

Turkey Adopts New Regulation on Unlicensed Electricity Production in the Electricity Market

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The procedures and principles applicable to real and legal persons, who may produce unlicensed electricity are updated. The primary purpose of the updates introduced with the new Regulation on Unlicensed Electricity Production in Electricity Market (the "**Regulation**") and the Presidential Decree Number 1044 dated 10 May 2019 (the "**Decree**"), is to bring in small-sized plants into the economy by allowing them to generate energy for mainly self-consumption purposes, without the need to obtain a license or establish a company.

The essential changes introduced by the Regulation and the Decree are as follows:

- The upper capacity limit of 1 MW to be eligible to benefit from unlicensed generation has been increased to 5 MW, for facilities which become eligible to receive a calling letter after the date of 10 May 2019.
- Solar energy production facilities having a capacity below 5 MW may now only be established as a roof or façade application.
- It is mandatory to establish the generation facilities and consumption facilities for unlicensed generation in the same distribution region. Accordingly, so long as the generation and consumption facilities are in the same distribution region, they do not need to be established in the same location.
- The installed capacity of the generation facilities cannot exceed the power limit of the relevant consumption facility set out under the connection agreement. If there is no electricity consumption in the consumption facility linked with the generation facility, no payment within the scope of the Renewable Energy Resources Support Mechanism (YEKDEM) will be made for the relevant month.
- The hourly electricity production amount read from the meter data will be calculated as per the accounting period and then notified to the related supply company. The related supply company will calculate the payment to be made for the surplus electricity purchased and inform the market operator thereof. The companies will pay producers the calculated amount regarding the surplus from the payment made by market operators. If the producers consumed excessive electricity, then this amount will be paid to suppliers.

The Regulation was published in Official Gazette numbered 30772 on 12 May 2019 and entered into force. The Regulation has abrogated the Regulation on Unlicensed Electricity Production in Electricity Market published in Official Gazette numbered 28783 on 2 October 2013.

Please see this [link](#) for the full text of the Decree (only available in Turkish).

Please see this [link](#) for the full text of the Regulation (only available in Turkish).

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