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## **MEMORANDUM OF UNDERSTANDING**

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**Australian Energy Regulator**

and

**Electricity Regulatory Authority of Vietnam**

November 2017

The Electricity Regulatory Authority of Vietnam (ERAV) and the Australian Energy Regulator (AER) are committed to promoting effective mutual communication, cooperation, and co-ordination in performing their roles and functions in collaborative activities and information exchange between two organisations, in order to assist ERAV in improving the transparency and fairness of electricity activities in Vietnam.

## **I. OBJECTIVES**

This MOU sets out a framework for co-operation between ERAV and AER, in order to create a solid foundation for a mutually beneficial long-term relationship between the two organisations.

This MOU establishes long-term co-operation in regulatory activities under the electricity sector, by which the ERAV will be able to achieve more knowledge and enhance the capability of its experts through activities such as:

- Roundtable/peer to peer meetings between AER and ERAV in Vietnam or Australia to exchange updated information/experience on the power sector in both countries;
- Participation of ERAV in Energy Inter-market Surveillance Group with the support from AER;
- Training-on-job or short training courses for ERAV's experts to enhance the capacity of human resource in the sector.

## **II. ROLES OF ORGANISATIONS**

1. The AER intends to provide ERAV support in regard to some issues which are not only the strength of AER but also challenges for ERAV:

- *Market monitoring*: approaches and tools for monitoring, investigating and enforcing participants in wholesale electricity market to compliance with rules, regulations and laws;
- *Network regulation*: regulating transmission and distribution charges with the performance-based method; approach to set up benchmarking standards applying for network utilities; and method to determine required revenue for network utilities.
- *Developing retail electricity markets*: licensing and how to monitor the compliance of retailers with legal regulations to protect customers' benefit.

- *Market transition:* vesting contract allocation; ring-fencing retailing and distribution functions (both in organisational and financial issues); contract market: development and design; IT infrastructure; tax treatments; and capacity building.
- *Power sector management model:* in terms of how to determine the border between State management and regulator; and the economic regulatory mechanism to regulate power utilities.
- *Determination of functions, powers and responsibilities of the regulator* to able to perform efficiently in wholesale power market and to enforce power utilities complying with legal regulations; and penalty scheme applied for non-complied utilities.
- *Social policies:* subsidies for poor/ethnics customers in remote areas; especially case study in Queensland, Australia.
- *Renewable Energy (RE) development:* incentive mechanisms to facilitate RE development, including schemes that allow end-users to buy directly power from RE generators; integrating grid-connected RE sources into system as well as power market; and mechanisms for distributed RE projects.

2. ERAV intends to update AER regarding the current status and policies that are applied in Vietnam's power sector, and provide necessary information for developing co-operation plans. Additionally, ERAV will assign experts to work closely with AER to facilitate co-operation work between two organisations. Co-operation work includes, for example, exchange experiences in technical work, training activities and capacity building in related issues for experts of Vietnam.

3. To facilitate this cooperation, ERAV and the AER will appoint staff to act as a point of contact, with respect to each area of common interest, who will meet when necessary to provide information about mutually relevant activities and developments, and to identify opportunities for joint activities or information sharing.

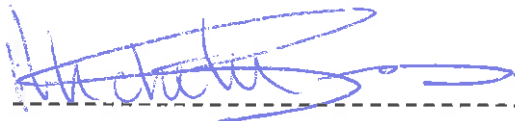
### **III. DATA CONFIDENTIALITY CONSIDERATIONS**

The two organisations, and any other party involved in this activity, understand that they are not required to exchange confidential data, particularly related to electricity markets and electricity networks, under this MOU.

#### IV. GENERAL PROVISIONS

1. Nothing in this MOU in any way restricts either of the Organisations from participating in any activity with any individual or organisation, public or private.
2. Each organisation intends to conduct its activities under this MOU in accordance with its laws and regulations.
3. This MOU does not create any rights or obligations under national or international law nor create a private right or cause of action for or by any person or entity.
4. This MOU should not be construed to impact the procurement or financial activities of the organisations; be construed to serve as either fiscal or funds obligating documents; nor be construed to authorise or intend to obligate the organisations to receive or transfer anything of value, including, without limitation, to expend, exchange, or reimburse funds, services, or supplies.
5. Any dispute concerning this MOU should be resolved through direct consultations between the organisations.
6. This MOU may be revised at any time by mutual written consent of the organisations.
7. As a document whose sole and primary purpose is the internal management of the organisations, either ERAV or AER may discontinue this MOU at any time through written notice to the other organisation, which it should endeavor to provide at least 30 days in advance.

Dated this 31<sup>st</sup> day of October 2017 in Melbourne



Signed on behalf of the  
Australian Energy Regulator  
Ms. Michelle Groves  
CEO



Signed on behalf of the  
Electricity Regulatory Authority of Vietnam  
Mr. Nguyen Anh Tuan  
Director General