

Turkey Updates Financial Guarantee Arrangements in Wholesale Electricity Market

20 Jun 2017

Turkey's Energy Market Regulatory Board ("**Board**") has amended procedures for financial guarantees in the wholesale electricity market. Amendments address the market operator's (Enerji Piyasalar? ??letme A.?.) risks where market participants fail to fulfil obligations. Changes introduce new daily requirements for submitting guarantees, as well as consequences for failures to meet required guarantee levels.

The Board's 20 April 2017 decision was published in Official Gazette numbered 30051 on 28 April 2017, entering into force on 1 May 2017.

Notable changes include:

- The requirement for wholesale market participants to present at least 25% of the initial guarantee in Turkish Lira cash has been removed and no new limit is set.
- Wholesale market participants must now also submit:
 - Guarantee letters to the Market Operator by 16:30 each day.
 - Other guarantees to the central settlement bank by 17:00 each day.
- At the daily 11:00 guarantee check, if a market participant's guarantee fails to meet the required level for bilateral agreements regarding sale/purchase of electricity and/or capacity, the participant now cannot notify the agreement as the seller.
- Various processes will now apply if a market participant's guarantee levels fail to meet the additional margin for three consecutive business days.
- The Market Management System will now be used to inform market participants about other participants which are subject to processes due to failures to meet guarantee levels.
- Days when the central settlement organization does not provide clearing and guarantee management services for the electricity market will now also be considered as a holiday.

Please see this [link](#) for the full text of the Decision number 7042-6 (only available in Turkish).

Related Practices

- [Securities and Capital Markets](#)

Related Attorneys

- [BENAN ARSEVEN](#)
- [BURCU TUZCU ERS?N, LL.M.](#)
- [C. HAZAL BAYDAR, LL.M.](#)