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Official Gazette dated 14/11/2020, numbered 31304

REGULATION ON RENEWABLE ENERGY GUARANTEES OF ORIGIN IN THE ELECTRICITY MARKET

CHAPTER ONE

Purpose, Scope, Legal Basis, Definitions and Abbreviations

Purpose

ARTICLE 1 - (1) The purpose of this Regulation is to establish a renewable energy guarantees of origin system to track, prove and disclose that a certain amount or share of electricity supplied to the consumers is generated by license holder legal entities from renewable energy resources that allows the electricity generated from renewable energy resources to be supplied to the consumers by means of certification for making the use of renewable energy resources spread in electricity generation and consumption and thus protecting the environment and to regulate the procedures and principles regarding the operation of this system in a non-discriminatory, objective and transparent manner.

Scope

ARTICLE 2 – (1) This Regulation covers the provisions regarding the participation of the generation and supply license holder legal entities in the renewable energy guarantees of origin system, and the principles regarding the establishment and operation of the renewable energy guarantees of origin system and the organized renewable energy guarantees of origin market, as well as the duties and powers of the Market Operator, and the rights and obligations of the license holder legal entities.

(2) This Regulation does not cover the generators within the scope of the Unlicensed Electricity Generation in the Electricity Market Regulation published in the Official Gazette dated 12/5/2019 and numbered 30772.

Legal basis

ARTICLE 3 – (1) This Regulation has been prepared based on Article 5 of the Law on the Utilization of Renewable Energy Resources for the Purpose of Generating Electricity No. 5346, dated 10/5/2005 and Article 11 of the Electricity Market Law No. 6446, dated 14/3/2013.

Definitions and abbreviations

ARTICLE 4 – (1) In the implementation of this Regulation, the following definitions shall apply:

a) **Certifiable generation volume:** The volume of supply subject to settlement obtained from meters registered in the MMS at the unit exits of licensed generation facilities where electricity is generated based on renewable energy resources, or the volume of supply subject to settlement obtained from meters registered in the MMS in the name of the facility, in case there are no meters at the unit exits;

b) DUY: Electricity Market Balancing and Settlement Regulation published in the Official Gazette dated 14/4/2009 and numbered 27200;

c) Invoicing period: The period that starts at 00:00 on the first day of a calendar month and ends at 24:00 on the last day of the same month;

ç) Assigned supply company: The supply company established within the scope of legal unbundling of distribution and retail sale activities or authorized by the Board as the supplier of last resort;

d) Account: The electronic record within the registration database created in the name of the legal entity registered in the YEK-G system, that contains all information related to each and every YEK-G certificate that is issued, transferred, cancelled, expired and withdrawn, and that stores other necessary information related to the operating of the YEK-G system, which enables the owner to perform and track the processes related to the YEK-G certificate in their possession;

e) Account holder: The YEK-G system participants, in whose name an account is created within the registration database;

f) Disclosure: Declaration made through bills and/or another accompanying means of notification, that a certain volume or share of the electricity supplied to consumers by suppliers is generated from renewable energy resources and documented by a YEK-G certificate;

g) Issue: Issuance of YEK-G certificate by the Market Operator as an electronic document in view of the certifiable generation volume pertaining to YEK-G system participants, following the application made by an account holder legal entity within the registration database for issue of YEK-G certificate;

ğ) Expiry: Withdrawal process to be concluded electronically by the Market Operator for a YEK-G certificate, that prevents a YEK-G certificate from ever being transferred to another account, in case a YEK-G certificate in an account within the registration database is not cancelled within 12 months from the end date of the generation period;

h)¹ Relevant legislation: Laws, Presidential decrees, Presidential decisions, regulations, communiques, circulars, Board decisions and licenses regarding the electricity market;

ı) Withdrawal: Cancellation process to be concluded by the Market Operator for a YEK-G certificate in an account within the registration database, in case of errors that may occur during the issue and transfer process, and other issues that may occur within the scope of operating the YEK-G system;

i) Cancellation: Termination process to be concluded electronically by the Market Operator per request of the account holders for a YEK-G certificate in an account within the registration database, in order for it to be associated with a certain renewable energy consumption and used for the purpose of disclosure, that prevents such YEK-G certificate from being transferred to another account;

j) Registration database: The database containing the registration information, accounts to be created, data on the certifiable generation volume, content of the YEK-G certificate and other information that may be required within the scope of operating the YEK-G system pertaining to each and every legal entity, formed by the Market Operator regarding YEK-G system participants;

k) Contract: Contract that imposes an obligation to receive or deliver the YEK-G certificate related to a specific renewable energy resource at the matched price in the organized YEK-G market;

l) Board: Energy Market Regulatory Board;

m) Authority: Energy Market Regulatory Authority;

¹ Amended pursuant to the Regulation published in the Official Gazette dated 21 May 2021 and numbered 31487.

- n) Central settlement institution: The institution designated by the relevant legislation to carry out financial transactions among the users of the YEK-G system and authorized as the central clearing house as per the Capital Markets Law No. 6362, dated 6/12/2012;
- o) Central settlement institution agreement: The agreement to be signed between the Market Operator and the central settlement institution to specify the duties and responsibilities of the parties regarding collateral management and payments;
- ö) Central settlement institution-participant agreement: The agreement prepared by the Market Operator and signed between YEK-G system participants and the central settlement institution regarding collateral management and cash clearing services;
- p) Double counting: The issue in an account in the registration database of more than one YEK-G certificate for 1 MWh unit of energy in relation to the certifiable the same underlying generation volume, or use of a YEK-G certificate by YEK-G system participants for cancellation multiple times;
- r) Organized YEK-G market: The market organized and operated by the Market Operator, where YEK-G certificate is traded among market participants;
- s) Organized YEK-G market participation agreement: The standard agreement that includes the terms and conditions regarding participation of the market participants in the organized YEK-G market and the organized YEK-G market operation of the Market Operator;
- ş) Market Operator: Energy Markets Operator Company of Turkey;
- t) Market participant: License holder legal entities that have executed an organized YEK-G market participation agreement within the scope of this Regulation;
- u) MMS: Market Management System defined in DUY;
- ü) Eligible consumer: Individuals or legal entities eligible to choose their supplier due to having an electricity consumption volume higher than the threshold volume designated by the Board, or directly connected to the transmission system, or possessing the legal entity of an organized industrial zone;
- v) Supplier: Generation companies and companies holding a supply license that supply electricity and/or capacity;
- y) Transfer: The electronic transfer process carried out by the Market Operator in order to transfer a YEK-G certificate between accounts within the registration database;
- z) Procedures and Principles: YEK-G System and Organized YEK-G Market Operating Procedures and Principles;
- aa) Generation period end date: 24:00 on the last day of each invoice period corresponding to the electricity generated within any settlement period from renewable energy resources;
- bb) YEK-G bilateral agreement: The commercial agreement governed by private law provisions, executed between YEK-G system participants for the trade of the YEK-G certificate, and which is not subject to Board approval;
- cc) YEK-G bilateral agreement market: The market where YEK-G certificate is traded among YEK-G system participants together with or separate from electricity itself, through commercial agreements that are not subject to Board approval;
- çç) YEK-G system participant: A licensee legal entity that signed the YEK-G system participation agreement to participate in the YEK-G system operated by the Market Operator within the scope of this Regulation;
- dd) YEK-G system: The system managed by the Market Operator, that includes issue, transfer, cancellation in favor of consumers, expiry and withdrawal processes of YEK-G certificate

for electricity generated in generation facilities registered in the system to be established within the scope of this Regulation;

ee) YEK-G system participation agreement: Standard agreement that includes the terms and provisions regarding participation of YEK-G system participants in the YEK-G system and operation of the YEK-G system by the Market Operator;

ff) YEK-G system participation undertaking: Undertaking submitted to the Market Operator by each YEK-G system participant, that, for the same calendar year, a generation facility owned by YEK-G system participants is not actively registered in other certificate markets that aim to provide information about the attributes of energy other than the YEK-G system, and that it can be registered in other certificate markets that aim to provide information on the attributes of energy after the participation of each generation facility is deactivated in the YEK-G system;

gg) YEK-G Settlement: Processes as to calculation of the receivable and debt amounts arising in connection with the operation of the YEK-G system and the organized YEK-G market, retrospective correction, evaluation of objections to the calculation and preparation of each receivable-debt notices;

ğğ) Renewable energy guarantees of origin (YEK-G certificate): An electronic certificate that is issued, each corresponding to 1 MWh electricity generated, and provides proof that a certain volume or share of the electricity supplied to a consumer is generated from renewable energy resources;

hh) Renewable energy guarantees of origin market (YEK-G market): The YEK-G bilateral agreement market where trade of the YEK-G certificate with or without electricity is carried out among YEK-G system participants and organized YEK-G market organized and operated by a central intermediary legal entity holding market operating license;

ıı)² Renewable Energy Resources (YEK): Non-fossil energy resources such as hydraulic, wind, solar, geothermal, biomass, , waves, current and tide;

ii) Green tariff: The tariff designated by the Board in order to support renewable energy resources within the scope of the fourth paragraph of Article 17 of the Electricity Market Law.

jj)³ Session: The period of time in which contracts are open for purchase and sale.

(2) Definitions and abbreviations that are used in this Regulation but not included in the first paragraph shall have the meanings and scope attributed to them in the relevant legislation.

CHAPTER TWO

YEK-G Certificate and YEK-G System, Parties, Rights and Obligations of the Parties

Principles regarding YEK-G certificate and YEK-G system

ARTICLE 5 - (1) YEK-G certificate is issued by the Market Operator in order to prove and disclose to the consumer that a certain volume or share of the electricity supplied to consumers by suppliers is generated from renewable energy resources, and to prove and disclose the resource type of this electricity, and to enable the trade of YEK-G certificates.

(2) YEK-G system is operated within the framework of the following general principles:

a) The issuing body of YEK-G certificate is the Market Operator in the YEK-G system;

b) The Market Operator is obliged to establish, operate and manage the YEK-G system and registration database;

² Amended pursuant to the Regulation published in the Official Gazette dated 21 May 2021 and numbered 31487.

³ Inserted pursuant to the Regulation published in the Official Gazette dated 21 May 2021 and numbered 31487.

c) YEK-G certificate is issued by taking into account the certifiable generation volume generated in licensed generation facilities based on renewable energy resources and upon request by each generation license holder legal entities;

ç) 1 (one) YEK-G certificate is issued for each 1 MWh certifiable generation volume;

d) YEK-G certificate is valid for 12 months from the end date of the generation period of the electricity generated from renewable energy resources;

e) Each YEK-G certificate to be issued contains the information specified in the Procedures and Principles, in both Turkish and English languages.

YEK-G system participants and market participants

ARTICLE 6 – (1) YEK-G system participants consist of the following legal entities who have signed a YEK-G system participation agreement with the Market Operator and completed the registration procedures specified in Article 9:

a) Generation license holder legal entity;

b) Supply license holder legal entity.

(2) Legal entities among YEK-G system participants who wish to operate in the organized YEK-G market shall also sign an organized YEK-G market participation agreement with the Market Operator.

(3) Generators within the scope of the Unlicensed Electricity Generation in the Electricity Market Regulation cannot become YEK-G system participants.

(4) A generation facility that is actively registered in other certificate markets that aim to provide information on the attributes of energy within the same calendar year other than the YEK-G system cannot be registered in the YEK-G system.

(5) Multi-resource electricity generation license holders can participate in the YEK-G system and the organized YEK-G market if all of the energy resources used in the facility are renewable sources.

Rights and obligations of YEK-G system participants and market participants

ARTICLE 7 – (1) Suppliers are obliged to specify the terms of the YEK-G certificate cancellation to be completed for the consumer's benefit, in the contract they will enter into with the consumer. The contracts also include the type or types of renewable energy resources that are the basis for the issue of YEK-G certificate, the duration of the YEK-G certificate and other provisions set out in the Procedures and Principles.

(2) Suppliers are obliged to prove and certify the YEK-G certificates that they are obliged to disclose to consumers in line with their consumption.

(3) YEK-G system participants are obliged to notify the Market Operator of the YEK-G certificate trade they have carried out in the YEK-G bilateral agreement market.

(4) YEK-G system participants and market participants are obliged to timely and accurately provide any information and document that may be requested by the Authority or the Market Operator regarding the operation of the YEK-G system and organized YEK-G market.

(5) Assigned supply companies can prove that the electricity they supply to consumers who subscribe to the green tariff is generated from renewable energy resources only through cancellation of the YEK-G certificates they have acquired from the organized YEK-G market, and disclose this by adding a special mark to the consumers' bills. The standard of the mark to be added to the consumer bills representing the green tariff is determined by the Authority. The customers

are not to be charged any additional fee for the YEK-G certificate that is cancelled in this context, that is in addition to the tariffs issued by the Authority.

(6) The legal entities holding generation license are obliged to submit the YEK-G system participation undertaking to the Market Operator in order to carry out the registration regarding the generation facilities based on renewable energy resources they own. If it is detected that there is a violation of the YEK-G system participation undertaking, each legal entity is to be restricted from performing transactions in the YEK-G system and organized YEK-G market. The violation in question is reported to the Authority by the Market Operator and action shall be taken within the framework of the Electricity Market Law.

(7) YEK-G system participants and market participants are obliged to carry out their activities within the framework of the Regulation and the provisions of the relevant legislation in a manner that does not harm the YEK-G system and/or the organized YEK-G market and does not remove their obligations arising from the relevant legislation.

Rights and obligations of the Market Operator

ARTICLE 8 – (1) The Market Operator is authorized as part of its mandate of operating the YEK-G system to issue YEK-G certificates, establish and manage the registration database regarding YEK-G certificate and YEK-G system participants, and carry out transactions regarding the transfer, withdrawal, cancellation and expiry of the issued YEK-G certificates for each accounts.

(2) The Market Operator:

a) establishes and operates an organized YEK-G market in order to enable the trade of the YEK-G certificates;

b)⁴ establishes the necessary market software and hardware infrastructure and database to ensure the reliable operation of the organized YEK-G market and the YEK-G system. In case of breakdown and maintenance that may occur in the YEK-G system and the organized YEK-G market, Article 16 shall apply;

c) operates the organized YEK-G market with the YEK-G system in an equal, non-discriminatory and transparent manner against all participants to maintain a competitive environment and takes the necessary measures to prevent the use of these markets outside the purposes of this Regulation;

ç) is obliged to receive collaterals from market participants in order to manage the risks of the participants in the operation of the organized YEK-G market and to take the necessary measures in case of default;

d) is obliged to timely and accurately provide any information and documents that may be requested by the Authority within the scope of the operation of the YEK-G system and organized YEK-G market.

(3) The Market Operator takes all necessary measures to prevent double counting, taking into account other certificate markets that aim to provide information on the attributes of energy other than the YEK-G system.

CHAPTER THREE

Participation in YEK-G System, Issue of YEK-G Certificate and Implementation Principles

⁴ Amended pursuant to the Regulation published in the Official Gazette dated 21 May 2021 and numbered 31487.

YEK-G system participation process

ARTICLE 9 – (1) License holder legal entities wishing to participate in the YEK-G system must register with the Market Operator and open an account in the Market Operator registration database. In order to register the legal entities; each legal entity shall:

- a) have completed the legal entity registration according to the relevant Articles of the DUY;
- b) have completed its registrations regarding the settlement supply-draw units associated with it as of the moment of application, and at least one of the generation facilities or one unit of the generation facilities in its portfolio shall have been accepted, for legal entities holding a generation license;
- c) sign a YEK-G system participation agreement;
- ç) sign the YEK-G system participation undertaking for the registration of a generation facility generating energy from a renewable resource;
- d) have fulfilled other obligations designated in the Procedures and Principles.

(2) YEK-G system participants who want to issue YEK-G certificate for their electricity generation from licensed generation facilities based on renewable energy resources are obliged to register these generation facilities in the YEK-G system for each calendar year. In order for registration, the facility must be registered on MMS under the name of each YEK-G system participant and the YEK-G system participation undertaking must be signed for each facility. Generation facilities whose YEK-G system participation status is deactivated within the year cannot participate again in the YEK-G system for the same calendar year.

(3) The application procedure regarding the registration procedures, the information and documents to be requested, the evaluation of the applications, the deadlines, the updating of records, deactivating records, and the obligations of the YEK-G system participants, and other matters regarding the registration process are regulated in the Procedures and Principles.

(4) Following the completion of the registration process defined in this article and in the Procedures and Principles, each YEK-G system participant can participate in the YEK-G system by opening of an account in the registration database for it by the Market Operator.

Issue of YEK-G certificate

ARTICLE 10 – (1) In the event that the licensed generation facility owner legal entities, which generate electricity based on renewable energy resources and have completed the YEK-G system registration process, request the issue of a YEK-G certificate for the certifiable generation volume generated in these generation facilities, YEK-G certificate is issued by the Market Operator for each invoicing period within the period specified in the Procedures and Principles as of the date of publication of the final settlement notification within the scope of DUY.

(2) The provisions regarding retrospective correction within the scope of DUY are also taken into account in applications made within the scope of the first paragraph.

(3) YEK-G certificates issued by the Market Operator are transferred to the account in the registration database, which belongs to each generation license holder legal entity who requested the issue of YEK-G certificate.

(4) The application procedure to be made to the Market Operator for the issue of the YEK-G certificate, the information and documents to be requested, the evaluation of applications,

deadlines and other issues regarding issue of YEK-G certificates are regulated in the Procedures and Principles.

Implementation principles regarding YEK-G certificate

ARTICLE 11 – (1) Provided that it is among YEK-G system participants, YEK-G certificates can be traded in:

- a) the organized YEK-G market independent of energy supply;
- b) the YEK-G bilateral agreement market, with or without energy supply.

(2) YEK-G system participants can make a YEK-G certificate cancellation notification to the Market Operator with or without energy supply on behalf of eligible consumers, including those who have not chosen their supplier.

(3) Assigned supply companies are obliged to prove through YEK-G certificates, the energy they supply within the scope of the regulated tariff to consumers within their portfolios, who benefit from the green tariff.

(4) Assigned supply companies shall obtain the YEK-G certificates within the scope of the green tariff exclusively from the organized YEK-G market.

CHAPTER FOUR

Provisions Regarding Organized YEK-G Market

General provisions regarding organized YEK-G market

ARTICLE 12 – (1) Transactions regarding the organized YEK-G market are carried out within the framework of the following general provisions:

a) In the organized YEK-G market, matches take place by the continuous trading method, where the orders can be matched immediately after they are included in the order book, and the commercial transaction can take place;

b) Contracts to be opened in the continuous trade method are traded throughout the trading session;

c) The trading session, session durations, contracts to be traded, opening and closing times of contracts, bidding times for contracts and other market-related processes are regulated in the Procedures and Principles;

ç) In each transaction concluded in the organized YEK-G market, the Market Operator is a party to each market participant.

Organized YEK-G market orders

ARTICLE 13 – (1) Market participants may submit orders for the contracts opened by the Market Operator in accordance with the order types determined by the Procedures and Principles.

(2) Mandatory content of orders submitted to contracts are regulated in the Procedures and Principles.

(3) The structure of all orders submitted to the organized YEK-G market and all other necessary information are determined by the Procedures and Principles and notified to the market participants by the Market Operator via MMS.

(4) Notifying of their orders for the contracts that are made available for trade in the organized YEK-G market by market participants, updating, canceling, suspending the orders,

listing them in the order book and other issues regarding the orders are regulated in the Procedures and Principles.

Matching of YEK-G market orders and commercial transaction approval

ARTICLE 14 – (1) After the orders submitted by the market participants to the organized YEK-G market are registered as active orders, the transactions regarding matching of orders is carried out as follows:

- a) The orders are evaluated separately on their own merits for each contract type;
- b) The best-priced order takes precedence over orders for the same contract;
- c) The first registered order takes precedence over equally priced orders for the same contract;
- ç) Orders with the highest price for the bid and the lowest price for the offer are shown as the best-priced orders in the order book;
- d) The match price is the price of the first recorded order among matching orders.

(2) Matched orders are removed from the best-priced order list and the Market Operator notifies each market participants of their commercial transaction approvals via MMS. In case of a partial match, the remaining mismatched amount appears in the order book throughout the trading session.

Withdrawal of orders and transactions in the organized YEK-G market

ARTICLE 15 – (1) Upon application of at least one market participant who is party to the transaction or *ex officio* by the Market Operator, all or part of each order and/or completed transaction are to be withdrawn by the Market Operator in the following cases:

- a) Occurrence of errors arising from computer, software or other technological infrastructure caused by the Market Operator;
- b) Detection of orders and transactions aimed at obtaining unfair advantage or market manipulation.

(2) The reason for withdrawal and/or necessary information regarding the withdrawal and/or other transactions are announced to the market participants via MMS.

Breakdown and maintenance procedures within the scope of the organized YEK-G market

ARTICLE 16 – (1) MMS breakdown and maintenance procedures are to be applied in cases of occurrence of problems in computer, software, or other technological infrastructure used by the Market Operator in the execution of market activities that prevents healthy continuation of transactions; maintenance on MMS; or disconnection of communication lines used by Market Operator.

(2) In case the MMS malfunctions, maintenance is carried out, and it is revealed that the processes to be completed under the provisions of this Regulation cannot be completed within the specified time, Market Operator determines new periods to complete the processes or suspends each contract. The completion time of MMS breakdown procedures is announced to the organized YEK-G market participants by the Market Operator.

(3) Market Operator and each market participant is to determine at least one person who can be contacted immediately in cases where MMS breakdown or maintenance procedures are underway and shall provide the contact information of this person to each other.

(4) Market Operator is obliged to take the necessary precautions to prevent an MMS breakdown. The Market Operator cannot be held responsible for additional costs and losses arising from the execution of MMS breakdown procedures.

Objection process in the organized YEK-G market

ARTICLE 17 – (1) Organized YEK-G market participants can make an objection within the periods specified in the Procedures and Principles only in case there is an error attributable to the Market Operator in the notifications regarding commercial transaction approvals. Objections are accepted only if the error is caused by the Market Operator. Acceptance or rejection of the objections and the corrections to be made as a result of the objection are regulated in the Procedures and Principles.

(2) The objection made does not relieve the market participant of payment and other obligations. The market participant, who does not make an objection within the given period, is deemed to have accepted the commercial transaction approvals with all their content. After the completion of the objection period, the commercial transaction approvals become a contract within the scope of the amounts they contain.

(3) In the event of multiple objections to a contract, the Market Operator evaluates the objections and each contract and makes the necessary announcement to the market participants in case of serious suspicion that the subject of objection contradicts the principles set forth in this Regulation.

CHAPTER FIVE Financial Provisions

Responsibilities of the Market Operator

ARTICLE 18 – (1) The Market Operator is responsible for:

a) Designating the central settlement institution and informing the participants about this issue;

b) Making an agreement with the central settlement institution for the purpose of the execution of collateral and payment transactions by the central settlement institution determined by the Market Operator, enabling use of the central settlement institution by all parties;

c) Accurately calculate the collateral amounts that the market participants must submit;

ç) Informing the market participants regularly and accurately about the collateral amounts they must submit;

d) Electronic storage of the electronic letters of collateral submitted on behalf of the Market Operator and informing the central settlement institution about the electronic letters of collateral submitted to it;

e) Informing the central settlement institution regularly and accurately about the receivables/debts of the market participants and the collateral amounts that they are obliged to submit;

f) Comparing whether the current collateral amount of each participant meets the collateral amount that each participant is obliged to submit, and if necessary, requesting each market

participant to top up the collateral amount via MMS and/or through the central settlement institution;

g) Announcing to market participants the rates of the service fee to be collected by the central settlement institution for the collateral management and cash clearing service offered by the central settlement institution, and the fund management commission to be collected in return for the service of utilization of TL-denominated cash collaterals offered by the central settlement institution;

ğ) Opening the necessary accounts at the central settlement institution in its own name and account;

h) Informing the central settlement institution timely and accurately regarding payments to be made within the scope of the assignment of receivables contracts;

ı) Informing the central settlement institution in advance about planned maintenance and updates that it will carry out in its electronic systems.

Responsibilities of market participants

ARTICLE 19 – (1) The Market participants are responsible for:

a) Timely and correct opening of the collateral and cash account on their behalf for the execution of transactions regarding collateral and payments at the central settlement institution determined by the Market Operator;

b) Custody of other collaterals other than the electronic letter of collateral to be submitted by the central settlement institution and signing the central settlement institution participant agreement regarding cash clearing service;

c) Timely and correct opening of the cash account at the intermediary banks in its own name for the execution of transactions related to payments for the purpose of completion of invoice payment transactions by the Market Operator;

ç) Timely and correct payment of invoices notified to them by the Market Operator;

d) Submission of the amount of collateral that they must submit on behalf of the Market Operator in accordance with the relevant Articles of this Regulation;

e) Depositing the amount of the collateral designated by the Market Operator in a timely manner to the collateral accounts opened in their name at the central settlement institution determined by the Market Operator in order to secure the payment obligations;

f) Timely deposit to the central settlement institution the service fee requested from them regarding the collateral management and cash clearing service offered by the central settlement institution.

Responsibilities of the central settlement institution

ARTICLE 20 – (1) The central settlement institution that is designated in relation to the YEK-G system and the organized YEK-G market operated by the Market Operator, is responsible for:

a) Establishing the infrastructure that will provide communication with the Market Operator and market participants in order to ensure timely and accurate execution of collateral transactions, invoice and assignment payments, as well as operating the established system and making necessary improvements when needed;

b) Acceptance and safekeeping of collaterals other than the electronic letter of collateral submitted on behalf of the Market Operator;

c) Tracking the transactions regarding collaterals;

ç) Timely and accurately informing of the Market Operator about the transactions carried out in collateral accounts of the market participants and the current collateral level;

d) Making the notice to top up the deficit in the collateral amount that each market participant must submit, if the collateral amount submitted by a market participant regarding the organized YEK-G market falls below the collateral level that each participant must provide;

e) Calculating the default interest for the market participant in default and informing the Market Operator of the same;

f) Informing the market participants about the service fees and fund management commissions that should be paid by the market participants;

g) Signing a central settlement institution agreement with the Market Operator for the purpose of executing collateral and payment transactions;

ğ) Custody of the collaterals of market participants other than electronic letters of collateral, management, of collaterals, utilization, and signing the central settlement institution-participant agreement regarding cash clearing service;

h) Informing the Market Operator of transactions executed regarding collateral management, invoice and assignment payments;

ı) keeping in confidence and not divulging to third parties any trade secrets, such as participant-based commercial transactions and the use of collateral sent to it by the Market Operator regarding market participants;

i) Performing the necessary transactions for seizure, bankruptcy, and injunctions enforced against the central settlement institution by competent authorities other than the Market Operator, and informing the Market Operator of the same;

j) Determining and applying the valuation coefficients of securities that will be accepted as a collateral with the approval of the Market Operator;

k) Informing the Market Operator at least 10 days in advance about planned maintenance and updates that it will carry out in its electronic systems;

l) Fulfillment of cash clearing, collection, collateral management and similar works and transactions on the days and hours specified in this Regulation and other relevant legislation;

m) Following whether the payments within the scope of the deeds of assignment notified to it by the Market Operator are correctly executed and informing the Market Operator regarding the payments made.

(2) In the event that the computer, software, or technological infrastructure used by the central settlement institution for collaterals and invoice payments unexpectedly breaks down and the processes that must be completed in accordance with the relevant legislation cannot be completed within the period informed, central settlement institution immediately informs the Market Operator about the recommendations and measures taken and takes all the necessary measures to promptly repair the breakdown.

(3) TL-denominated cash collaterals submitted by market participants are utilized to generate yields on a best efforts basis. The procedures and principles regarding utilization are under the legal responsibility of the central settlement institution, and the said utilization process is carried out by the central settlement institution with the best effort considering the current market conditions. The utilization amount is transferred to each market participant's account on the next business day after deducting the fund management commission, banking and insurance transactions tax and legal obligations.

(4) The rates of the service fee and the fund management commission to be collected by the central settlement institution in consideration of the collateral custody and cash clearing services

offered by it are determined by the central settlement institution through consultation of the market operator and announced to the participants. In case of changes to these rates, the Market Operator publishes the changed rates via MMS, at the latest one month before the effective date of these rates.

(5) The provisions to be applied in case the market participant fails to pay the monthly service commission in question within six business days following the date of notification, are to be included in the central settlement institution-participant agreement.

General principles regarding the collaterals

ARTICLE 21 – (1) The Market Operator receives collaterals from market participants in relation to financial risks that may arise regarding the payments for their transactions in this market within the scope of organized YEK-G market transactions. In the event that the said payments are not made by the market participants within the periods specified in the Procedures and Principles, the collateral of each market participant is applied to the said invoice payments.

(2) Collateral obligation, types of collateral, assets to be accepted as collateral, collateral processes and calculation principles of collateral amounts are regulated in the Procedures and Principles.

(3) The Market Operator carries out the transactions of executing collaterals and payments through the central settlement institution. The duties and responsibilities of the central settlement institution are determined by the central settlement institution agreement between the Market Operator and the central settlement institution.

(4) Market participants submit all their collaterals consisting of assets accepted as collateral specified in the Procedures and Principles to the central settlement institution, except for the electronic letters of collateral, which shall be submitted to the Market Operator.

(5) Collateral kept on behalf of the Market Operator at the central settlement institution on a participant basis regarding market activities cannot be used for other purposes, seized or pledged, shall not be affected by liquidation decisions of administrative authorities, cannot be included in the bankruptcy estate, and cannot be subject to an injunctive relief.

Settlement notifications

ARTICLE 22 – (1) The settlement notifications containing the amounts to be paid by the YEK-G system participants to the Market Operator for each invoicing period or to the YEK-G system participants by the Market Operator as a result of the settlement calculations, are announced to YEK-G system participants within the procedures and periods specified in the Procedures and Principles.

(2) The settlement notification regarding the YEK-G system and the organized YEK-G market, announced by the Market Operator to the market participants, at least displays:

- a) YEK-G certificate sale amount and receivable list of the participant;
- b) YEK-G certificate purchase amount and debt list of the participant;
- c) Late payment escalation related to invoice payments;
- ç) Market operating fee to be accrued for participants;
- d) YEK-G correction item.

3) Notification periods for objections regarding errors detected by market participants in settlement notifications, evaluation of objections, and matters regarding the result of the objection and corrections to be made *ex officio* are regulated in the Procedures and Principles.

Invoicing transactions

ARTICLE 23 – (1) The minimum content to be included in the invoices regarding the amounts to be paid by the YEK-G system participants to the Market Operator or by the Market Operator to the YEK-G system participants, issue periods of invoices, invoice notification date, notification of debt/receivable information based on invoices to the central settlement institution, limits to the waiver of accruals and other issues regarding invoices are regulated in the Procedures and Principles.

Payments and collection

ARTICLE 24 – (1) The invoices delivered within the scope of YEK-G system and organized YEK-G market activities and the service fees to the central settlement institution are to be paid within the periods specified in the Procedures and Principles.

(2) The obligations of the Market Operator, central settlement institution and YEK-G system participants regarding their payments, issues regarding the use of central settlement institutions and intermediary banks in payments, notifications to be made in case of technical problems in payments and breakdown procedures to be applied are regulated in the Procedures and Principles.

Failure to pay invoices

ARTICLE 25 – (1) If the net debt arising from the invoice of YEK-G system participants is not paid within the period specified in the Procedures and Principles, default interest is applied to the amount payable by defaulting YEK-G system participants. The default interest rate is the rate determined in accordance with Article 51 of the Law No. 6183, dated 21/7/1953 on the Collection Procedure of Public Receivables. The monthly totals of the default interest amounts calculated on a daily basis by the central settlement institution are accepted as the basis for the invoice. The charges related to the default interest are specified as the late payment escalation in the related month's settlement notification and are reflected on the invoice of each YEK-G system participant at the end of each month. In the event that the Market Operator fails to make payment to the YEK-G system participants, the provisions of this paragraph shall apply to the Market Operator.

(2) In the event that the market participants have a TL-denominated cash collateral above the YEK-G collateral amount that they must submit, and the collateral amount exceeding the total amount they must submit or the money in the free current account of the market participants suffices to cover the debts of the market participants regarding each invoice notification, the debt of the market participants is automatically covered by the TL-denominated cash collateral exceeding the invoice transaction collateral amount that they have to submit and the market participants do not default as a result.

(3) In the event that the YEK-G system participant fails to pay the invoice amount within the period specified in the Procedures and Principles, the YEK-G system participant is deemed to be in default without further notice. Without prejudice to legal remedies, the following actions are carried out against the market participant in default:

a) The market participant is not allowed to continue its activities within the scope of the Organized YEK-G market and the market participant's authorization to carry out transactions in the YEK-G system is revoked;

b) The collateral deposited by the market participant in accordance with the Procedures and Principles is used by the central settlement institution or the Market Operator to set off against the amount of the defaulted debt;

c) The Authority is immediately informed about the YEK-G system participant and the necessary sanctions within the framework of Article 16 of the Electricity Market Law are imposed by the Authority;

ç) All market participants are informed about the YEK-G system participant, to whom each process is implemented within the scope of this paragraph, via MMS.

(4) In case the obligations as to payments and collaterals are not performed within the periods specified in these Procedures and Principles for reasons attributable to unexpected malfunctioning of computer, software or technological infrastructure used by the Market Operator and the central settlement institution and the problems related to the central settlement institution are reported to the Market Operator together with such valid grounds, no default interest shall apply with respect to the Market Operator and YEK-G system participant.

(5) The minimum default base and minimum default interest amount to be applied to YEK-G system participants are announced by the Market Operator via MMS. No default penalty is applied to amounts below the minimum default base.

(6) YEK-G system participants, against whom actions are taken within the scope of the fifth paragraph of Article 132/E and the seventh paragraph of the Article 132/İ of DUY regarding the organized wholesale electricity markets operated by the Market Operator and within the scope of the Article 10.7.6 of the Organized Wholesale Natural Gas Sales Market Operating Procedures and Principles regarding the organized wholesale natural gas sales market, can be partially or completely prevented from operating in YEK-G system and organized YEK-G market, in accordance with this Regulation and the provisions in its Procedures and Principles.

(7) If the market participant the invoice payment obligations regarding markets operated by the Market Operator, or financial settlement markets and the markets where other financial transactions are carried out, excluding the ancillary services market, and also fulfills the collateral obligations under this Regulation, the state of default ceases.

CHAPTER SIX

Miscellaneous and Final Provisions

Fees to be collected by the Market Operator

ARTICLE 26 – (1) Market operation fees to be collected by the Market Operator from YEK-G system participants and market participants regarding the operation of the organized YEK-G market and the YEK-G system are approved and announced by the Board on an annual basis. The provisions regarding the determination and collection of each fee are regulated in the Communiqué on Regulation of Market Operating Income published in the Official Gazette dated 22/12/2015 and numbered 29570.

Transfer and assignment

ARTICLE 27 – (1) Transfer, assignment and pledges of movable properties made regarding the obligations within the scope of this Regulation shall not be valid against the Market Operator. The receivables and rights within the scope of this Regulation can only be pledged and assigned as determined by the Market Operator and with the approval of the Market Operator.

Reporting

ARTICLE 28 – (1) The information to be approved by the Board regarding the operation of the YEK-G system and the organized YEK-G market is to be published on the Transparency Platform by the Market Operator.

Procedures and principles

ARTICLE 29 – (1) Terms governing the establishment, operation, and management of the YEK-G system and registration database, the operation of the organized YEK-G market, and the disclosure and proof obligation of the electricity supplied to consumers are determined in the YEK-G System and Organized YEK-G Market Operating Procedures and Principles, which enter into force upon their approval by the Board.

YEK-G certificate cancellation within the scope of green tariff

PROVISIONAL ARTICLE 1 – (1) YEK-G certificates to be cancelled for the consumption of the consumers benefiting from the green tariff from 1/8/2020 until the date that the organized YEK-G market becomes operational, are cancelled collectively within one month at the latest following the commissioning of the YEK-G system by the assigned supply companies, in whose portfolio said customers were included for the relevant period.

(2) The YEK-G certificates to be cancelled within the scope of the first paragraph are issued for the generation plants based on renewable energy resources owned by the Electricity Generation Corporation by the Market Operator for one time only and transferred to the account of the assigned supply company free of charge.

Issue process in the transition period

PROVISIONAL ARTICLE 2⁵ - (1) The Market Operator shall calculate the certifiable generation volume for the generations realized by YEK-G system participants between 1/3/2021 and 31/5/2021 as of the announcement date of the May 2021 final settlement notification within the scope of DUY and announce the same to the relevant YEK-G system participants via MMS. YEK-G system participants may request issue of YEK-G certificate from the Market Operator following the notification of the certifiable generation volume calculated by the Market Operator within the scope of this paragraph.

Cancellation process in the transition period

PROVISIONAL ARTICLE 3⁶ - (1) The YEK-G certificates to be cancelled due to the consumptions realized by consumers between 1/1/2021 and 31/5/2021 shall be subject to cancellation notification by suppliers as of the announcement date of the May 2021 final settlement notification within the scope of DUY.

Enforcement

ARTICLE 30 – (1) This Regulation shall enter into force on 01/06/2021.

Execution

ARTICLE 31 – (1) The provisions of this Regulation shall be executed by the President of the Energy Market Regulatory Authority.

⁵ Inserted pursuant to the Regulation published in the Official Gazette dated 21 May 2021 and numbered 31487.

⁶ Inserted pursuant to the Regulation published in the Official Gazette dated 21 May 2021 and numbered 31487.