# US Collaborates with Vietnam on Direct Power Purchase Agreement to Promote Renewable Energy



The US Mission to Vietnam, through the US Agency for International Development (USAID), has collaborated with Vietnam's Ministry of Industry and Trade (MoIT) since 2017 on the design and development of a Direct Power Purchase Agreement (DPPA). This initiative was officially launched on July 5, with US Ambassador to Vietnam Marc Knapper and USAID/Vietnam Mission director Aler Grubbs present.

The DPPA allows businesses in Vietnam to directly purchase electricity from private renewable energy firms, helping companies meet their renewable energy goals and reduce carbon emissions. This policy aims to draw private sector investment into Vietnam's renewable energy market and assist the country in its clean energy transition, targeting net-zero emissions by 2050.

In related news, 24 renewable energy projects in Vietnam, with a combined capacity of 1,773MW, have shown interest in the DPPA pilot scheme. The draft decree on DPPA is anticipated to facilitate easier power purchase agreements but may require additional supplements concerning power transmission and the number of eligible electricity buyers.

Separately, the State Oil Company of Azerbaijan (SOCAR) is advancing sustainability initiatives to address climate change. Ahead of the 29th session of COP, SOCAR Vice-President Afgan Isayev announced plans for SOCAR to diversify from a traditional oil and gas company into a leader in low-carbon technologies by 2035. This transition includes investments in renewable energy projects and strategic partnerships to enhance its environmental stewardship and global energy market credibility.