

Solar Power Plants in Turkey

Numerous countries have been in an energy transition in recent years due to the decreasing capacity of primary energy resources such as natural gas, oil and coal and also in order to contribute to the prevention of climatic changes arising from the use of primary energy resources. In this connection, the importance of energy production from renewable resources has come into question also in Turkey.

Turkey has a promising potential with respect to the solar energy due to the annual sunshine duration especially in the south part. Apart from this factor, legal reforms in electricity market and investment incentives especially in renewable energy play an essential role.

Investments on solar energy have come up on 2008 in Turkey. According to the statistics, Turkey's total 71.429 megawatts ("MW") installed capacity is being formed by solar energy only in an amount of 84.1 MW as of May 2015.

In the period covering years between 2000 and 2015 the fastest growing renewable energy technology has been the photovoltaic solar energy. The target of Turkey is to increase the share of renewable resources in the power generation to 30% of the installed capacity until 2023.

Turkey has become more attractive with regard to

renewable energy investments since recent years

Most charming countries in the meaning of growth of solar energy sector are China, India, Australia, Chile and Brazil which are followed by Argentina, Turkey and South Africa. As mentioned above, annual sunshine duration, legal reforms in electricity market, especially facilities with regard to renewable energy investments have been relevant in this position of Turkey in the world regarding solar energy investments.

The allowed installed capacity for each power plant generating unlicensed power from renewable energy resources has expanded to 1 MW from 500 kW as of 2013. Moreover, the overproduced power from renewable resources is guaranteed to be bought from the power generating person or company for a certain tariff that is listed in the related legislation. Most important is that the power generating persons or companies may benefit from this facility for a time period of ten years. This is also essential to know that in case of use of in Turkey manufactured equipment in construction of the power plant, extra prices will be guaranteed and added to feed-in tariffs in accordance with the list regulated by related legislation.

Not only the unlicensed power generation, but also licensed power generation is supported and apart from other incentives, licensed power generating legal entities may benefit from abovementioned facilities. Depending on the energy resource of the power plant, the procedures and authorities may vary.

Step by step solar power

process in Turkey

May 2008:

Minister of Energy of the period, Hilmi Güler, has announced the "Solar Power Potential Atlas of Turkey". So that it is seen the quite total capacity of the solar power plants to be established in Turkey.

August 2008:

In order to take effect the solar power plants in Turkey, law drafts including various incentives has been prepared by the related Ministry.

November 2008:

Law draft named "Proposal of Law Regarding Some Amendments in the Law for the Use of Renewable Energy to Produce Electricity" has submitted to the Commission for Information and Technology of the Ministry of Industry, Commerce, Energy and Natural Resources.

June 2009:

The Law numbered 5346 and named "Law for the Use of Renewable Energy to Produce Electricity" has formed its final state and submitted to Parliamentary. Despite it has been taken issue on General Assembly on 2009 it did not voted for long and then it fell of the agenda.

December 2010:

Law draft has been amended again and approved at General Assembly meeting of the Parliament. For the Solar Power Plants to be established until 2013, a limit of 600 MW has been designated. Guarantee of purchase has been designated as 13.3 Cent/kWh. Moreover an extra incentive for purchase price has also been designated in case that if

the materials to be used in power plant manufactured in Turkey.

An obligation for meteorological measurements has been decided for each investor in the law draft.

August 2011:

Ministry of Energy has announced the geographical areas and transformer stations where it is possible to appeal for license for a solar power plant.

August 2011:

Turkish Energy Market Regulatory Authority has published a draft Communiqué for the measurements foreseen in the Law.

February 2012:

Turkish Energy Market Regulatory Authority's draft Communiqué has been announced in the Official Gazette and took effect. Later on 31.03.2012 aforementioned Communiqué has been revised.

February 2012:

Geographical areas and transformer stations where it is possible to appeal for license and which were announced by Ministry of Energy on August 2011 has been cancelled. Instead it has been rendered obligatory to obtain a certain amount of power capacity within the measurements to be made.

May 2012:

Turkish Energy Market Regulatory Authority has announced a ruling regards to acceptance of license appeal to be submitted on 13-14 June 2013, in two days. Aforementioned ruling has also indicated that it is not possible to establish a solar power plant on the agriculture allocated lands above of certain extent. Furthermore, it has also rendered

obligatory for the meteorological measurements to be made at least for 6 months and to be submitted to the General Directorate of Meteorology.

June 2012:

An official memorandum has been announced from the Prime Ministry with regards to allowances to be taken from the Prime Ministry for the all territories.

July 2012:

A Communiqué has been announced by the General Directorate of Meteorology with regards to the establishment of measurement stations, approvals and data reporting.

August 2012:

A circular has been announced by the General Directorate of Forests with regards to the disallowance for the establishment of measurement stations on the lands admitted as forest lands. Thus, it become impossible to appeal for the license on the forest lands despite it has been allowed by the Law numbered 5346 clearly.

September 2012:

Turkish Energy Market Regulatory Authority has claimed from the Provincial Directorates of Agriculture, Food and Husbandry to be asked its opinion for the measurement stations to be established on the pasture and treasury lands. Investors has promptly started to try hire lands as small as only 25-50 m² from the real persons in order to complete measurement obligations where they could not find any area with regards to abovementioned.

October 2013:

The Regulation on Unlicensed Power Generation in the Electricity Market dated 21 July 2011 has been repealed on 2 October 2013. Accordingly, unlicensed power generation capacity has been increased from 500 kW to 1 MW.

December 2013:

According to the Council of Ministers' Decision dated 18 November 2013, the feed-in tariff incentives have been extended to 10 years for the license owners subject to the Renewable Energy Resources Support Mechanism which will commence operating from 1/1/2016 until 31/12/2020. Moreover, the local equipment support has been extended to 5 years after the operating date of the power plants which are subject to the Renewable Energy Resources Support Mechanism.

Application steps for unlicensed and licensed power generation

Licensed and unlicensed power generation is subject to different legislation and procedures. Decisive in this procedure is the targeted installed capacity of the power plant and also investor's plans and investment's scope play a role in determination of type of the power generation.

For the facilities having a capacity of more than and equal to 1 MW, companies shall obtain a license. There are certain conditions for such companies regarding capital amount, company type set forth by the regulations.

For licensed power generation from solar energy, applicant shall obtain certain permits from the Electricity Market Regulatory Authority ("EMRA") and from other related authorities if needed. Attention should

be paid to the land allocation because the applicant is obliged to prove his/her right of usage by the application and the acquisition procedures might vary on the land's status. The investor may also benefit from the facilities in land allocation such as reduction in land tenure charges, permission without charges and other facilities mentioned in the Turkish Energy Legislation.

For unlicensed power generation, the conditions of grid connection regarding the capacity and systems differ from the conditions for licensed power generation. Accordingly, permission procedure for grid connection is performed before different authorities. In this procedure, the land allocation and submission of the project is relevant apart from the submission of other documents and their conditions stated in the legislation.

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