

Vietnam Issues First Pricing Framework for Battery Energy Storage Systems (BESS)

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1. Introduction

Circular 62/2025/TT-BCT dated 10 December 2025 (“**Circular 62**”) issued by the Ministry of Industry and Trade (MOIT) has taken effect as from 26 January 2026, marking a long-awaited milestone for Vietnam’s power sector: the country’s first methodology for determining pricing for standalone Battery Energy Storage Systems (BESS) as well as the main required contents of their power purchase agreements (PPAs).¹

Circular 62 has important implications for BESS investors, lenders, EVN, and other electricity market participants. Among other things it introduces Vietnam’s first capacity-based revenue model for storage resources, bringing the country closer to global best practices in modern power market design. The release of Circular 62 demonstrates concrete action by the Vietnamese government to implement its aspirations for a massive addition of battery storage capacity as set out in Power Development Plan 8 (PDP8), with planned battery storage capacity of 10,000 - 16,300 MW by 2030.²

2. Vietnam’s First Regulatory Framework for Standalone BESS

2.1. Important role for BESS in Vietnam

One of the consequences of Vietnam’s rapid clean-energy growth and greater penetration of intermittent renewable energy sources connected to the national grid has been high levels of grid congestion and, in some cases, curtailment. PDP8 provides for significant investment in upgrades of transmission infrastructure to alleviate this. BESS may also play a key supplemental role in addressing these issues. However, a critical obstacle to development of BESS in Vietnam has been the lack of a clear pricing and contractual framework for storage.

Circular 62 provides a regulatory framework governing standalone BESS, i.e., BESS projects that are

¹ Article 1 of Circular 62

² Article 1.III.1(iii) of Decision 768/QĐ-TTĐ

connected to the Grid at 110 kV and above with at least 10 MW of capacity, and consistent with PDP8.³ This Circular does not apply to BESS co-located and integrated with renewable power plants or to systems invested in by EVN power corporations.⁴ .

2.2. A Two-Component Model For Electricity Generation Service Price

Circular 62 introduces a two-part pricing structure for electricity services provided by standalone BESS, consisting of a capacity charge and energy charge as follows.

- (i) **Capacity Charge:** The capacity charge is a fixed amount, subject to available capacity, designed to cover the fixed investment costs, as well as operation and maintenance costs for BESS projects, regardless of dispatch or grid demand.
- (ii) **Energy Charge:** The energy charge, reflects the actual cost of electricity consumed for charging the BESS and subsequently discharged to support the grid.

Together, the two-component pricing model in Circular 62 deliver greater pricing transparency and is expected to significantly improve the bankability of standalone BESS projects by reducing investor uncertainty and facilitating more accurate revenue projections.

2.3. BESS PPA Template

The Circular includes in an appendix the main required contents of PPAs for standalone BESS projects. This template retains the general structure of Vietnam's more recent power sector power purchase agreement (PPA) templates such as the template form set out in Appendix III attached to Circular 12/2025/TT-BCT (and so the bankability and other criticisms made regarding such PPA forms are also broadly equally applicable). A notable feature of the BESS PPA is its inclusion of a pricing component by reference to capacity, which is subject to annual reconciliation by reference to actual capacity, declared installed capacity and other operational factors.

3. Closing Remarks

By introducing a defined revenue framework and required main PPA contents, with inclusion of a capacity and energy charge mechanism, the Circular is a promising step to improve and enhance investors' positions with respect to standalone BESS projects. However, certain aspects of BESS regulations will likely still need to be fleshed out in later regulations before investors can confidently proceed with developing new BESS projects including, in particular, regarding investor selection criteria, inclusion in relevant power development plans as well as promulgation of more specific guidance (such as applicable ceiling tariffs) .

³ Chapters II, III, IV of Circular 62

⁴ Articles 1.2(a) and 1.3 of Circular 62



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