

## Law on Amendments on Electricity Market Law and Certain Laws was Published

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Law on Amendments on Electricity Market Law and Certain Laws ("**Law**") has entered into force. Through amendments under the Law, comprehensive changes have been made, especially in the scope of the obligation to obtain the permission of EPDK regarding license transfers in the electricity market, immovable procurement processes for energy projects and the principles in the Renewable Energy Resource Support Mechanism ("**RER Mechanism**").

The summary of the fundamental changes made by the Law in the electricity market is as follows:

- **License Transfers:** The requirement for obtaining the approval of EPDK for capital share changes of five percent in share transfers made in public companies operating in the electricity market and ten percent and above in others has been changed. Changes in capital shares of five percent in publicly traded companies and ten percent or above in others and any transaction that would result in a change in control were subject to permission only for legal entities whose tariff is regulated.
- **Real Estate Procurement Transactions:** Amendments have been made in the regulations regarding the acquisition of real estate for the projects to be made within the electricity market. According to these amendments;
  - The obligation to take a public interest decision regarding the requests of private law legal entities holding pre-license or license to obtain real estate related to their activities subject to license has been abolished and a regulation has been made that such transactions are carried out by EPDK instead of the Ministry of Finance within the scope of the Expropriation Law. The decision to be taken by EPDK in the event that the requests for the supply of immovable properties are deemed appropriate, also replaces the public interest decision and is not subject to the approval of any authority. Costs related to transactions such as expropriation, transfer, establishment of easement right, usage permit, leasing and compensation arising from the project and other expenses related to these transactions are paid by private law legal entities holding pre-license or license.
  - TEDA? will carry out the transactions regarding the requests of private law legal entities engaged in distribution activities to obtain real estate regarding their activities subject to license. Real estate supply requests are evaluated by TEDA? and if deemed appropriate, a decision is made by TEDA?. Decisions taken within this scope also serve as public interest decisions and are not subject to the approval of any authority.
- **Price Equalization Mechanism:** A regulation has been made that the price equalization mechanism, which will partially or completely protect consumers who purchase electrical energy over the regulated tariffs from the price differences between distribution regions, will be applied until 31 December 2025, and the President is authorized to extend this period for five years.
- **Unlicensed Production and RER Mechanism:**

Through the amendments made in the RER mechanism;

- It has been determined that the prices set out in the Schedule No.1 of the Electricity Market Law will be applied for ten years for generation license holders subject to the RER Mechanism that have entered into operation or will enter into operation as of the date of effect of the law until 31 December 2020.
- Real persons and legal entities engaged in unlicensed electricity generation activity that generate electricity from renewable energy sources to meet their own consumption needs will be able to benefit from the prices

in the Table I for ten years if they give the electricity energy they produce above their needs to the distribution system. In this context, it is obligatory to purchase the electrical energy supplied to the distribution system by the responsible supplier company. The electrical energy purchased by the relevant companies in accordance with this article shall be deemed to have been produced and given to the system within the scope of the RER Mechanism by the relevant assigned supply company.

- Periods stipulated in the RER Mechanism starts from the date of entry into operation for those who have not yet entered into operation, and the date when they have entered into operation for those who have. Those subject to the RER Mechanism cannot leave the mechanism within the year that they are included in the RER Mechanism.
- In addition, unlicensed generation opportunities have been introduced for generation facilities based on renewable energy resources, limited by the contractual power in the connection agreement.

You may access the full text of the Law at this [link](#). (Only available in Turkish)

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