

Electricity Market Aggregation Activity Regulation Published

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The long-awaited regulation on aggregation activities, whose foundations were laid with the amendments to the Electricity Market Law published in the Official Gazette No. 32057 dated 28 December 2022, has been issued in the Official Gazette. The regulation sets out the principles of aggregation activities and introduces significant provisions regarding license-exempted generation facilities.

The Electricity Market Aggregation Activity Regulation ("**Aggregation Regulation**") was published in the Official Gazette No. 32755 on 17 December 2024. Aggregation Regulation brings significant changes to the electricity market and introduces extensive amendments to existing legislation.

Below is a summary of the fundamental principles introduced by the Aggregation Regulation and the associated changes to the electricity market legislation.

Aggregation Activities

Aggregation refers to market activities carried out by combining and managing the production and/or consumption of one or more users - referred to as grid users - connected to the transmission or distribution grid. Aggregators collect portfolios they are responsible for managing, contributing to the electricity market by ensuring optimal trading conditions and maintaining system balance.

In this framework, aggregation service agreements - subject to the approval of the Energy Market Regulatory Authority ("**EMRA**") - are signed between aggregators and licensed generation companies, independent storage facility owners, free consumers, and individuals or entities operating under the License-exempted Generation Regulation.

According to Article 34/A added to the Licensing Regulation, aggregators are granted the following rights:

- Managing the production and consumption schedules of grid users in their portfolio.
- Trading electricity and capacity with the generation and consumption facilities of grid users and free consumers in their portfolio.
- Conducting market transactions related to electricity and capacity and participating in ancillary service processes.
- Establishing and operating independent electricity storage facilities to maintain portfolio balance.

Entities Authorized to Conduct Aggregation Activities

Aggregation activities may be carried out by entities holding an aggregation license or by legal entities with a supply license that includes authorization for aggregation activities.

Operational Principles

Aggregators may operate in organized wholesale electricity markets and ancillary services under the framework of aggregation service agreements signed with grid users. Within this scope, they can manage production and consumption facilities, as well as electricity storage facilities in their portfolios, while monitoring and analyzing real-time production and consumption data.

Aggregators are responsible for supplying electricity to free consumers in their portfolios when consumption facilities are added. However, aggregators providing demand-side participation services may allow existing supply agreements of these facilities to remain in effect.

Aggregators are accountable for all regulatory obligations, including collateral and imbalances, related to market operations for the grid users in their portfolios. While they are prohibited from engaging in wholesale trading activities, transactions made to balance their portfolios are exempt from this restriction. Additionally, entities with supply licenses are prohibited from entering aggregation service agreements with users in their portfolios.

Aggregators can include consumption facilities connected to the distribution or transmission grid in their

Related Attorneys

- BENAN ARSEVEN
- C. HAZAL BAYDAR, LL.M.
- BARAN ELÇİ

Moroglu Arseven | www.morogluarseven.com