SOCIALIST
REPUBLIC OF VIETNAM

Pursuant to Articles 103 and 106 of the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under December 25, 2001 Resolution No. 51/2001/QH10, of the Xth National Assembly, the 10th session;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 57 of the Law on Promulgation of Legal Documents,

PROMULGATES:

The Law Amending and Supplementing a Number of Articles of the Electricity Law,

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

*President of
the Socialist Republic of Vietnam*
TRUONG TAN SANG

Law Amending and Supplementing a Number of Articles of the Electricity Law

(No. 24/2012/QH13)

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

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Electricity Law No. 28/2004/QH11.

Article 1. To amend and supplement a number of articles of the Electricity Law as follows:

1. To add the following Clauses 17 and 18 to Article 3:

“17. Electricity wholesale price means the price of electricity sold by an electricity unit to another one for resale.

18. Electricity retail price means the price of electricity sold by an electricity unit to electricity users.”

2. To add Clause 1a to the end of Clause 1, and amend and supplement Clauses 3 and 4, Article 4 as follows:

“1a. To prioritize the development of electricity for rural, mountainous, border and island areas and areas meeting with extreme socio-economic difficulties.

3. To apply scientific and technological advances to electricity activities and use with a view to saving, and raising the use efficiency of, energy sources and protecting the environment; to encourage the research, development, production and use of modern equipment to meet electricity development requirements.

4. To step up the exploitation and use of new and renewable energy sources for electricity generation; to adopt preferential policies for investment projects on the development of electricity plants using new and renewable energy sources.”

3. To amend and supplement Clauses 1 and 3, Article 8 as follows:

“1. Electricity development master plans are specialized master plans including national electricity development master plan and provincial-level electricity development master plans. Electricity development master plans shall be formulated and approved as a basis for electricity development investment activities and adjusted to suit socio-economic conditions in each period. Electricity development master plans must comply with the master plan on primary energy sources for electricity generation, including new and renewable energy sources, and taking into account other relevant master plans in accordance with law.

3. Provincial-level electricity development master plans shall be formulated on the basis of local socio-economic development master plans and must comply with the national electricity development master plan. Provincial-level

electricity development master plans shall be formulated for each ten-year period with the orientation for the subsequent ten years.”

4. To add the following Article 8a to the end of Article 8:

“Article 8a. Contents of electricity development master plans

1. The national electricity development master plan has the following principal contents:

a/ Overview of the national socio-economic development situation and energy system in the planning period;

b/ Forecast of electricity demand;

c/ Assessment of primary energy sources and the capacity to exploit, import and export energy; assessment of the capacity to exchange electricity among regions and areas; and forecast of prices of fuel for electricity production;

d/ The national electricity development program, comprising detailed programs for developing power sources and electricity grids, linking electricity grids with regional countries, developing rural electricity, new and renewable energy sources, and other relevant contents;

e/ Summarization of the construction volume and investment capital for the national electricity development program; economic-financial analysis of the national electricity development program;

f/ Environmental protection and natural disaster prevention and control;

- g/ Projected land fund for electricity works;
- h/ Mechanisms, policies and solutions for implementing the national electricity development program in the planning period.
2. A provincial-level electricity development master plan has the following principal contents:
- a/ The local socio-economic development planning, orientations and objectives in the planning period;
- b/ Forecast of specific electricity demands for rural districts, urban districts, towns and provincial cities in the planning period;
- c/ Assessment of the local potential to develop electric sources, including electric sources using new and renewable energies; the capacity to exchange electricity with neighboring regions;
- d/ Assessment of the local electricity supply situation, especially in areas meeting with extreme socio-economic difficulties;
- e/ The local power source and grid development program for the planning period; detailed designs of electricity grid development diagrams for rural districts, urban districts, towns and provincial cities;
- f/ Environmental protection and natural disaster prevention and control;
- g/ Summarization of the construction volume and investment capital for the selected electricity development plan; economic-financial analysis of the selected plan;
- h/ Projected land fund for electricity works;
- i/ Mechanisms, policies and solutions for

implementing the provincial-level electricity development master plan in the planning period.”

5. To amend and supplement the title and Clauses 1 and 2 of Article 9 as follows:

“Article 9. Formulation, approval, publicization and adjustment of electricity development master plans

1. The Ministry of Industry and Trade shall formulate the national electricity development master plan and submit it to the Prime Minister for approval; publicize, and guide, monitor and examine the implementation of, the approved national electricity development master plan; specify the contents of, order and procedures for formulating, appraising and adjusting the electricity development master plans, and guide the formulation of implementation plans.

2. Provincial-level People’s Committees shall formulate provincial-level electricity development master plans and submit them to provincial-level People’s Councils for opinions before submitting them to the Minister of Industry and Trade for approval; publicize, and guide, monitor and examine the implementation of, the approved provincial-level electricity development master plans.”

6. To amend and supplement Clause 1, Article 11 as follows:

“1. Electricity development investment must comply with the electricity development master plans. Investment projects not yet included in the electricity development master plans may be implemented only after being submitted by the

electricity development master plan-formulating agency and permitted by the authority competent to approve the master plans.”

7. To amend and supplement Point e, Clause 1, Article 16 as follows:

“e/ To conduct periodical audit of electric energy and take adjusting measures after audit conclusions are made in accordance with the law on energy conservance and efficiency.”

8. To amend and supplement Clause 2, Article 18 as follows:

“2. The Prime Minister shall stipulate the conditions for and structure of the electricity industry for forming and developing different levels of the electricity market; stipulate a roadmap for developing the electricity market, review and accelerate such roadmap to suit the socio-economic situation in each period.”

9. To amend and supplement Clause 6, Article 23 as follows:

“6. When the electricity buyer fails to pay the electricity charge though having twice received the seller’s notice of the payment, fifteen days after issuing the first notice, the seller may stop supplying electricity. The seller shall notify the buyer of the time of stopping the electricity supply 24 hours in advance and not bear responsibility for the damage caused by such stoppage.”

10. To amend and supplement Clause 2, Article 24 as follows:

“2. Electricity-metering and -counting devices

must satisfy measurement-related technical requirements and must be inspected, calibrated and experimented in accordance with the law on measurement.”

11. To amend and supplement the title and Clauses 1 and 2 of Article 25 as follows:

“Article 25. Inspection, calibration and experimentation of electricity-metering and -counting devices

1. Only inspection, calibration and experimentation institutions registered or designated in accordance with the law on measurement may inspect, calibrate and experiment electricity-metering and -counting devices.

2. Electricity sellers shall organize the inspection, calibration and experimentation of electricity-metering and -counting devices according to the requirements and time limit provided in the law on measurement.”

12. To amend and supplement Point c, Clause 2, Article 28 as follows:

“c/ Not to harm the interests of electricity users, the interests of the State and national energy security.”

13. To add Clause 1a to the end of Clause 1, and amend and supplement Clauses 3 and 4, Article 29 as follows:

“1a. Electricity sale prices comply with the state-regulated market mechanism and suit the electricity market’s development level.

3. To apply a rational electricity retail price tariff structure to different groups of customers: the State will support retail prices of electricity for daily-life activities for poor and social policy-benefiting households identified based on the Prime Minister-prescribed criteria to suit the socio-economic situation in each period.

4. To assure the right of electricity buyers and sellers to decide on electricity purchase and sale prices on the electricity market within the state-prescribed electricity retail price bracket and tariff structure.”

14. To add the following Clause 6 to Article 30:

“6. Audited annual financial statements of electricity units.”

15. To amend and supplement Clauses 1, 2 and 3, Article 31 as follows:

“1. Electricity retail units may set electricity retail prices based on the average electricity retail price brackets, the price adjustment mechanism and the electricity retail price tariff structure prescribed by the Prime Minister to suit the electricity market’s development level, except the case provided 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 in, formulating the average electricity retail price brackets, the price adjustment mechanism and the electricity retail price tariff structure and submitting them to the Prime Minister for decision.

Any adjustments to electricity retail prices must be made public and transparent with regard to changes in price constituents related to the adjustment. The State will take methods to stabilize electricity sale prices in accordance with the law on pricing.

2. Related electricity units may set electricity generation price brackets, electricity wholesale price brackets, electricity transmission prices, electric system support service prices, electric system operation regulation charges and electricity market transaction administration charges; the electricity regulatory authority shall appraise such prices and charges and submit them to the Minister of Industry and Trade and the Minister of Finance for approval as assigned by the Government, except the case provided 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 in, guiding the methods of setting electricity generation price brackets, electricity wholesale price brackets, electricity transmission prices, electric system support service charges, electric system operation regulation charges and electricity market transaction administration charges.

3. Electricity units shall reach agreement on electricity generation prices under electricity trading contracts with a definite term and on electricity wholesale prices, which must not exceed the approved electricity generation price baskets and wholesale price brackets.”

16. To amend and supplement Clauses 1 and 4 of, and add Clause 5 to, Article 32 as follows:

“1. Organizations and individuals may be granted licenses for operating in one or more than one field of electricity activity.

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

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

17. To amend and supplement Point a, Clause 2, Article 39 as follows:

“a/ To comply with technical processes and regulations on operation of power plants and electricity grids; for hydropower plants, to comply with regulations on safety of hydropower dams and operation of reservoirs;”

18. To amend and supplement Point c, Clause 1, Article 44 as follows:

“c/ To set electricity sale prices in the competitive electricity retail market in accordance with Clause 1, Article 31 of this Law, except the case provided in Clause 2, Article 62 of this Law.”

19. To amend and supplement the title of, and add Clause 4 to, Article 49 as follows:

“Article 49. Responsibility for implementation coordination when building, renovating, and

finishing the use of, electricity works and other works

4. When an electricity work is no longer operated or used, it must be handled and managed to ensure safety in accordance with the Government’s regulations.”

20. To amend and supplement Clause 1, Article 54 as follows:

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

Reservoirs, hydropower dams and ancillary works serving hydropower plants must be built, managed and protected to ensure safety in the operation of power plants and for lowlands. All acts of encroaching hydropower dams or reservoir beds, polluting water sources and affecting the electricity generation capacity are prohibited.”

21. To add the following Article 59a to the end of Article 59:

“Article 59a. Handling of power incidents

1. Electricity units shall, within the ambit of their tasks and powers, handle power incidents, if any, in accordance with law.

2. In case a serious power incident occurs, causing a major catastrophe, the announcement of a state of emergency and application of

responsive measures must comply with the law on the state of emergency.”

22. To amend and supplement Article 62 as follows:

“Article 62. Electricity sale prices in rural, mountainous, border and island areas

1. Electricity sale prices in rural, mountainous, border and island areas which are connected to the national electricity grid comply with Article 31 of this Law.

2. Electricity sale prices in rural, mountainous, border and island areas which are not connected to the national electricity grid are prescribed as follows:

a/ Retail prices of electricity for daily-life activities are set by relevant electricity units and decided by provincial-level People’s Committees in line with the Prime Minister-prescribed mechanism of supporting retail prices of electricity for daily-life activities in the localities;

b/ Other electricity prices are set by relevant electricity units and decided by provincial-level People’s Committees on the principle of offsetting all costs and ensuring reasonable profits for the electricity units after consulting the electricity regulatory authority.”

23. To amend and supplement Points e, g and j of, and add Points l and m to, Clause 1, and amend and supplement Clause 2, Article 66 as follows:

“e/ Setting brackets of average electricity retail prices, the price adjustment mechanism and the electricity retail price tariff structure;

organizing the implementation of electricity price-related mechanisms and policies;

g/ Setting electricity generation price brackets and electricity wholesale price brackets; approving electricity transmission prices, electric system support service charges, electric system operation regulation charges and electricity market transaction operation charges;

j/ Examining and supervising the adjustment and application of electricity prices;

l/ Examining electricity trading contracts with a definite term between electricity generation units and electricity purchasers, and electricity wholesale contracts with a definite term in accordance with the Government’s regulations;

m/ Examining, and handling violations in the electricity industry in accordance with law.

2. The Prime Minister shall specify the organization, functions, tasks and powers of the electricity regulatory authority.”

24. To amend and supplement Article 67 as follows:

“Article 67. Specialized electricity inspectorate

The specialized electricity inspectorate complies with the inspection law.”

Article 2.

1. To amend a number of terms used in the Electricity Law as follows:

a/ To replace the phrase “local electricity development master plans” with the phrase

“provincial-level electricity development master plans” in Clause 2, Article 10;

b/ To replace the phrase “support service charges” with the phrase “support service prices” at Point h, Clause 1, Article 21; to replace the phrase “service charges” with the phrase “support service prices” at Point b, Clause 2, Article 21;

c/ To replace the phrase “electricity transmission charges” with the phrase “electricity transmission prices” at Point b, Clause 1, Article 40;

d/ To replace the word “rules” with the phrase “technical regulations” in Clause 4, Article 11; Point b, Clause 2, Article 28; Clause 2, Article 34; Point e, Clause 1, Article 39; Point d, Clause 1, Article 40; Point e, Clause 1, Article 41; Point b, Clause 1, and Point a, Clause 2, Article 45; Clauses 5 and 6, Article 54; Clauses 7 and 8, Article 55; Clauses 1, 2, 3 and 7, Article 57; and Clause 1, Article 64;

e/ To replace the phrase “technical rules” with the phrase “technical regulations” in Clause 12, Article 3 and Clause 5, Article 55;

f/ To replace the phrase “Ministry of Industry” with the phrase “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; Clauses 1 and 2, Article 38; Clauses 1 and 2, Article 56; Clause 5, Article 59; Clause 3, Article 61; Clause 4, Article 64; and Clauses 2 and 3, Article 65.

2. To annul Point b, Clause 1, Article 41, and Point f, Clause 1, Article 66, of the Electricity Law.

3. To add the word “transparency” to the end of the phrase “To ensure publicity” in Clause 1, Article 17 of the Electricity Law.

4. To add the phrase “ensuring the interests of the parties which, however, must not contravene the law” to the end of the phrase “unless otherwise agreed by the parties” in Clauses 1 and 3, Article 24, and to the end of the sentences at Point i, Clause 2, Article 39, Point f, Clause 2, Article 40, and Point c, Clause 2, Article 41, of the Electricity Law.

5. To add the word “border” to the end of the phrase “rural, mountainous” in the title of Chapter VIII; in the titles of Articles 60, 61 and 64; in Clauses 1, 3 and 4, Article 60; Clause 4, Article 61; and Clauses 1, 2 and 4, Article 64, of the Electricity Law.

Article 3.

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

2. The Government and competent agencies shall detail and guide the implementation of articles and clauses as 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