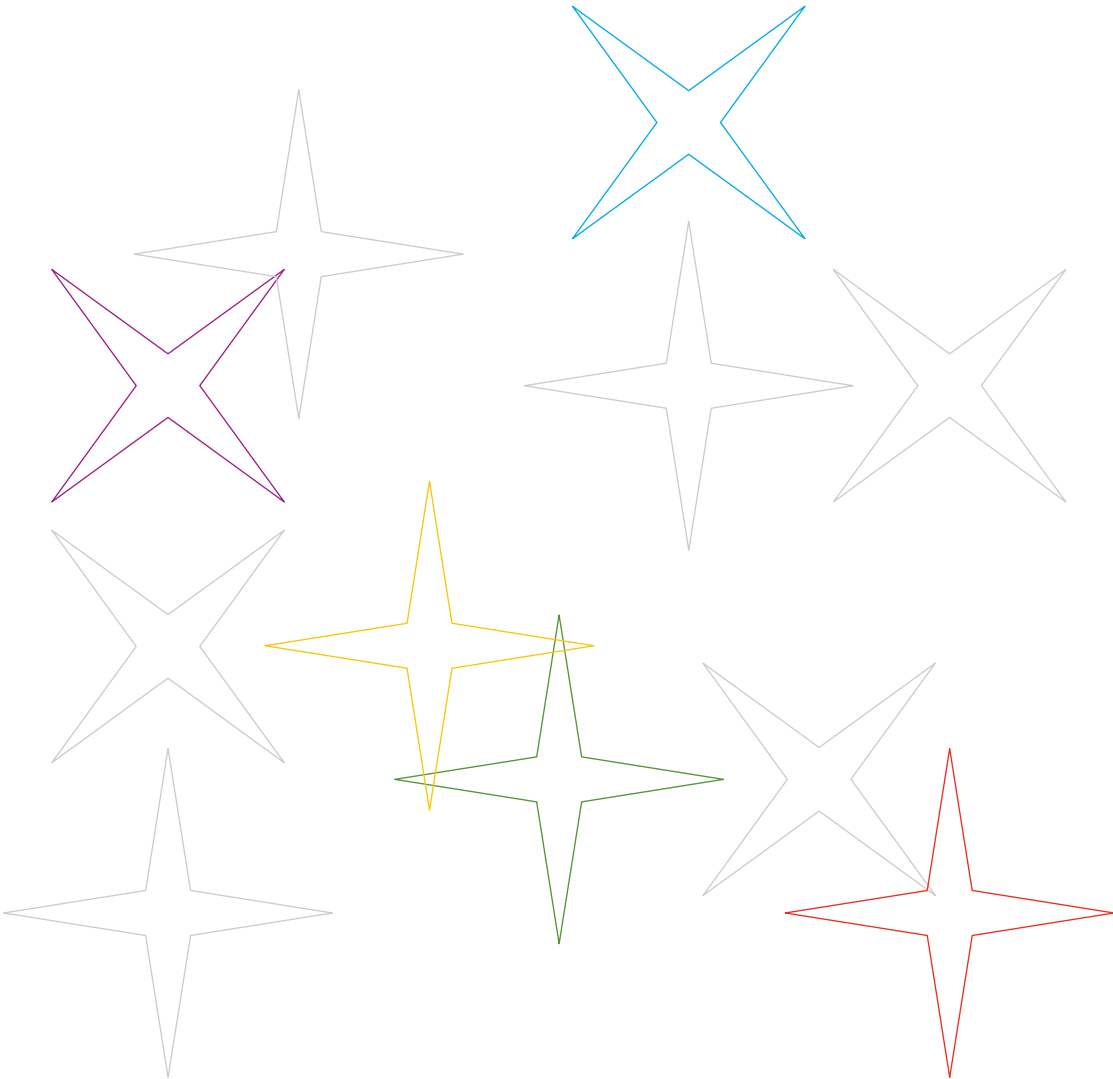


Feed-In Tariff Handbook for Asian Renewable Energy Systems



The feed-in tariff (“**FIT**”) as a policy mechanism to incentivize the deployment of renewable energy technologies has long been adopted in the United States and in Europe. Countries in the Asia Pacific Region have also started to implement FIT schemes and other kinds of support. This guide provides an overview of renewable energy policies, including FIT schemes, and discusses the different incentives and issues involved in **foreign investment in renewable energy projects in various Asia Pacific countries.**

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- Renewables
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- Transmission

FAST FACTS

- 4 energy partners ranked nationally by *Chambers USA 2013*
- 6 energy partners ranked regionally by *Chambers USA 2013*
- Energy capabilities in: Charlotte, Chicago, Hong Kong, Houston, London, Los Angeles, New York, Paris, San Francisco, and Washington, D.C.

INDUSTRY SEGMENTS



Oil and Gas



Transmission



Electric Power
(Fossil Fuels, Renewables, and Nuclear)



Petrochemicals



Refining



Pipeline

CONTENTS

Australia	2	Myanmar	13
China	3	New Zealand	14
India	5	Philippines	15
Indonesia	6	Singapore	16
Japan.....	7	Thailand.....	17
Korea	9	Vietnam	18
Malaysia.....	10	Contact	19
Mongolia	12		

All figures in the FIT tables represent a general estimation of the range of tariff rates collected at the time this handbook is prepared.

Australia

Summary of Renewable Energy Policies

As a party to the Kyoto Protocol, Australia voluntarily set out its target to ensure that 20% of its electricity supply will come from renewable energy by 2020 through its Renewable Energy Target Scheme.

It is predicted in the Energy White Paper 2012 that renewable energy will make up as much as 40% of Australia's energy production by 2035.

The Australian Government has made commitments to implement programs in the year 2014–2015 in support of solar energy, including solar PV systems, solar hot water systems and heat pumps.

The Australian Government has established the Clean Energy Finance Corporation to co-finance and invest, both directly and indirectly, in clean energy projects.

The key legislation implementing Australia's obligations under the Kyoto Protocol is currently the Clean Energy Act 2011, which provides for a carbon pricing mechanism. The Australian Government has, however, introduced a package of bills to repeal the legislation and implement the Direct Action Plan which builds on the existing carbon farming initiative and includes an Emissions Reduction Fund to incentivize abatement activities.

Key Renewable Energy Target Scheme legislation includes:

- Renewable Energy (Electricity) Act 2000
- Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Act 2010
- Renewable Energy (Electricity) (Charge) Act 2000
- Renewable Energy (Electricity) Regulations 2001

Restrictions/Incentives on Foreign Investments

The Foreign Acquisitions and Takeovers Act 1975 (the "Act") provides that the Treasurer shall review foreign investment proposals in view of Australia's national interest with the advice from the Foreign Investment Review Board.

All foreign governmental investors and their affiliates must obtain prior approval from the Australian Government before making a direct investment.

All foreign persons should obtain prior approval from the Australian Government before individually acquiring 15% or jointly with other foreign persons 40% or more of the interests in an Australian business that is valued over AUS\$248 million (approximately US\$225.68 million)

Feed-in Tariff (FIT)

A feed-in tariff scheme was introduced in Australian Capital Territory for large-scale solar generation capacity of up to 40 MW.

The government issued a request for proposals in January 2012 for up to 40 MW of large-scale solar generation capacity.

FIT RATES*	Solar	Wind	Hydropower	Biomass
AUD/kWh [#]	0.186	N/A	N/A	N/A
USD/kWh	0.17	N/A	N/A	N/A

*Calculations based on the exchange rate AUD1 = USD0.91 (25 March 2014)

[#]Feed-in tariff scheme in Australian Capital Territory only

RELEVANT WEBSITES

Australia's Foreign Investment Policy – http://www.firb.gov.au/content/_downloads/AFIP_2013.pdf

Australian Renewable Energy Agency – <http://arena.gov.au/>

Clean Energy Finance Corporation – <http://www.cleanenergyfinancecorp.com.au/>

Clean Energy Regulator – <http://www.cleanenergyregulator.gov.au/Pages/default.aspx>

Energy White Paper 2012 – http://www.ret.gov.au/energy/Documents/ewp/2012/Energy_%20White_Paper_2012.pdf

China

Summary of Renewable Energy Policies

As a signatory to the United Nations Framework Convention on Climate Change (“UNFCCC”) and a party which ratified the Kyoto Protocol (while not an Annex I Country), China, the world’s largest energy user, submitted to the UNFCCC its plans to have 15% of its total primary energy consumption made up of renewable energy sources by 2020 and reduce its CO₂ emission per unit of GDP by 40–45% than 2005 levels.

China stated in its 12th Five-Year Plan (2011–2015) for National Economic and Social Development that its renewable energy targets by the end of 2015 are as follows:

- increase the use of renewable energy so that it makes up 11.4% of the national total primary energy consumption;
- reduce energy consumption per unit of GDP by 16% from 2010 levels; and
- reduce CO₂ emission per unit of GDP by 17% from 2010 levels.

Solar The Chinese Government provides incentives for solar projects through schemes including the PV Building Demonstration Program (光伏建筑示范项目), the Golden Sun Demonstration Program (金太阳示范工程) and feed-in tariff schemes. Chinese solar power developers installed a total of 12 GW solar power generation capacity in 2013, outperforming the government’s installation goal of 10 GW announced early in the year. Forecasts are expecting the installation to exceed 40 GW by 2014.

Hydropower China has a total exploitable hydropower resources of 542 million kWm, being the largest in the world. With abundant hydropower resources of which less than 30% has been utilized, it is expected that China’s targeted increase in primary renewable energy consumption by 2020 shall be achieved largely by hydropower. It is estimated that its installed hydropower production capacity will reach 290 million kW by 2015.

Restrictions/Incentives on Foreign Investments

According to the Catalogue of Industries for Guiding Foreign Investment (2011 Revision) (外商投资产业指导目录(2011年修订)), foreign investments in the production and supply of renewable energy is encouraged under Chinese governmental policies.

Wind energy Wind energy has been a major area of focus in China’s development of renewable energy. China was the world’s second largest producer of wind power, generating 73 TW per hour. In the 12th Five Year Plan for National Strategic Emerging Industries, the Chinese Government announced its target to have a generating capacity of 100,000 MW in the year 2015 and to raise the generating capacity to 200,000 MW in 2020. Apart from feed-in tariff schemes, incentives provided by the Chinese Government to promote the use of wind power include a value-added tax rebate of 50% for the sale of electricity generated from wind power.

Biomass energy Although the use of biomass energy in China is relatively insignificant, the Chinese Government targets to increase its biomass energy capacity to 13 GW by the end of 2015 from 8 GW in 2011. To achieve the target, the National Development and Reform Commission (“NDRC”) introduced a feed-in tariff scheme to incentivize investment in biomass energy.

Key renewable energy legislation includes:

- Renewable Energy Law (可再生能源法)
- Energy Conservation Law (节约能源法)
- Regulations on the Administration of Renewable Power Energy (可再生能源发电有关管理规定)
- Interim Measures on the Pricing of Renewable Power Energy and the Sharing of Relevant Cost (可再生能源发电价格和费用分摊管理试行办法)
- Interim Regulation on the On-grid Tariff (上网电价管理暂行办法)

The commonly used investment vehicles in China include joint ventures and wholly foreign owned enterprises. The Law of the People’s Republic of China (“PRC”) on Chinese-Foreign Equity Joint Ventures (中华人民共和国对中国中外合资经营企业法), the Law of the PRC on Chinese-Foreign Contractual Joint Ventures (中华人民共和国中外合作经营企业法) and the Law of the PRC on Wholly Foreign-Owned Enterprises (中华人民共和国有关外商独资企业法) governs the setting up of such entities. Entities set up under such laws are subject to different procedural, ownership, regulatory and tax requirements.

Feed-in Tariff (FIT)

Under the Renewable Energy Law, power grid operators are required to purchase energy generated from registered renewable energy producers at a buying price set by the NDRC.

Solar With the issuance of the Notice on Improving the Pricing Policy for On-Grid Solar Photovoltaic Power Prices (国家发展改革委关于完善太阳能光伏发电上网电价政策的通知) (the “**2011 Notice**”) by the NDRC, China implemented its first solar feed-in tariff policy in 2011. The feed-in tariff rates under the 2011 Notice ranged from RMB1.0 to 1.15 per kWh (approximately US\$0.16–0.18 per kWh) depending on the date of approval of the project.

Since the 2011 Notice did not take into account the intensity of solar radiation in different areas of China, solar projects focused on the western part of China, such as Gansu and Qinghai, where the energy demand is not as high due to lower population density and level of economic development. To address this problem, the NDRC issued the Notice on Promoting the Healthy Development of the Solar PV Industry through the Price Leverage Effect (国家发展改革委关于发挥价格杠杆作用促进光伏产业健康发展的通知) (the “**Revised Feed-in Tariff Policy**”) in 2013.

The Revised Feed-in Tariff Policy divides the country into 3 solar resources areas and provides for a different feed-in tariff

rate ranging from RMB0.9 to RMB1.0 per kWh (approximately US\$0.15–0.16) for solar PV projects in different parts of China.

Hydropower The NDRC recently issued the Notice on Improving the Pricing Mechanism for Hydropower Prices (国家发展改革委关于完善水电上网电价形成机制的通知) in January 2014 raising hydropower tariffs. The notice will apply to hydropower stations commissioned after 1 February 2014, while the existing tariff rates will be gradually adjusted.

Wind In the Notice on Improving the Pricing Policy for On-Grid Wind Power Prices (国家发展改革委关于完善风力发电上网电价政策的通知) issued in July 2009, the NDRC divided the country into 4 wind energy resources areas and provided for a different feed-in tariff rate ranging from RMB0.51 to RMB0.61 per kWh (approximately US\$0.08–0.10 per kWh) for wind power projects in the different areas.

Biomass The Notice on Improving the Pricing Policy for Biomass Power Prices (国家发展改革委关于完善农林生物质发电价格政策的通知) issued in July 2010 provides for an unified price of RMB0.75 per kWh (approximately US\$0.12 per kWh) for biomass power projects.

FIT RATES*	Solar	Wind	Hydropower	Biomass
RMB/kWh [#]	0.90–1.00	0.51–0.61	0.21–0.72	0.75
USD/kWh	0.14–0.16	0.08–0.10	0.03–0.12	0.12

*Calculations based on the exchange rate CNY1 = USD0.16256 (25 March 2014)

[#]FIT rates in China vary with the location of the site of power generation. The above figures represent a general estimation of the range of tariff rates collected at the time this handbook is prepared.

RELEVANT WEBSITES

Ministry of Commerce – <http://english.mofcom.gov.cn/>

National Development and Reform Commission – <http://en.ndrc.gov.cn/>

National Energy Administration – <http://www.nea.gov.cn/>

India

Summary of Renewable Energy Policies

India ratified the UNFCCC in 1993 and the Kyoto Protocol in 2002. As a non-Annex I country, India has no binding emission targets. Yet the development of renewable energy is a main focus in India's policy planning. The Ministry of New and Renewable Energy ("MNRE") was set up back in 1982 to develop new and renewable energy to supplement the energy requirements of the country. As of today, the MNRE has set up the Jawaharlal Nehru National Solar Mission in 2010 as part of India's contribution to the effort in meeting the challenges of climate change.

The Indian Government has set a goal in its Twelfth Five-Year Plan to reduce the emission intensity of GDP by 20% to 25% between 2005 and 2020 and doubling its renewable energy capacity with a 20,000 MW increase in wind capacity and 10,000 MW increase in solar capacity by 2017. The plan also specifically recommended the setting up of pilot emission trading schemes in the states of Tamil Nadu, Maharashtra and Gujarat.

Further, the Indian Government decided to reduce the customs levy on imports of machinery, instruments, equipment and appliances used in solar photovoltaic and solar thermal plants to 5% as a further incentive to the development of renewable energy in India.

An expert group with respect to low carbon strategies has identified the following, among others, as focus areas in the Twelfth Five-Year Plan:

- national wind energy mission;
- national solar energy mission; and
- energy efficiency programs in the industries.

Key renewable energy legislation includes:

- Electricity Act 2003
- Energy Conservation Act 2000
- National Action Plan on Climate Change

Restrictions/Incentives on Foreign Investments

The laws in India allow the following forms of foreign investment:

- incorporation of a company under the Companies Act 1956 as a joint venture or a wholly owned company; and
- set up of a liaison office, representative office, project office or branch office of the foreign company to undertake permitted activities under the Foreign Exchange Management Regulations 2000.

Foreign direct investment in the power and energy industry is classified to follow the automatic route under the consolidated Foreign Direct Investment Policy. Such investment is allowed

without the prior approval either of the Government or the Reserve Bank of India.

All power and energy operators are required to obtain permission from various local authorities under the Electricity Act for the following purposes:

- transmit electricity;
- distribute electricity; and
- engaged in the trading of electricity.

Complete foreign ownerships are allowed in the energy sector with the exception of power exchanges.

Feed-in Tariff (FIT)

Since 2013, feed-in tariffs for wind, solar photovoltaic, solar thermal, wind, biogas, small-scale hydropower and biomass energy offered across different regions in India. The Indian Government has set up power purchase tariffs for solar photovoltaic and solar thermal systems. The preferential tariffs are reviewed annually by the Central Electricity Regulatory Commission.

FIT RATES*	Solar	Wind	Hydropower	Biomass
INR/kWh [#]	8.90 [^]	5.71	4.42	5.41
USD/kWh	0.15	0.09	0.07	0.09

*Calculations based on the exchange rate INR1 = USD0.16256 (25 March 2014)

[#]Feed-in tariff scheme in India differs region by region. The above figures represents the feed-in tariff in West Bengal for FY2014.

[^]Feed-in tariff only available for solar photovoltaic projects

RELEVANT WEBSITES

Ministry of New and Renewable Energy – www.mnre.gov.in

National Action Plan on Climate Change – http://pmindia.nic.in/climate_change.php

India Climate Portal – <http://www.indiaclimateportal.org>

India Energy Portal – <http://www.indiaenergyportal.org/index.php>

National Thermal Power Corporation – <http://www.ntpc.co.in>

National Hydroelectric Power Corporation – <http://www.nhpcindia.com>

Nuclear Power Corporation of India Limited – <http://www.npcil.nic.in>

Ministry of Power – www.powermin.nic.in

Overseas Indian Facilitation Centre – www.oifc.in/Sectors/Energy/Environment

Central Electricity Authority – <http://www.cea.nic.in/welcome.htm>

Indonesia

Summary of Renewable Energy Policies

Indonesia ratified the UNFCCC in 1994 and the Kyoto Protocol in 2004. As a non-Annex I member, Indonesia has no binding emission targets. However, the Indonesian Government has committed to increase the use of renewable energy to 25% by 2025. The Indonesian Government has also set out in its Blue Print of National Energy Implementation Program 2005-2025 the following renewable energy generation capacity targets to be achieved by 2025:

- Geothermal energy: 9,500 MW
- Small-scale hydropower: 500 MW (on-grid); 330 MW (off-grid)
- Solar energy: 80 MW
- Biomass energy (for power generation): 810 MW
- Wind energy: 250 MW (on-grid); 5 MW (off-grid)

Apart from the feed-in tariff scheme (which will be explained below), the Indonesian Government has also set up power purchase tariff for solar photovoltaic systems in 2006 through its solar auction program as an incentive to achieve its annual solar generation capacity as announced by the Ministry of Energy and Mineral Resources.

Key renewable energy legislation includes:

- Electricity Law No. 30 of 2009
- National Energy Policy (Presidential Decree No. 5 of 2006)
- National Biofuel Roadmap
- National Energy Blueprint

Restrictions/Incentives on Foreign Investments

The laws in Indonesia allow foreign investments, in forms of direct ownership or joint venture, by incorporating a limited liability company with the Indonesia Investment Coordinating Board.

Restrictions on foreign direct investment are outlined in the presidential decree No. 36 of 2010, which specifies all restrictions in a Negative List. The power and energy industry is classified as open with conditions, which such investment is allowed subject to the following limitations:

- foreign ownership in companies in the business of geothermal energy generation, any kind of power generation with a capacity in excess of 10 MW or power transmission/distribution shall not exceed 95%;
- development of small-scale power plant with generation capacity between 1 MW and 10 MW are required to form a local partnership with a small enterprise; and
- development of power plant with a generation capacity of less than 1 MW is restricted (reserved for micro, small, medium enterprises and cooperatives).

Feed-In Tariff (FIT)

Since June 2012, feed-in tariffs have been offered for electricity generated by biomass, hydropower, municipal solid waste and landfill gas across different regions in Indonesia. The Ministry of Energy and Mineral Resources has also indicated their interest in setting up feed-in tariff schemes for energy generated by solar photovoltaic and wind-farm systems.

FIT RATES*	Solar	Wind	Hydropower	Biomass
IDR/kWh [#]	N/A	N/A	830 [^]	1,150 [^]
USD/kWh	N/A	N/A	0.07	0.10

*Calculations based on the exchange rate IDR1 = USD0.00009 (25 March 2014)

[#]Feed-in tariff schemes in Indonesia are subject to territorial bonuses, which differs from region to region. This chart shows the feed-in tariff rates in the region of Jawa and Bali only.

[^]Average of feed-in tariff for low and medium voltage generators with capacity lower than 10 MW

RELEVANT WEBSITES

[Perusahaan Listrik Negara – www.pln.co.id](http://www.pln.co.id)

[Pembangkit Jawa-Bali – www.ptpjb.com](http://www.ptpjb.com)

[Indonesia Power – www.indonesiapower.co.id](http://www.indonesiapower.co.id)

[Ministry of Energy and Mineral Resources – www.esdm.go.id](http://www.esdm.go.id)

[Directorate General of Electricity and Energy Utilisation – www.esdm.go.id/directorate-general-of-electricity-and-energy-utilization](http://www.esdm.go.id/directorate-general-of-electricity-and-energy-utilization)

[Indonesia Investment Coordination Board – http://www3.bkpm.go.id/contents/home/](http://www3.bkpm.go.id/contents/home/)

Japan

Summary of Renewable Energy Policies

Japan ratified the UNFCCC in 1993 and the Kyoto Protocol in 2002. While it has not signed up to the Doha Amendment to the Kyoto Protocol, it has continued its effort in promoting the use of renewable energy.

Before the Fukushima nuclear disaster in March 2011, Japan was heavily reliant on traditional energy sources and nuclear energy, while renewable energy only accounted for around 6% of its total energy consumption. In the wake of the disaster, Japan has now emerged as an attractive market for the development of renewable energy and, in particular, solar energy, with the implementation of the feed-in tariff scheme in 2012.

The Japanese Government estimated that its use of renewable energy will increase from 11% in 2010 to 25%–35% in the year 2030 and announced its plans to accelerate the development and use of renewable energy.

Apart from the feed-in tariff scheme (which shall be discussed below), the Japanese Government also introduced the Green New Deal Fund, which promotes the use of renewable energy for an implementation period from 2012 to 2017.

Key renewable energy legislation includes:

- Act on Promotion of Use of Non-Fossil Fuel Energy Resources and Efficient Use of Fossil Fuel Energy Resources by Energy Suppliers (Act No. 72 of 2009)
- Act on Special Measures concerning Procurement of Renewable Energy by Operators of Electric Utilities (Act No. 108 of 2011) (the “**Renewable Energy Law**”)
- Act on Special Measures for the Promotion of New Energy Usage (Act No. 37 of 1997)

Restrictions/Incentives on Foreign Investments

Foreign investors can construct, operate or own 100% interest in energy projects in Japan, subject to notification requirements to the Bank of Japan.

According to the Foreign Exchange and Foreign Trade Law, foreign investors are required to give prior notification to the Minister of Finance and the minister in charge of the relevant industry of the investment through the Bank of Japan, where it intends to operate an electricity generating business in Japan or acquire shares in a company in such business.

While we are not aware of cases where investments in renewable energy projects were refused, the Japanese Government has the right to refuse investments on national security, public safety and economic grounds.

Feed-in Tariff (FIT)

The feed-in tariff scheme in Japan, governed by the Renewable Energy Law, was introduced in 2012 to boost the use of renewable energy sources in the wake of the Fukushima nuclear disaster.

The Renewable Energy Law requires utility operators to purchase electricity generated by renewable sources under contract terms and at the feed-in tariff price set by the Ministry of Economy, Trade and Industry.

While offshore wind energy has been introduced as a new category of renewable energy in the feed-in tariff scheme for the financial year starting from 1 April 2014 to 31 March 2015, the feed-in tariff rates for solar energy has been slightly revised downwards from JPY37.8–38 per kWh (including tax) to JPY 32–37 per kWh (excluding tax).

	FIT RATES*	Solar	Wind	Hydropower	Biomass
FY2013	JPY/kWh (including tax)	37.8–38 [#]	23.1–57.75	25.2–35.7	13.65–40.95
	USD/kWh	0.369–0.371	0.226–0.564	0.246–0.349	0.133–0.400
FY2014	JPY/kWh [^] (including tax)	34.56–39.96	23.76–59.40 (onshore) 38.88 (offshore)	15.12–36.72	14.04–42.12
	USD/kWh	0.338–0.390	0.232–0.580 (onshore) 0.380 (offshore)	0.148–0.359	0.137–0.411

*Calculations based on the exchange rate JPY1 = USD0.00977 (25 March 2014)

[^]Calculations based on a tax rate of 8%

[#]Solar projects of 10 kW or more for which an application for consultation and grid connection was submitted to the electricity utility covering the project area by 31 March 2013 and which also received approval under the Renewable Energy Law before 31 March 2013 are eligible to enter into power purchase agreements ("**PPA**") with Japanese electricity utilities at a price of JPY42/kWh (approximately USD0.41/kWh) over a PPA of 20 years.

RELEVANT WEBSITES

Agency for Natural Resources and Energy – <http://www.enecho.meti.go.jp/english/index.htm>

Minister of Ministry of Economy Trade and Industry of Japan – <http://www.meti.go.jp/english/>

Ministry of Environment – <https://www.env.go.jp/en/>

Japan External Trade Organization – <http://www.jetro.go.jp/>

Korea

Summary of Renewable Energy Policies

Korea relies largely on energy imports (about 97% of its energy consumption is generated from energy imports) and only a small portion of its energy generation comes from renewable energy sources.

President Lee Myung-bak, however, declared at the 60th anniversary of the founding of the Republic of Korea in 2008 that “Low Carbon Green Growth” is the way forward for the country in the next 60 years.

As a signatory to the UNFCCC and the Kyoto Protocol (while not an Annex I country), Korea voluntarily presented a mid-term reduction target to reduce its greenhouse gas emission by 30% from its 1990 levels by 2020 and raise its use of renewable energy to 11% of its energy supplies by 2030.

In view of its targets, the Korean Government intends to invest ₩107 trillion (approximately US\$98,643 million) in the period from 2009 to 2013 to implement green growth plans to reduce greenhouse gas emission.

In its Five-Year Plan for Green Growth implemented in 2009, Korea announced its plans to develop a nationwide smart grid system by 2030. The smart grid system is a systematic network which helps to enhance efficiency in the management of power production and distribution. Korea’s smart grid project can be divided into the following main areas:

- Smart Power Grid
- Smart Place
- Smart Transportation
- Smart Renewable
- Smart Electricity Service

Key renewable energy legislation includes:

- Basic Law on Low Carbon Green Energy 2010
- Promotion Act on Development, Use, Deployment of New and Renewable Energy 2010

Restrictions/Incentives on Foreign Investments

The Foreign Investment Promotion Act (the “**Act**”) was enacted in 1998 to promote foreign direct investments in Korea. The Act, however, prohibits foreign investments in certain businesses (Unpermitted business) and foreign investments in certain businesses are subject to specific standards of permission (“**Restricted Business**”). Power generation, transmission and distribution falls under the category of Restricted Business under the Act. Foreign companies are permitted to engage in power generation only if the sum of power plant facilities purchased by the foreign entity from Korea Electric Power Corporation does not exceed 30% of the total domestic power plant facilities.

The Korean Government provides incentives, including the provision of tax support to foreign investments which meet certain criteria. Certain benefits are also applicable in special investment promotion zones.

Feed-in Tariff

Korea’s feed-in tariff scheme was replaced in 2012 by a Renewable Portfolio Standard Scheme which requires certain portion of power generated by power producers (companies with power facilities greater than 500 MW) to be produced from renewable sources.

The feed-in tariff scheme was, however, reintroduced in Seoul in 2013. The Seoul Metropolitan Government introduced a new subsidy scheme, subsidizing the installation of small solar power plants with output of 50 kW or less.

RELEVANT WEBSITES

Ministry of Trade, Industry and Energy – <http://www.mke.go.kr/language/eng/>

Green Growth Korea – <http://www.greengrowth.go.kr/english/>

Korea Smart Grid Institute – <http://www.smartgrid.or.kr/eng.htm>

Korea Energy Management Corporation – http://www.kemco.or.kr/new_eng/main/main.asp

Korea Trade-Investment Promotion Agency – <http://english.kotra.or.kr/>

Invest Korea – <http://www.investkorea.org/ikwork/iko/eng/main/index.jsp>

Malaysia

Summary of Renewable Energy Policies

Malaysia ratified the UNFCCC in 1994 and the Kyoto Protocol in 2002. As a signatory to the UNFCCC and the Kyoto Protocol (while not an Annex I country), Malaysia has voluntarily presented its target to increase the use of renewable energy.

It has stated in its Tenth Malaysia Plan (2011-2015) that it will create stronger incentives for investments in renewable energy, so that renewable energy will make up 5.5% of the total energy generation mix in 2015 as compared to less than 1% in 2012.

The Malaysian Government stated its target to increase the portion of renewable energy to 11% of the total electricity generated by 2030 in its National Renewable Energy Policy and Action Plan in 2009.

The Malaysian Government has also announced the following renewable energy generation capacity targets to be achieved by 2050:

- Solar photovoltaic: 8,874 MW
- Small-scale hydropower: 490 MW
- Biogas: 1,340 MW
- Biomass: 410 MW
- Solid waste: 430 MW

Apart from feed-in tariff schemes, the Malaysian Government provides the following fiscal incentives to companies generating renewable energies:

- (i) pioneer status with tax exemption on all statutory income for 10 years; OR
- (ii) 100% investment tax allowance on qualifying capital expenditure incurred within 5 years; and
- (iii) exemption from import duty and sales tax on equipment used purchased overseas and sales tax exemption on equipment purchased locally.

Further, the Malaysian Government has set up a Green Technology Fund to improve the supply and utilization of green technologies. The Malaysian Government will bear 2% of the interest/profit rate and provide a partial guarantee to the financing of the projects.

Key renewable energy legislation includes:

- National Renewable Energy Policy and Action Plan
- Renewable Energy Act 2011 (the “**Renewable Energy Act**”)
- Renewable Energy (Feed-in Approval and Feed-in Tariff Rate) Rules 2011
- Sustainable Energy Development Authority Act 2011

Restrictions/Incentives on Foreign Investments

Foreign investment regulations in Malaysia have undergone a revamp, resulting in the removal of the Guidelines of the Foreign Investment Committee which originally governed all foreign acquisitions in Malaysia.

The National Renewable Energy Policy & Action Plan 2009 has made clear that the feed-in tariff scheme is aimed at promoting local sustainable socioeconomic development. As such, certain restrictions apply to foreign investments. While foreign person of the age of 21 years or above can apply for an approval for feed-in tariff for a solar technology renewable energy installation, the installed capacity of the installation should be no more than 72 kW. Malaysian incorporated companies can apply for feed-in tariff approvals provided that its portion of foreign ownership is no more than 49% of the voting power or the issued share capital of the company.

(Continued on the next page)

Malaysia (continued)

Feed-in Tariff (FIT)

The feed-in tariff scheme adopted in Malaysia since 1 December 2011 is governed by the Renewable Energy Law. The Sustainable Energy Development Authority (“SEDA”), under the Ministry of Energy, Green Technology and Water is the statutory body empowered under the Sustainable Energy Development Authority Act 2011 to oversee the operation of the feed-in tariff scheme.

The scheme obliges electricity distributors to purchase energy generated from indigenous renewable sources from feed-in tariff approved holders at the feed-in tariff rate for a specified period of time. Currently renewable resources including solar photovoltaic, small hydropower, biomass and biogas are eligible for feed-in tariff. The renewable resources should be sourced within the country and should not be imported.

Not only is the country actively supporting the development of large-scale renewable projects, it has been encouraging homes to take part in the country’s clean energy initiative. SEDA has been cooperating with banks to provide financing options to homes. As at the end of April 2013, which is about slightly after one year of the implementation of the scheme, SEDA has issued 1,297 feed-in tariff approvals to individuals, making up a total energy generation capacity of 14.63 MW.

FIT RATES**	Solar	Wind	Hydropower	Biomass
MYR/kWh	0.54–1.13	N/A	0.24^	0.27–0.31^
USD/kWh	0.16–0.34	N/A	0.07	0.08–0.09

*Calculations based on the exchange rate MYR1 = USD0.30263 (25 March 2014)

**FIT schemes in Malaysia are subject to incentive bonuses. The FIT rates do not include any incentives. The above figures are rates applicable to non-individuals.

^The FIT is capped at a generation capacity of 30 MW.

RELEVANT WEBSITES

Attorney General’s Chambers of Malaysia – <http://www.agc.gov.my/>

Bank Negara Malaysia (Central Bank of Malaysia) – www.bnm.gov.my

Companies Commission of Malaysia – <http://www.ssm.com.my/>

Malaysian Investment Development Authority – <http://www.mida.gov.my>

Ministry of Energy, Green Technology and Water – <http://www.kettha.gov.my/en>

Ministry of International Trade and Industry – <http://www.miti.gov.my/>

Securities Commission Malaysia – www.sc.com.my

Sustainable Energy Development Authority – <http://seda.gov.my/>

Mongolia

Summary of Renewable Energy Policies

As a signatory to the UNFCCC and a party which acceded to the Kyoto Protocol (while not an Annex I country), Mongolia voluntarily stated in its National Renewable Energy Programme for the period 2005–2020 that it aims to produce 20–25% of its energy from renewable sources by 2020.

One of the main focus of the National Renewable Energy Programme for 2005–2020 is to facilitate the wider use of renewable energy in Mongolia through price and tariff mechanisms to support the sale of electricity generated by renewable sources.

The Law of Mongolia on Renewable Energy (the “**Renewable Energy Law**”) regulates the generation and use of energy in Mongolia with respect to, inter alia, renewable energy and provides for feed-in tariff rates and mechanism. The programme shall be funded by the Mongolian Government, international funds, foreign and domestic investments, foreign and domestic loans, donations and grants, and the reinjection of income generated from the programme.

Key renewable energy legislation includes:

- Law of Mongolia on Energy
- Law of Mongolia on Renewable Energy

Restrictions/Incentives on Foreign Investments

New Investment Law The New Investment Law (the “**Investment Law**”) in Mongolia was implemented on 1 November 2013 with an aim to attract foreign direct investments and boost domestic investment. The Investment Law relaxed prior restrictions on foreign investments and streamlined the registration process.

The Investment Law also provides that the Mongolian government may enter into an investment agreement with investors investing more than MNT500 billion (approximately US\$283 million) in Mongolia, undertaking to stabilize the environment of the business.

Foreign investors may now invest in any industry in Mongolia without prior government approval. The exception is that prior approval from the Invest Mongolia Agency (the “**Investment Agency**”) is required where foreign state-owned enterprises (entity of which 50% of its issued shares held directly or indirectly by a foreign state) invest in over 33% of an entity in the minerals, media, communications and financial industry.

Assurance The Investment Law assures investments in Mongolia are protected from nationalization and the right to repatriate profits and intellectual property rights are protected.

The Mongolian Government offers both financial and non-financial investments to promote investment in Mongolia.

Tax Incentives Tax incentives offered to investors include tax exemption, preferential tax treatment, accelerated rate of depreciation and amortization, carrying forward of losses and deduction of expenses for training of employees from taxable income ... etc. To ensure long term preferential tax treatment, investors may apply for a tax stabilization certificate from the Investment Agency where the investment meets the criteria for issuance. In the alternative, they may enter into an investment agreement with the government.

Law on Concession A major factor curtailing investments in Mongolia is its lack of infrastructural support to business set up. The Law on Concession implemented in 2010 aims to grant concessions to private investors to use infrastructural facilities owned by the state and approve the construction of infrastructural facilities under the concession model and provide such services to the public.

Feed-in Tariff (FIT)

The Renewable Energy Law adopted in 2007 sets forth the feed-in tariff framework and rates with relatively generous rates for solar energy. A major achievement in Mongolia’s implementation of the feed-in tariff scheme is the execution of the first long term power purchase agreement signed between the Central Regional Transmission Network, a state-owned company and Newcom Company Limited, an investment holding conglomerate in Mongolia.

FIT RATES*	Solar	Wind	Hydropower	Biomass
MNT/kWh	N/A	N/A	N/A	N/A
USD/kWh	0.15–0.18	0.08–0.095	0.045–0.06	N/A

*Calculations based on the exchange rate MNT1 = USD0.00057 (25 March 2014)

RELEVANT WEBSITES

Ministry of Energy – <http://www.energy.gov.mm/>

Ministry of Economic Development – <http://www.med.gov.mn/mn/#>

National Renewable Energy Centre – <http://www.nrec.mn/en/>

Invest Mongolia Agency – <http://investmongolia.com/>

Myanmar

Summary of Renewable Energy Policies

Myanmar is a signatory to the UNFCCC and a party which acceded to the Kyoto Protocol (while not an Annex I Country).

As an ASEAN member country, Myanmar has committed that at least 10% of its energy shall be produced from renewable sources by 2015. It targets to produce 15–20% of its energy by renewable sources by 2020.

Despite Myanmar's abundant potential for renewable energy development, vast areas of its territories remain to be electrified and only its hydropower capacities have been exploited commercially. Other forms of renewable energy sources, such as solar, wind, biomass and geothermal energy are still at the development stage.

While hydropower remains to dominate the portion of renewable energy sources, Myanmar has been entering into plans in cooperation with neighboring Asian countries to develop its solar potentials. The Ministry of Energy of the Myanmar Government has entered into a memorandum of understanding with Green Earth Power Co., Ltd. from Thailand in relation to the construction of a 210 MW solar power plant. Apart from large scale projects, the Myanmar Government has

also started a community-based scheme supplying solar lamps to unelectrified rural areas.

Myanmar's current energy policy aims to:

- maintain independence in its energy supply;
- increase the use of renewable energy sources;
- improve energy efficiency and conservation; and
- promote the use of alternative fuels in households.

With the establishment of a National Energy Management Committee which aims to formulate the national energy policy including laying down long-term and short-term energy targets and encouraging investments in energy development, Myanmar is currently in the process of drafting a new national energy policy.

The Myanmar Government has indicated that it will further promote the use of renewable energy and further liberalize the energy market through the abolishment of the energy blanket subsidy scheme and the adoption of appropriate taxes.

There are currently no renewable energy laws in Myanmar.

Restrictions/Incentives on Foreign Investments

Foreign investments in Myanmar has long been impeded as a result of its isolation due to political reasons. The isolated economy has recently opened to the rest of the world, attracting investors from abroad. The power sector has since then been a major area of foreign investment in the country.

Foreign Investment Law The Myanmar Foreign Investment Law was passed on 2 November 2012 and the Investment Rules implemented on 31 January 2013 sets out the list of business activities which foreigners are allowed to engage in and the regulations and restrictions to such investments.

Generally speaking, foreign investors are not allowed to engage in activities against the interest of the country and activities explicitly restricted to Myanmar citizens.

Tax incentives granted to foreign investments include the following:

- tax holiday of 5 years;
- tax exemption for profits re-invested within 1 year;

- tax relief on income tax;
- tax deductions for investments in research and development
- tax exemptions on profits from exports (up to 50%); and
- exemption from custom duties on capital assets and raw materials.

Assurance The Foreign Investment Law reassures that foreign investments will not be nationalized during the contract period nor terminated without adequate reasons. It also guarantees that remittance of profits from investments shall be made in the same foreign currency as it was invested.

Floatation of Currency With the Foreign Exchange Management Law enacted on 10 August 2012 abolishing the foreign exchange controls in place since 1947, the Myanmar Kyat was floated in April 2012. Although the currency is still not convertible nor negotiable outside of the country, its floatation facilitated the repatriation of profits (subject to prior approval of the Myanmar Investment Commission and its Foreign Exchange Regulations) and has been broadly favorable to foreign investments.

Feed-in Tariff

Despite its various efforts in promoting the use of renewable energy and foreign investment, the Myanmar Government currently has no plans for a feed-in tariff scheme.

RELEVANT WEBSITES

Ministry of Energy – <http://www.energy.gov.mm/>

Ministry of Electric Power – <http://www.modins.net/myanmarinfo/ministry/electric.htm>

New Zealand

Summary of Renewable Energy Policies

Renewable energy plays a major part in New Zealand's electricity generation and the government continues its efforts in increasing its usage. New Zealand generated 37% of its primary energy supply from renewable resources in 2012, ranking third among OECD countries.

According to the New Zealand Energy Strategy 2011–2021 (the “**Energy Strategy**”), it aims to have 90% of its electricity generated from renewable sources by 2025. The New Zealand Energy Efficiency and Conservation Strategy 2011–2016, written as a companion document to the Energy Strategy, sets out interim targets to give effect to the Energy Strategy. The need for new renewable energy generation is also recognized in the National Policy Statement for Renewable Electricity Generation 2011.

New Zealand ratified the UNFCCC in 1993 and the Kyoto Protocol in 2002. While it has not signed up to the Doha Amendment to the Kyoto Protocol, it has announced that it will continue its climate change efforts through the UNFCCC and has presented the following emission targets:

- **Unconditional Target** Reduction of greenhouse gas emission by 5% below its 1990 emission levels by 2020;
- **Conditional Target** Reduction of greenhouse gas emission by 10–20% below its 1990 emission levels by 2020, conditional upon the execution of a comprehensive global agreement; and
- **Long-term Target** Reduction of greenhouse gas emission by 50% below its 1990 emission levels by 2050.

In view of its obligations under the Kyoto Protocol and its other commitments, New Zealand has implemented the New Zealand Emissions Trading Scheme since 2008 to incentivize green technology and emission reduction. The carbon pricing mechanism enhances competitiveness of renewable energy as compared to other energy sources.

Key renewable energy legislation includes:

- Energy Efficiency and Conservation Act 2000
- Climate Change Response Act 2002

Restrictions/Incentives on Foreign Investments

Pursuant to the Overseas Investment Act 2005 (the “**Act**”), the Overseas Investment Office may need to review the following types of foreign investment proposals in New Zealand:

- investment in sensitive land (including non-urban land exceeding 5 hectares in area)
- investment in business assets of the value above NZ\$100 million (approximately US\$85,432,000)

The Act lists out the criteria for consent for overseas investments in sensitive land, including the financial commitment to the investment and the benefit that the investment will likely bring to New Zealand. Where non-urban land exceeding 5 hectares is involved, the investment should produce substantial and identifiable benefit.

RELEVANT WEBSITES

Ministry for the Environment – <http://www.mfe.govt.nz/index.html>

Electricity Authority – <http://www.ea.govt.nz/>

New Zealand Energy Strategy 2011–2021 – <http://www.med.govt.nz/sectors-industries/energy/pdf-docs-library/energy-strategies/nz-energy-strategy-lr.pdf>

Energy Efficiency and Conservation Authority – <http://www.eeca.govt.nz/>

National Policy Statement for Renewable Electricity Generation 2011 – <http://www.med.govt.nz/sectors-industries/energy/pdf-docs-library/energy-strategies/nz-energy-strategy-lr.pdf>

New Zealand's emissions trading scheme – <http://www.climatechange.govt.nz/>

Energy in New Zealand 2013 – <http://www.med.govt.nz/sectors-industries/energy/energy-modelling/publications/energy-in-new-zealand-2013/Energy-in-New-Zealand-2013.pdf>

New Zealand's Foreign Investment Policy – <http://www.lin.govt.nz/overseas-investment>

Philippines

Summary of Renewable Energy Policies

As a signatory to the UNFCCC and the Kyoto Protocol (while not an Annex I Country), the Philippines announced its commitment to the development and use of renewable energy resources in the Renewable Energy Act of 2008 and sought to achieve its targets by the National Renewable Energy Program (2011–2030) (“NREP”).

The NREP targets to triple the country’s renewable energy generation capacity to 15,304 MW by the 2030.

The Philippines has been developing and using hydropower and geothermal power early in the 1950s.

- To date, hydropower is the main source of renewable energy used in the country and the NREP intends to have its hydropower capacity increased by 160% by the year 2030.
- The Philippines is currently the world’s second-largest geothermal energy producer and it is intended that its geothermal capacity will increase by 75% by 2030 under the NREP. It aims to become the world’s largest geothermal energy producer.

Holding the largest potential for wind energy among all Southeast Asian countries, it aims to become the largest wind energy producer in the area.

The Renewable Energy Act of 2008 (the “**Renewable Energy Act**”) provides for, inter alia, the following renewable energy incentives (subject to certification by the Department of Energy):

- Income tax holiday of 7 years
- Corporate tax rate of 10% on its net taxable income after the income tax holiday
- Duty free importation machinery, equipment and materials in relation to renewable energy
- 0% value-added tax rate on the sale of power generated
- Tax exemption from carbon credits

Key renewable energy legislation includes:

- Renewable Energy Act of 2008
- Climate Change Act
- Biofuels Act

Restrictions/Incentives on Foreign Investments

The Foreign Investment Act provides that the Philippines Government shall publish the Foreign Investment Negative List, which sets out industries in which foreign investments should be restricted or limited.

Foreign investments in the (i) exploration, development and utilization of natural resources, (ii) ownership of private lands and the (iii) operation and management of public utilities are

limited to 40%. This has been a major deterring factor to foreign investment in the Philippines.

It should, however, be noted that it is provided in the Renewable Energy Law that the renewable energy sector will continue to be listed as one of the priority areas of activities under the Investment Priority Plan qualifying for investment incentives.

Feed-In Tariff (FIT)

The Renewable Energy Act governs the feed-in tariff scheme in the Philippines. Section 7 of the act requires that a feed-in tariff scheme to be set up for wind, solar, ocean, hydropower and biomass energy.

Its implementation, however, has suffered significant delay due to free market economist groups. It was not until July 2012 that the first

feed-in tariff rates were confirmed. The first solar power plant under the feed-in tariff scheme is expected to be completed in 2014.

The Philippines Government has issued the “Guidelines for the Selection Process of Renewable Energy Projects under the Feed-in Tariff System and the Award of Certificate for Feed-in Tariff Eligibility” laying down the selection basis for renewable energy projects.

FIT RATES*	Solar	Wind	Hydropower	Biomass
PHP/kWh	9.68	8.53	5.90	6.63
USD/kWh	0.22	0.19	0.13	0.15

*Calculations based on the exchange rate PHP1 = USD0.02213 (25 March 2014)

RELEVANT WEBSITES

Department of Energy – <http://www.doe.gov.ph/>

Energy Regulatory Commission – <http://www.erc.gov.ph/>

Climate Change Commission – <http://climate.gov.ph/>

Department of Trade & Industry Philippines – <http://wp.investphilippines.org.uk/>

Singapore

Summary of Renewable Energy Policies

Renewable energy currently accounts for less than 10% of the electricity generated in Singapore. However, the country has promising future in developing solar energy due to its geographical location. As of 2011, there are a total of 120 commercial solar photovoltaic installations connected to the energy grid in Singapore, generating a total peak capacity of 5.6 MW. Renewable energy has been identified as a key area of development and its government aims that the industry is able to contribute S\$3.4 billion to its GDP by the year 2015.

The Sustainable Singapore Blueprint (the “**Blueprint**”) developed by the Inter-Ministerial Committee on Sustainable Development sets forth Singapore’s renewable targets. It is stated in the Blue print that the Singaporean Government, in view of the envisaged future use of solar energy in a larger scale, intends to further develop its solar energy capability through investments in related research and development initiatives.

Singapore ratified the UNFCCC in 1997 and the Kyoto Protocol in 2007. Not being an Annex I country, Singapore has no binding emission targets. However, it announced its aim to reduce greenhouse gas emission by 7–11% below business as usual levels (“**BAU Levels**”) in 2020 as compared to levels in 2005. Contingent upon the entering into of a legally binding emission reduction agreement between all countries, it agreed to pledge to achieve a 16% reduction below BAU Levels in 2020.

The National Climate Change Strategy 2012 sets down Singapore’s greenhouse gas emission reduction targets and strategies. Singapore has committed to increase the energy efficiency by 20% by 2020 and 35% by 2030 as compared to its 2005 levels. It aims to achieve the targets by ensuring the competitiveness of energy pricing, supporting green economy, enhancing energy efficiency, improving infrastructure and diversifying sources of energy generation.

Although Singapore currently does not have a carbon pricing mechanism, Prime Minister Lee Hsien Loong has openly noted the need for a market mechanism to accurately reflect the costs of consumption decisions and thereby affecting consumer behaviour.

Key renewable energy legislation includes:

- Energy Conservation Act 2012

Restrictions/Incentives on Foreign Investments

Singapore is renowned for its aggressiveness in attracting foreign investments. There are few limitations to entering the Singaporean market except for media, broadcasting, legal, financial services and property ownership.

RELEVANT WEBSITES

National Climate Change Secretariat – <http://app.nccs.gov.sg>

Energy Efficient Programme Office – <http://app.e2singapore.gov.sg/>

Energy Market Authority – <http://www.ema.gov.sg>

National Environment Agency – www.nea.gov.sg

Sustainable Singapore – <http://app.mewr.gov.sg>

Ministry of Trade and Industry – <http://www.mti.gov.sg>

Singapore Economic Development Board – <http://www.edb.gov.sg/content/edb/en/why-singapore/ready-to-invest/incentives-for-businesses.html>

Thailand

Summary of Renewable Energy Policies

As a signatory to the UNFCCC and the Kyoto Protocol (while not an Annex I Country), Thailand has voluntarily presented its target to increase the use of renewable energy.

According to the Renewable and Alternative Energy Development Plan (2012–2021) (“**AEDP**”), the Thai Government targets to increase renewable energy consumption by 25% by the end of 2021. This figure represents an upward adjustment from the targeted 20.3% renewable energy consumption increase by the end of 2021 as set out in the Renewable Energy Development Plan (2008–2022) (“**REDP**”), which was subsequently superseded by the AEDP target.

To achieve the country’s target to increase the use of renewable energy to 25% of its total energy production in 10 years, the 11th National and Social Development Plan places significant emphasis on green growth.

The target will be achieved with an increased use of renewable energy, with the predicted output of biomass energy being 4,800 MW, biogas energy being 3,600 MW, solar energy being 3,000 MW, wind energy being 1,800 MW while the remaining increase being achieved by hydropower and waste.

One of the major area of development in renewable energy is solar energy, which is expected to triple by 2022, making up a quarter of the country’s energy mix. In view of its targeted increase in solar power capacity, the Thai Government commenced a programme in September 2013 purchasing solar power from households and factories which installed solar photovoltaic panels for a price of nearly seven baht (approximately US\$0.22 per kWh), which is significantly higher than the price for traditional energy sources of four baht (approximately US\$0.12 per kWh).

The Thailand Board of Investment (the “**Board of Investment**”) provides a special tax incentive, including exemption or reduction of corporate income tax and import duties on machinery and raw materials, under the Investment Policy for Sustainable Development Campaign for Renewable Energy Projects.

Key renewable energy legislation includes:

- Environmental Fiscal Act
- Energy Conservation Promotion Act
- Energy Development and Promotion Act
- National Energy Policy Act

Restrictions/Incentives on Foreign Investments

Foreign investments in Thailand are regulated by the Foreign Business Act of 1999, which categorizes activities into 3 lists.

- List 1–Foreign investment prohibited
- List 2–Prior Cabinet approval required
- List 3–Foreign Business Licence required

In reviewing the applications for Foreign Business Licences, the Ministry of Commerce of Thailand makes their decision in view of the impact of the foreign investment on the following areas:

- national safety and security;
- economic and social development;
- public order, good morals, art, culture and traditions;
- natural resources, conservation, energy and environment, consumer protection, size of the enterprises, employment; and
- technology transfer and research and development.

Feed-In Tariff (FIT)

Thailand introduced the feed-in tariff scheme in 2007. It is also called the adder scheme since the tariff is added to the base electricity price, totaling the market price of the power generated and sold to the grid.

FIT RATES*	Solar	Wind	Hydropower	Biomass
THB/kWh	6.5	3.5–4.5	0.8–1.5	0.3–0.5
USD/kWh	0.20	0.11–1.14	0.02–0.05	0.01–0.02

*Calculations based on the exchange rate THB1 = USD0.03077 (25 March 2014)

RELEVANT WEBSITES

Electricity Generating Authority of Thailand – <http://www.egat.co.th/en/>
Metropolitan Electricity Authority – <http://www.meat.or.th/>
Provincial Electricity Authority – <https://www.pea.co.th/EN/SitePages/home.aspx>

Department of Alternative Energy Development and Efficiency – <http://www.dede.go.th/dede/>
Thailand Board of Investment – <http://www.boi.go.th/index.php?page=intro&language=en>

Vietnam

Summary of Renewable Energy Policies

Vietnam ratified the UNFCCC in 1994 and the Kyoto Protocol in 2002. Not being an Annex I country, Vietnam has no binding emission target. However, the government targets to cut its greenhouse gas emission per unit of GDP by 8–10% below 2010 levels by 2020. Vietnam has approved its carbon trading plans and carbon trading is expected to commence in 2020.

The Vietnamese Government is keen to develop renewable energy. Through their National Power Development Plan for the Period 2011–2020, the Vietnamese Government announced its plans to increase the installed capacity of wind and biomass energy to 1,000 MW and 500 MW respectively by 2020. The World Bank initiated a credit line of US\$249 million for the development of renewable energy sources in Vietnam in December 2013.

While there are no formal renewable energy acts or regulations, the following decrees/decisions provide guidance on the development of renewable energy:

- Circular 32/2012/TT-BTC
- Decision 37/2011/QD-TTg
- Decision 1208/2011/QD-TTg
- Decree 04/2009/ND-CP
- Joint circular 58/2008/TTLT-BTC-BTN&MT
- Decision 1855/2007/QD-TTg
- Electricity Law 28/2004/QG11

Restrictions/Incentives on Foreign Investments

Main forms of foreign direct investment under the Investment Law of 2005 (the “**Investment Law**”) are as follows:

- wholly owned companies;
- joint venture between domestic and foreign investors;
- business cooperation contracts;
- capital contribution for management of a company; and
- mergers and acquisitions.

Foreign investors may also, under certain restrictions, indirectly invest by buying securities or investing through financial intermediaries.

Foreign investors must submit their investment projects to the local authorities with the proposed expenditure of medium and long term capital in order to carry out an investment activity in a specific region for a specific duration for their approval.

The renewable energy industry is one of the inventive investment sectors under the Investment Law and enjoys the following benefits:

- tax incentives;
- land use incentives;
- accelerated depreciation on fixed assets; and
- carry forward of tax losses for 5 years.

Feed-In Tariff (FIT)

The feed-in tariff scheme in Vietnam was introduced in June 2011, stating the price payable by the state power company, Vietnam Electricity, for wind energy purchases. There are no feed-in tariffs for other renewable energy sources.

FIT RATES*	Solar	Wind	Hydropower	Biomass
VND/kWh	N/A	1,614	N/A	N/A
USD/kWh	N/A	0.08	N/A	N/A

*Calculations based on the exchange rate VND1 = USD 0.00005 (25 March 2014)

RELEVANT WEBSITES

Vietnam Electricity – <http://www.evn.com.vn/Home/tabid/41/language/vi-VN/Default.aspx>

Ministry of Industry and Trade – <http://www.moit.gov.vn/web/guest/home>

Vietnam’s Investment Policy – <http://www.vietnamlaws.com/freelaws/Lw59na29Nov05CIL%5B10Apr06%5D.pdf>

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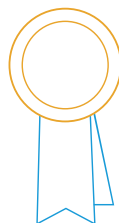
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Mr. Pocci specializes in representing energy and infrastructure clients all over Asia and the rest of the world in a wide range of issues, including regulatory and general counseling; the negotiation of contracts and agreements related to project development, financing and construction, among others.

Mr. Pocci has represented a wide diversity of players in the energy industry ranging from utilities, independent power producers, energy cooperatives, project developers, financiers, and power purchasers, to manufacturers, oil and gas companies, retailers, contractors, lenders, borrowers, investors, traders, and governments, among others.

Mr. Pocci's energy experience extends to virtually all types of energy projects, including conventional fossil-fueled, gas- and coal-fired, combined-heat-and-power, renewable and alternative energy (especially wind, solar, biomass and geothermal).

RANKINGS & RECOGNITION



Chambers USA 2013

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Chambers USA 2013

- Projects: Renewables and Alternative Energy — National
- Energy: Electricity, Regulatory and Litigation — National
- Energy: Nuclear, Regulatory and Litigation — National
- Energy: State Regulatory and Litigation — California

Legal 500 U.S. 2013

- Energy — Litigation
- Energy — Regulatory
- Energy — Renewable/Alternative

Legal 500 EMEA Edition 2013

- Project Finance and Energy — Energy (Paris)

Legal 500 (UK) 2013

- Projects, Energy, and Natural Resources — Oil and Gas (London)

Financial Times U.S. Innovative Lawyers 2012

- Received a highly recommended ranking and was lauded for devising a legal structure that helps create a new approach to the development and operation of combined-heat-and-power facilities in California

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