

SIGNIFICANT AMENDMENTS TO ELECTRICITY MARKET LEGISLATION

Comprehensive amendments concerning the functioning of the electricity market have been introduced through regulations published in the Official Gazette numbered 33405 and dated October 19, 2026. In this context, new rules have been introduced in various areas, including, in particular, licensing processes, electricity storage activities, unlicensed electricity generation, balancing and settlement, ancillary services and the support of renewable energy resources.

These amendments have, in particular, changed the method for determining the collateral amounts to be set in the licensing processes of electricity storage facilities and introduced additional obligations for unlicensed electricity generators in order to ensure system security. Within this framework, the principal amendments are summarized below.

1. Electricity Market License Regulation

The amendments to the Electricity Market License Regulation, published in the Official Gazette numbered 28809 and dated November 2, 2013, have restructured the provisions concerning, in particular, the licensing of electricity generation facilities with storage and the related collateral processes.

- In calculating the collateral amount to be deposited by the applicant in the preliminary license and license processes for electricity storage units, the "power" of the electricity storage units, rather than their "capacity," will be taken as the basis.
- This amendment is expected to reduce, depending on the structure of the facility, the collateral amounts in the preliminary license and license processes for electricity storage units. It is provided that the collateral submitted in license applications for electricity generation facilities with storage will not be returned until the entire generation facility has been put into operation. For the return of collateral relating to electricity storage units, the power of the storage unit whose acceptance has been completed will be taken as the basis.
- A new provision on force majeure stipulates that, where an event previously considered as force majeure becomes continuous in a manner preventing the completion of the generation facility investment, such event will not be considered as force majeure by the Energy Market Regulatory Authority (the "**EMRA**"). This aims to prevent extensions of time from being obtained on the grounds of force majeure based on events that permanently prevent the completion of the investment.
- The restrictions on the trade names of legal entities holding licenses have been broadened, restricting supply license and aggregator license holders from using trade names that may create the impression that they are affiliated with a distribution license holder.

2. Electricity Market Connection and System Use Regulation

The amendments to the Electricity Market Connection and System Use Regulation, published in the Official Gazette numbered 28896 and dated January 28, 2014, have introduced new rules concerning the grid connection and system use of electricity storage facilities and the related collateral obligations.

- Consumers are now permitted to install electricity storage facilities with an installed power higher than the capacity allocated to them under the connection agreement (*contracted power*); however, the installation of an automatic power control unit and an energy cut-off system preventing such facilities from feeding energy into the grid and from exceeding the contracted power has been made mandatory.
- Collateral obligations relating to the use of the distribution system have been restructured. For users who have paid their invoices in full and have not defaulted within the last 24 months, the rate to be applied in calculating the collateral has been capped. Collateral overcollected under the existing rules is to be refunded within one month following the entry into force of the amendment.



3. Regulation on Storage Activities in the Electricity Market

The conditions for the installation of electricity storage facilities by consumers have been amended in the Regulation on Storage Activities in the Electricity Market, published in the Official Gazette numbered 31479 and dated May 9, 2021.

- Consumers are now permitted to install electricity storage facilities at the same metering point, subject to the favorable opinion of the relevant grid operator, while the establishment of technical safety and control systems has been made mandatory for facilities with an installed power exceeding the contracted power.

4. Regulation on Unlicensed Electricity Generation in the Electricity Market

The amendments to the Regulation on Unlicensed Electricity Generation in the Electricity Market, published in the Official Gazette numbered 30772 and dated May 12, 2019, have broadened the system security obligations of unlicensed electricity generation facilities.

- Electricity distribution companies, as well as organized industrial zones and industrial zones holding a distribution license, have been granted the ability to remotely control unlicensed electricity generation facilities in emergencies. Responsibility for re-energizing the facility following an emergency intervention, however, has been left to the generator. The financial consequences for unlicensed electricity generators that fail to comply with emergency load shedding instructions have been regulated.
- Unlicensed electricity generation facilities are now permitted to install electricity storage units without any capacity limitation, provided that the electrical power of the facility is not exceeded.
- Unlicensed electricity generators are required to apply to the grid operator for the amendment of their connection agreements within 60 days following the entry into force of the amendment.

5. Electricity Market Balancing and Settlement Regulation

The amendments to the Electricity Market Balancing and Settlement Regulation, published in the Official Gazette numbered 27200 and dated April 14, 2009, have restructured the bidding and notification processes in the balancing power market.

- Load-up and load-down bids are to be submitted on the basis of the settlement period instead of on an hourly basis. In addition, the time periods for finalized day-ahead generation and consumption schedules and for available capacity notifications have been restructured, and technical provisions have been introduced for including consumption points associated with unlicensed electricity generation facilities in the settlement processes.

6. Electricity Market Ancillary Services Regulation

The amendments to the Electricity Market Ancillary Services Regulation, published in the Official Gazette numbered 30252 and dated November 26, 2017, have updated the principles concerning, in particular, the provision of the demand side participation service, the evaluation of performance and the payments to be made in return for the service.

- The deviation rates to be used as the basis for evaluating the performance of aggregators in fulfilling activation instructions have been redetermined. For applications concerning the participation of consumption facilities connected to the distribution system in aggregation activities, the submission of documents approved by the relevant distribution license holder and containing meter information and the contracted power has been made mandatory.
- The period during which ancillary service performance tests are to be conducted and test certificates and/or reports are to be issued by Türkiye Elektrik İletim A.Ş. (“**TEİAŞ**”) has been extended until December 31, 2026.



7. Regulation on Electricity Market Activities of Organized Industrial Zones and Industrial Zones

The amendments to the Regulation on Electricity Market Activities of Organized Industrial Zones and Industrial Zones, published in the Official Gazette numbered 32612 and dated July 25, 2024, have broadened the obligations of legal entities holding a distribution license to comply with emergency instructions and to share relevant information.

- Organized industrial zones and industrial zones holding a distribution license have been made subject to the obligation to implement load shedding instructions concerning unlicensed electricity generation facilities, as well as emergency instructions communicated by TEİAŞ, in order to ensure system security. In this context, such zones are required to carry out the necessary interventions in line with the relevant instructions.
- Information on the relevant facilities and the results of the implementation of the instructions are to be reported to the competent authorities completely and in a timely manner.

8.Regulation on the Certification and Support of Renewable Energy Resources

The amendments to the Regulation on the Certification and Support of Renewable Energy Resources, published in the Official Gazette numbered 28782 and dated October 1, 2013, have restructured the principles concerning the settlement processes of electricity storage units and the calculation of support payments under the Renewable Energy Resources Support Mechanism (*Yenilenebilir Enerji Kaynakları Destekleme Mekanizması*) (the "**YEKDEM**").

- Special provisions have been introduced concerning the effect on the YEKDEM calculations of energy stored and subsequently fed back into the system where the storage unit of an electricity generation facility with storage draws energy from the grid.
- Rules have been introduced whereby, if it is determined that the YEKDEM has been benefited from through misleading or forged documents or that undue support payments have been received, the relevant amounts are to be updated on the basis of the interest rate set out in Article 51 of the Law on the Procedure for the Collection of Public Receivables (Law No. 6183) and recovered.

These amendments aim to increase the efficiency of balancing and settlement processes in the electricity market, strengthen system security and clarify the obligations of market participants. In particular, the rules concerning aggregation activities, emergency instructions and the YEKDEM give rise to new operational and financial obligations for the relevant market participants.

Within this framework, it is important for companies operating in the electricity market to review their current practices and contractual obligations in light of the new rules.

