

Turkey Includes Electricity Leakage Costs in Distribution Tariffs, Plus Other Amendments to Energy Regulations

19 Aug 2016

Turkey has made a range of changes to energy regulations, notably related to electricity leakage loss. These leakage costs can now be passed on to consumers as part of distribution tariffs. The amendments apply to a range of energy legislation, including provisions relating to electricity, LPG, nuclear, coal mining licenses, and renewable energy, as well as the powers and make-up of certain regulatory bodies.

The Amendment Law numbered 6719 on Electricity Market Law and some other laws ("**Amendment Law**") was published in Official Gazette number 29745 on 17 June 2016, entering into effect on the same date.

Key changes under the Amendment Law include:

- The costs of technical and non-technical losses by distribution companies, as well as illegal uses, can now be reflected to consumers by inclusion in distribution tariffs. These losses constitute the difference between the amount of supplied energy and energy charged to consumers.
- Consumer arbitration committees and courts become authorized to supervise compliance of the actual loss and leakage costs applied to consumers compared to the consumer tariff regulations issued by the Energy Market Regulatory Authority. The change includes ongoing actions against distribution or supply companies.
- Components installed for renewable energy resources used on manufacturing sites must now be domestically produced.
- If the Turkish Electricity Trade and Contracting Corporation cannot meet the amount of electrical energy required under an agreement, it will provide electricity from an electricity company whose production plant is fueled by domestic coal.
- The General Directorate of Mineral Research and Exploration becomes empowered to operate outside Turkey. In particular, it can now conduct research, establish a company, enter a partnership, be a privileged shareholder, buy and sell stock and shares, as well as open offices.
- The scientific responsibility articles of the Constructions Inspection Law and Constructions Zoning Law will no longer apply for constructions within nuclear power stations. Rather, these will now be inspected by institutions empowered by the Turkish Atomic Energy Authority.
- Coal mining licenses can now be prepared separately to other minerals, with the Ministry's prior consent.
- The Energy Market Regulatory Authority decreases from nine to seven members.
- The scope of the Public Tender Law is narrowed to now exclude:
 - Energy, fuel, goods, services, consulting services and big repair works provided by entities related to the Ministry of Energy and Natural Resources
 - Electricity energy bought by the Turkish Electricity Trade and Contracting Corporation.

- A licensee will now lose its license if it sells LPG which is not in line with the technical regulations, and repeats this action three time during the license period. The licensee will also be required to compensate and damages within three months.

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

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