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*Official Gazette dated 09/10/2016, numbered 29852*

## **RENEWABLE ENERGY RESOURCE ZONES REGULATION**

### **CHAPTER ONE**

#### **Objective, Scope, Basis, Definitions and Abbreviations**

##### **Objective**

**ARTICLE 1** – (1) The purpose of this Regulation is to ensure the effective and efficient use of renewable energy resources by creating large-scale renewable energy resource zones (YEKA) on immovables that are owned by the Treasury or subject to public ownership as well as immovables subject to private ownership, the rapid realization of investments by allocating these zones to investors and the domestic production or the domestic supply of high-technology components that are used in electricity generation facilities based on renewable energy resources, as well as to contribute to the procurement of technology transfer.

##### **Scope**

**ARTICLE 2<sup>1</sup>** – (1) This Regulation covers the procedures and principles regarding the designation of YEKAs, issuance of connection opinions and allocation of capacity to these zones, allocating connection capacity conditional upon domestic production and/or use of domestic goods, and to designate the conditions to be sought in those that will participate in the competition to be held for this purpose, holding the said competition, receipt of guarantee, forfeiture of guarantee in case of failure to fulfill obligations, pre-license/license applications and sale of electricity regarding electricity generation facilities to be established on YEKA.

##### **Basis**

**ARTICLE 3** – (1) This Regulation has been prepared based on Articles 4 and 8 of the Law on the Utilization of Renewable Energy Resources for the Purpose of Generating Electricity No. 5346, dated 10/5/2005 and Article 5 of the Electricity Market Law No. 6446, dated 14/3/2013.

##### **Definitions and abbreviations**

**Article 4** – (1) The following definitions shall apply in the implementation of this Regulation,:

a) Candidate YEKA: The zone for which work is ongoing for it to be declared as a YEKA by the Ministry;

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<sup>1</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

b) Research and Development Activity (R&D): The activity defined within the scope of the Law on Supporting Research, Development and Design Activities No. 5746, dated 28/2/2008;

c) Minister: The Minister of Energy and Natural Resources;

ç) Ministry: The Ministry of Energy and Natural Resources;

d)<sup>2</sup> STB: The Ministry of Industry and Technology;

e) EMRA: Energy Market Regulatory Authority;

f) Factory: The facility where the component to be used in the electricity generation facility and specified in the Specification is manufactured;

g)<sup>3</sup> General Directorate: General Directorate of Energy Affairs;

ğ) Specification: The document annexed to the YEKA Utilization Right Agreement, which covers the works and transactions to be carried out, the scope, procedures and principles regarding the competition, technical and administrative conditions, the required qualifications for the applicant legal entities, and other information;

h) TEİAŞ: Turkish Electricity Transmission Corporation;

ı) Technology Provider: Legal entity/entities that are capable of producing the component defined in the Specification and development of technology, in case of allocation conditional upon domestic production;

i) TSE: Turkish Standards Institution;

j)<sup>4</sup> YEKA Utilization Right: Making available for use, a YEKA developed by the General Directorate and the connection capacity allocated for this zone or the connection capacity announced by the Ministry on connection area basis in accordance with the Connection Capacity Allocation for YEKA Purpose method within the scope of the Specification and the YEKA Utilization Right Agreement;

k)<sup>5</sup> YEKA Utilization Right Agreement: The agreement executed between the Ministry and the winner of the competition;

l) Renewable Energy Resource Zone (YEKA): The area/areas that are owned by the Treasury or subject to public ownership and that are subject to private ownership where at least one of the renewable energy resources can be developed is present with high density;

m) Domestic Goods (Within the Scope of this Regulation): The product that provides the local content ratio calculated within the scope of the Communiqué on Domestic Goods (SGM 2014/35) published in the Official Gazette dated 13/9/2014 and numbered 29118, and specified under the Specification;

n)<sup>6</sup> Domestic Goods Certificate: The certificate issued within the scope of the principles specified under the Communiqué on Domestic Goods (SGM 2014/35) and the Specification that demonstrates the local content ratio of a product;

o)<sup>7</sup> Allocation in Return for Use of Domestic Goods (YMKT): The YEKA utilization right granted to those that undertake to use domestic components in the electricity generation

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<sup>2</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>3</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>4</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>5</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>6</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>7</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

facility based on renewable energy resources within the scope of the principles specified under the Specification;

ö)<sup>8</sup> Allocation in Return for Domestic Production (YÜKT): The YEKA utilization right granted to those that domestically manufacture or undertake to domestically manufacture a component used in the electricity generation facility based on renewable energy resources within the scope of the principles specified under the Specification.

(2) Other expressions and abbreviations that are used in this Regulation shall have the meanings and scope attributed to them in the relevant legislation.

## **CHAPTER TWO**

### **Designation of Renewable Energy Resource Zones**

#### **Designation and rating criteria for YEKA**

**Article 5** – (1) YEKAs can be developed in two different ways:

- a) As a result of studies to be carried out by the General Directorate;
- b) As a result of Connection Capacity Allocation Competition for YEKA Purpose and studies to be carried out thereafter.

(2) In case YEKAs are developed by the General Directorate, the following technical and administrative works shall be carried out.

a) Preliminary evaluations shall be made on immovables that are owned by the Treasury or subject to public ownership as well as immovables subject to private ownership by using existing maps, energy potential atlases and measurement data and scientific studies.

b) As a result of the preliminary assessment made within the scope of sub-paragraph (a), if it is decided that an area can be declared as a Candidate YEKA, capacity allocation shall be requested by obtaining a connection opinion from TEİAŞ in accordance with the electricity transmission infrastructure that exist and that can be developed.

c) General Directorate Approval shall be sought for detailed works to be initiated regarding the Candidate YEKA within the framework of the connection opinion obtained and this zone shall be announced as a Candidate YEKA on the General Directorate's website.

ç) The information about the Candidate YEKA that is announced shall be notified to relevant institutions and organizations, so that no activity is carried out thereon within the scope of the energy legislation and no zoning arrangements that may affect resource efficiency are made thereon.

d) It shall be investigated before the relevant institutions and organizations whether there are any areas within the announced Candidate YEKA where an electricity generation facility based on the designated energy resource cannot be established. The Candidate YEKA shall be revised in line with the formal replies to be received.

e) The total installed capacity shall be determined in view of the available areas within the Candidate YEKA and the matter of whether a transaction is to be conducted based on this capacity shall be evaluated by the General Directorate.

f) If necessary, sufficient number of measurement stations for energy purpose depending on the resource type shall be established and/or have established on the Candidate YEKA whose

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<sup>8</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

connection capacity and available areas are finalized. Preliminary authorizations shall be obtained from land owners for this purpose.

g) Necessary technical and economic analyses shall be made and/or have made by using measurement data for energy purpose to be obtained within sufficient time.

ğ) Evaluation shall be made on whether an investment can be made on the Candidate YEKA in view of the resource potential and the estimate cost of unit electricity generation determined as a result of technical and economic analyses.

h) In case it is evaluated that an investment can be made on the Candidate YEKA; the Candidate YEKA shall be announced in the Official Gazette as a YEKA within 1 (one) year from its announcement on the General Directorate's website and shall be notified to the relevant authorities by the Ministry to be recorded ex officio in the Environmental Plans and Zoning Plans.

ı) A preliminary place shall be allocated to the Ministry by the institutions/organizations that are authorized with respect to the area announced as a YEKA for the Ministry to carry out the works and/or have them carried out. .

ı) In case it is evaluated that the Candidate YEKA is unfit, or it is not announced as a YEKA within 1 (one) year, sub-paragraph (ç) shall not apply and the General Directorate shall inform the relevant institutions and organizations of this situation.

j) The YEKAs designated by the General Directorate shall be rated in view of the objectives and policies of the Ministry, resource type, determined resource potential and the estimate cost of unit electricity generation. The YEKA to be opened for investment and its priority shall be designated by the Ministry.

k) If deemed necessary by the General Directorate, environmental impact assessment, geological and geotechnical surveys, expropriation, preparation of base maps, parceling, zoning works and electricity transmission infrastructure works shall be carried out and/or have carried out with respect to the resource zone in order to render the YEKA ready for investment.

l)<sup>9</sup> In case the regions determined within the scope of the Law on the Industrial Zones (Law Amending the Law on Industrial Zones and the Law on the Organized Industrial Zones) No. 4737, dated 9/1/2002 and are specified as a YEKA in the Official Gazette, the legal entities to whom these zones will be allocated shall be determined within the scope of this Regulation. Other transactions required to render YEKA ready for investment shall be carried out in coordination with the STB in accordance with the Law No. 4737.

(3) In case a YEKA is developed with the Connection Capacity Allocation for YEKA Purpose, the following technical and administrative works shall be carried out.

a) The Ministry may prefer the Connection Capacity Allocation for YEKA Purpose Method in order to accelerate the YEKA designation process and to ensure that the existing potential areas are evaluated within the scope of YEKA.

b) A connection capacity allocation competition for YEKA purpose shall be organized on the basis of resource type for the connection zones and connection capacities announced by the Ministry. The applicants shall submit their financial offers for the announced connection area and the entire connection capacity in accordance with the Specification.

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<sup>9</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

c)<sup>10</sup> The legal entity that won the connection capacity allocation competition for YEKA purpose and executed the YEKA Utilization Right Agreement, shall propose to the General Directorate the Candidate YEKAs to be determined within the scope of the relevant legislation by remaining within the connection areas and based on the entire connection capacity, together with the requested information and documents within the period specified in the Specification. For each Candidate YEKA that is deemed unfit, the winner of the competition may be asked to propose a new Candidate YEKA in accordance with the conditions specified in the specification, provided that the connection area where the competition is won is not changed and the connection capacity allocated for the connection area is not exceeded. In case the Candidate YEKA is approved for the allocated connection area and connection capacity, said Candidate YEKA shall be announced in the Official Gazette as a YEKA. The evaluation process for proposed Candidate YEKAs shall be completed in accordance with the conditions and within the period specified in the Specification. The capacity corresponding to the Candidate YEKAs, which are not submitted to the General Directorate in due time or are not deemed fit as a result of the evaluation, shall be canceled by deducting it from the total capacity specified in the YEKA Utilization Right Agreement. It is essential that an electricity generation facility with an installed capacity corresponding to the minimum rate specified in the Specification is established, provided that it is not less than seventy percent of the capacity allocated under the YEKA Utilization Right Agreement. This situation shall not trigger the right to amend the YEKA Utilization Right Agreement and its annexes. The YEKA Utilization Right Agreement shall be terminated by forfeiting the guarantee, in case an available Candidate YEKA cannot be determined or Candidate YEKAs that are less than the minimum rate specified in the Specification are determined, on condition that it is not less than seventy percent of the connection capacity.

ç)<sup>11</sup> Under the connection capacity allocation for YEKA purpose method, selection of areas, the necessary surveys and authorizations shall be consummated per the terms of the YEKA Utilization Right Agreement and the Specification.

d)<sup>12</sup> The Ministry shall cooperate in good faith for the necessary authorization processes in order to render a YEKA, which is to be developed by using the connection capacity allocation method, ready for investment.

e) All expenses for rendering a YEKA ready for investment and other necessary work and transactions shall be borne by the legal entity that wins the competition. The legal entity cannot make any claims under the name of loss, damage or the like due to these transactions and delays.

f) Power plant sites that cannot be determined or used due to events of force majeure or reasons stemming from the public and deemed appropriate by the General Directorate, may be changed, provided that the connection area remains the same. The sites changed shall be submitted to the General Directorate. If found suitable, they shall be announced as YEKA. The additional time spent during the power plant site determination process shall not be added to the total time.

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<sup>10</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>11</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>12</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

**CHAPTER THREE**  
**Receipt, Review, Finalization of Applications and Execution of YEKA Utilization Right Agreement**

**Announcement of YEKA utilization right competition**

**ARTICLE 6 – (1)**<sup>13</sup> The announcement of YEKA Utilization Right competition shall be published in the Official Gazette and on the General Directorate’s website. The announcement shall include the following information at least:

- a) Technical and administrative features regarding YEKAs that are deemed necessary to be announced by the General Directorate and the connection capacity of YEKA.
- b) Conditions for the applicants.
- c) Letter of guarantee, and the amount and duration thereof.
- ç) Application place, date and time.
- d) The place from where the Specification is to be procured, and its fee.
- e) Electricity purchase price ceiling and purchase period.
- f) Other information deemed necessary by the Ministry.

(2) The period between the date of announcement and the delivery date of the application file containing the financial offer cannot be less than 30 (thirty) calendar days.

**Receipt of applications for YEKA utilization right competition**

**ARTICLE 7 – (1)**<sup>14</sup> Those who meet the requirements specified under this Regulation and the Specification may apply to the competitions to be held within the scope of this Regulation.

(2) (**Amended: 11/04/2017-30035/art.5**) Legal entities that become entitled to apply for a pre-license within the scope of this Regulation shall meet the requirements set for legal entities entitled to apply for a pre-license specified in the Electricity Market Licensing Regulation published in the Official Gazette dated 2/11/2013 and numbered 28809.

(3) In case the application is filed by multiple legal entities, matters as to application as a joint venture shall be defined in the Specification.

(4) The minimum shareholding ratio pertaining to citizens of the Republic of Turkey and the Technology Provider within the shareholding structure of the legal entity or joint venture participating in the competition shall be set forth under the Specification. The shareholding structure to be submitted within the application shall go down to individual level, to demonstrate the shareholding of the citizens of the Republic of Turkey. In case of application as a joint venture, the calculation method for the work experience certificate pertaining to the shareholders shall be defined under the Specification.

(5)<sup>15</sup> Those who want to apply for YÜKT and/or YMKT shall submit the documents set forth under the Specification to the General Directorate within the application file.

(6) Application files shall be submitted on condition that the following requirements are met:

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<sup>13</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>14</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>15</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

a)<sup>16</sup> All application documents shall be submitted in a large and sealed envelope, each signed by the authorized signatories per the trade registry certificate and stamped.

b) The Financial Offer shall be placed in a smaller, sealed, stamped and wet-ink signed envelope, which shall be placed in the sealed envelope containing all application documents.

c) It is essential that the original or notarized copies of the documents are submitted. Uncertified copies will not be processed.

ç) It is essential that the documents are submitted in Turkish language. For documents in foreign language, apostille approval, or if such country is not party to the Hague Convention the approval of the equivalent authority of the relevant country that the document pertains to, , and the certified and sworn translation from the Turkish Consulate are required.

(7)<sup>17</sup> Application files must be submitted to the address specified in the announcement, until the date and time specified in the announcement. Applications that are not submitted in due time will not be evaluated. In applications, postal delays shall be disregarded.

### **Organization and working principles of the commission**

**ARTICLE 8** – (1) Subject to the Minister’s approval and provided that the total number of members is an odd number, the Commission shall constitute of a chairman from the institutions/organizations to be specified by the Ministry, and at least four permanent members, as well as substitute members to serve in their place in cases where permanent member/members are not available, The works and transactions carried out by the Commission shall be determined by minutes and signed by all members of the Commission.

(2) The commission shall convene with all of its members. Commission decisions shall be adopted by majority vote. Abstention from voting is not permitted. The chairman of the Commission and its members are responsible for their votes and decisions. Commission members that cast a dissenting vote shall write their reason to dissent in the Commission decision and sign it. The decisions adopted and the minutes issued by the Commission shall be signed, by indicating the names, surnames and titles of the chairman and the members of the Commission.

### **Review of applications**

**ARTICLE 9** - (1) Applications shall be evaluated by the Commission.

(2)<sup>18</sup> The Commission; in the presence of the applicants, shall check whether the application petition, receipt of the specification or the certified receipt obtained from the bank branch, the letter of guarantee and the financial offer envelope are duly present, by opening the large envelopes according to the document registration order of the applications at the place, date and time specified in the announcement. Detailed document review shall not be made on applications that are found to be missing any of the said documents.

(3)<sup>19</sup> The Commission shall proceed with the detailed document review of all the information and documents submitted for applications that are deemed suitable within the scope of the second paragraph. The detailed document review shall be completed in up to 30 (thirty)

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<sup>16</sup> Amended pursuant to the Regulation published in the Official Gazette dated 09 April 2021 and numbered 31449.

<sup>17</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>18</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>19</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

calendar days from the last application date specified in the announcement. If said works cannot be completed in due time, the Commission may make a one-off additional time extension decision of up to 30 (thirty) calendar days. The Commission shall designate the place, date and time for the competition according to the completion date of the detailed document review. The place, date and time of the competition designated by the Commission shall be announced on the General Directorate's website at least 3 (three) calendar days before the competition date, or the applicants shall be notified of the same at least 3 (three) calendar days before the date of the competition via one of the correspondence methods.

(4)<sup>20</sup> It is essential that the applicant makes his/her application duly and completely, without need for further explanation. If deemed necessary by the Commission during the detailed document review process, the Commission may request from the applicants a one-off correction for incomplete, incorrect and incomprehensible application documents and detailed explanation regarding the information and documents submitted within the scope of the Specification. The applicant legal entities shall be notified of the requested document, correction or explanation via one of the correspondence methods. The requested documents, corrections or detailed explanations shall be submitted to the Commission within the period specified in the notification from the date of this notification. However, the period for submitting the requested documents, corrections or detailed explanations to the Commission shall not exceed the document review period of the Commission. Applications found to be missing documents as a result of the examination period of the Commission will not be evaluated.

(5)<sup>21</sup> Financial offers shall be issued in the format set forth under the Specification, stamped and wet-ink signed by the signature authorities per the trade registry certificate, and their validity period shall be at least 120 (one hundred and twenty) calendar days from the date of application.

(6) The competition to be held may be suspended or canceled by the decision of the Commission.

(7) Legal entities participating in the competition cannot make any claims under the name of loss, damage or the like.

### **YEKA utilization right competition procedure and finalization of YEKA utilization right competition**

**ARTICLE 10** – (1)<sup>22</sup> Applicants with valid applications, who meet the criteria specified under this Regulation and Specification shall be entitled to participate in the competition.

(2) The Financial Offer envelopes of the applicants that become entitled to participate in the competition shall be opened by the Commission in the presence of the duly authorized representatives of the applicant, at the place, date and time specified in the competition announcement.

(3)<sup>23</sup> The competition shall be held according to reverse auction procedure based on the electricity purchase price ceiling per kilowatt hour designated and announced by the Ministry.

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<sup>20</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>21</sup> Amended pursuant to the Regulation published in the Official Gazette dated 09 April 2021 and numbered 31449.

<sup>22</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>23</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.



As for the electricity generation facilities to be established; the price ceiling and purchase period for each competition shall be specified in the Specification, which shall not exceed the sum of the prices calculated according to tables (I) and (II) annexed to the Law No. 5346.

(4) After the Financial Offer envelopes are opened, the Commission shall inform the applicants and proceed to competition based on reverse auction principle. The offers in the Financial Offer envelopes shall be put in order and a competition shall be held on the basis of reverse auction among the lowest five financial offerors at most. During the determination of the lowest five financial offers, if there is evenness among these offers, all of the offerors with even financial offers shall be included in the competition. The competition shall proceed until the lowest price is offered, by reducing the previous lowest price offered by the applicants each time respectively, on the basis of the lowest financial offer submitted. The competition shall end when the lowest and final offer is reached. If the Commission deems it necessary, it may designate a price reduction range. Applicants who submitted their last offer and did not submit a new offer, shall sign reverse auction minutes and shall not be allowed to submit an offer again in the competition.

(5)<sup>24</sup> Reverse auction shall be carried out by way of requesting a new price offer, starting from the highest financial offerors, on condition that it falls below the lowest financial offer submitted. If the financial offers are even, the Commission shall designate which applicant to start the auction with. New price offers shall be lower than the previous lowest offer submitted. All offers and final offers of the offerors shall be recorded in the reverse auction minutes issued by the Commission and signed by the offerors.

(6) In case legal entities submitting price offers do not sign the reverse auction minutes, this situation shall be determined by the Commission under a separate minute. In reverse auction, the price offers submitted by a legal entity shall be valid and binding without signature requirement.

(7)<sup>25</sup> The letters of guarantee for the offers other than the first three most economically advantageous offers shall be returned within 30 (thirty) days after the competition day.

(8) The Commission minutes shall be submitted to the Minister's Approval. The competition shall be concluded with the Minister's Approval and the lowest first offeror shall be called to execute the YEKA Utilization Right Agreement within the framework of the approval.

(9) The Ministry may cancel the competition at any stage.

### **Execution and fulfilment of YEKA utilization right agreement**

**ARTICLE 11** – (1) It is essential that the legal entity that is called for the YEKA Utilization Right Agreement executes the YEKA Utilization Right Agreement within a maximum of 30 (thirty) calendar days from the date of notification of the invitation letter. In case a YEKA Utilization Right Agreement is executed with the lowest first offeror or the second and third offerors are not called for the YEKA Utilization Right Agreement, the letter of guarantee of the lowest second and third offeror shall be returned within 3 (three) business days from the date of execution. In case the lowest first offeror does not accept the invitation to

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<sup>24</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>25</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

execute the YEKA Utilization Right Agreement within this period, his/her guarantee shall be forfeited and the invitation letter to the YEKA Utilization Right Agreement may be sent to the second and third lowest offeror, respectively, within the framework of the Minister's Approval. If the offeror who is called for the YEKA Utilization Right Agreement does not sign the YEKA Utilization Right Agreement within the given period, the process shall be applied in the same manner.

(2) Before executing the YEKA Utilization Right Agreement, the legal entity shall have completed the necessary commercial incorporation process and shall submit to the General Directorate its Trade Registry Gazette, shareholding structure, the letter of guarantee issued on behalf of the legal entity, the work programs pertaining to the electricity generation facilities and (in case of YÜKT) the factory .

(3)<sup>26</sup> In case the competition is won by a joint venture, the joint venture members shall complete the commercial incorporation process in accordance with the partnership declaration that they have undertaken and submitted with their application, before executing the YEKA Utilization Right Agreement.

(4)<sup>27</sup> Other issues regarding guarantee shall be regulated under the Specification.

## **CHAPTER FOUR**

### **License Process and Electricity Sales**

#### **Pre-license process**

**ARTICLE 12 – (1)**<sup>28</sup> A pre-license and a generation license shall be obtained in order to engage in electricity generation activities in the YEKAs within the scope of the YEKA Utilization Right Agreement.

(2)<sup>29</sup> The legal entity that becomes entitled to apply for a pre-license and its connection capacity shall be notified to EMRA for the purpose of granting of a pre-license. This legal entity shall make a pre-license application to EMRA within 45 (forty-five) calendar days from the execution date of the YEKA Utilization Right Agreement.

(3) Legal entities that have won the competition held by using the connection capacity allocation for YEKA purpose method shall make a pre-license application to EMRA within 45 (forty-five) calendar days from the General Directorate's approval of the YEKA offers submitted by them to the General Directorate and the announcement in the Official Gazette as YEKAs, and the notification made to EMRA.

(4)<sup>30</sup> The pre-license application date or the fact that an application has not been made in due time shall be notified to the General Directorate by EMRA. In case a pre-license application has not been made in due time, if the penalty amount calculated by multiplying the amount of the current letter of guarantee with the value obtained by dividing the installed capacity of the YEKAs for which pre-license application has not been made by the total YEKA capacity allocated is not paid within a 15 (fifteen) day period to be granted by the Ministry, then the letter of guarantee in this amount shall be forfeited and all rights relating to the said YEKA,

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<sup>26</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>27</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>28</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>29</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>30</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

including the connection capacity granted under the YEKA Utilization Right Agreement, shall automatically terminate. In case the installed capacity specified in the pre-license application filed in due time is less than the minimum rate specified in the Specification, on condition that it is not less than seventy percent of the capacity allocated within the scope of the YEKA Utilization Right Agreement, the YEKA Utilization Right Agreement shall be terminated by the Ministry and the guarantee shall be forfeited.

(5)<sup>31</sup> As a result of the evaluations made by EMRA, the deficiencies in the applicant's application documents, if any, shall be identified and a pre-license shall be granted upon remedy of the said deficiencies within a 3 (three) month period to be granted. In case the deficiencies are not remedied in due time, if the penalty amount calculated by multiplying the amount of the current letter of guarantee with the value obtained by dividing the installed capacity of the YEKAs for which the deficiencies have not been remedied by the total YEKA capacity allocated, amount is not paid within a 15 (fifteen) day period to be granted by the Ministry, then the letter of guarantee in this amount shall be forfeited and all rights relating to the said YEKA, including the connection capacity granted under the YEKA Utilization Right Agreement, shall automatically terminate. At the end of this three-month period, if the installed capacity of the YEKAs as to which there are no deficiencies regarding the pre-license application, is less than the minimum rate specified in the Specification, on condition that it is not less than seventy percent of the capacity allocated within the scope of the YEKA Utilization Right Agreement, the YEKA Utilization Right Agreement shall be terminated by the Ministry and the guarantee shall be forfeited.

(6)<sup>32</sup> The necessary works and transactions as well as the required authorizations within the scope of the Electricity Market Licensing Regulation shall be completed and a generation license application shall be filed within the pre-license period specified under the Specification. The pre-license holder legal entity shall complete the incomplete work and transactions in the YEKA as announced by the Ministry within this process. In case of failure to file a license application in due time, the penalties set forth under the Specification shall apply.

(7)<sup>33</sup> The following documents related to the Factory shall be submitted to the General Directorate within the period set forth under the Specification within the scope of YÜKT:

a) Acceptance, Commissioning, Workplace Opening and Operation License and Capacity Report issued by the relevant institution/organization stating that the Factory undertaken to be built has entered into operation.

b) Domestic Goods Certificate pertaining to the component, certifying that the localization rate specified under the Specification and undertaken by the applicant legal entity is met.

c) Certificates and documents issued by TSE or international accredited institutes, demonstrating that the minimum technical values undertaken for domestically produced component and/or certifying that domestically produced component complies with the standards.

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<sup>31</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>32</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

<sup>33</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

(8)<sup>34</sup> The maximum time for establishment regarding the Factory to be established within the scope of YÜKT shall be specified under the Specification. Third party monitoring service within the framework of the detailed work program as to Factory establishment shall be obtained pursuant to the conditions set forth under the Specification. Quarterly progress reports to be prepared within the framework of monitoring activities shall be submitted to the General Directorate by the monitoring firm. In case of delays in the work items and deadlines specified in the work program, whereby the delay in any of the work items exceeds 20 (twenty) business days, the General Directorate shall give a written warning in relation thereto. If, despite warning, the delay is not remedied in the next progress report and a detailed plan for remedy of the delay is not submitted, and the delay extends the total work time for more than 60 (sixty) business days, the penalties specified under the Specification shall apply. If it is understood that the total delays will extend for more than 6 (six) months, the General Directorate shall request a written defense from the legal entity as to remedy of these delays, and if said defense is not deemed sufficient, action for termination of the YEKA Utilization Right Agreement may be taken and the General Directorate may notify EMRA for cancellation of the pre-license/pre-licenses.

(9)<sup>35</sup> If the Factory cannot be put into operation in due time, excluding the case where additional time is granted due to the reasons specified under Article 17, the YEKA Utilization Right Agreement shall be terminated by the Ministry and the letter of guarantee shall be forfeited. A notification shall be made to EMRA for cancellation of the pre-licenses granted within the scope of the YEKA Utilization Right Agreement.

(10) If it is determined that the undertakings under the YEKA Utilization Right Agreement are not fulfilled, the relevant legal entity and other legal entities which the individuals within the shareholding structure of this legal entity are shareholders of cannot enter other YEKA competitions to be held by the Ministry for a period of 2 (two) years.

(11) In case the documents specified under sub-paragraphs (b) and (c) of the seventh paragraph are not submitted in due time or do not meet the values undertaken and specified under the Specification, the YEKA Utilization Right Agreement shall be terminated and the guarantee shall be forfeited. A notification shall be made to EMRA for the cancellation of the pre-license.

(12) The third party monitoring service within the framework of the detailed work program as to the establishment of the electricity generation facility offered within the scope of the YMKT shall be obtained by the pre-license holder legal entity under the conditions specified under the Specification. Quarterly progress report to be prepared within the framework of monitoring activities shall be submitted to the General Directorate by the monitoring firm. In case of delays in the work items and deadlines specified in the work program, whereby the delay in any of the work items exceeds 20 (twenty) business days, the General Directorate the pre-license holder legal entity shall be warned in writing. The legal entity shall submit to the General Directorate the delays within the scope of the work program given within the scope of YMKT together with their reasons and compensatory measures. If it is understood that the delay in the work program as to the electricity generation facility will reach up to 18 (eighteen)

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<sup>34</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>35</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

months within the scope of YKMT or it reaches up to 18 (eighteen) months, the YEKA Utilization Right Agreement shall be unilaterally terminated and the guarantee shall be forfeited. A notification shall be made to EMRA for the cancellation of the pre-license.

(13) Work programs may be amended with the General Directorate's Approval, provided that the periods specified under the Specification are not exceeded individually and in total.

(14)<sup>36</sup>

### **License process**

**ARTICLE 13** – (1)<sup>37</sup> Within the scope of YÜKT; in case the Factory becomes operational in due time and the obligations within the scope of the Electricity Market Licensing Regulation are fulfilled, pre-license holder legal entities shall apply to EMRA for a license. In addition to the license application documents, EMRA shall require during the licensing procedures a letter of conformity from the General Directorate for obtaining a license. The General Directorate shall issue the letter of conformity if the requirements specified under the seventh paragraph of Article 12 are fulfilled and it is determined that the R&D Plans are complied with.

(2) Components produced in the Factory as set forth under the Specification and answers to the Specification, and the domestic goods specified in the supply plan shall be used in the electricity generation facility within the scope of YÜKT.

(3)<sup>38</sup> Within the scope of YÜKT and YMKT; if it is determined that the domestically produced component undertaken in the YEKA is not used, a written warning shall be served to the license holder legal entity to use the domestic goods in accordance with the Specification. In case this deficiency is not remedied within the period specified in the notice and the undertaking is not fulfilled, if the penalty amount calculated by multiplying the amount of the current letter of guarantee with the value obtained by dividing the installed capacity of the YEKAs where domestically produced component has not been used by the total YEKA capacity allocated is not paid within a 15 (fifteen) day period to be granted by the Ministry, the letter of guarantee in this amount shall be forfeited and all rights related to said YEKA, including the connection capacity granted under the YEKA Utilization Right Agreement, shall automatically terminate and EMRA shall be notified for the cancellation of the generation license pertaining to the relevant YEKA. In case it is determined that no domestically produced components have been used in any YEKA, the YEKA Utilization Right Agreement shall be terminated and the guarantee shall be forfeited, liquidation procedures shall be initiated in accordance with general provisions and EMRA shall be notified for cancellation of the generation license.

(4)<sup>39</sup> Within the scope of YÜKT and YMKT; the term of the licenses to be obtained for YEKAs shall be set forth under the specifications, and at the end of this period, action shall be taken in accordance with the legislation of the relevant institutions from which the land usage right was obtained.

(5)<sup>40</sup> The construction period for the electricity generation facility to be established within the scope of YEKAs and the facility capacity to be put into operation each year shall be

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<sup>36</sup> Repealed pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>37</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>38</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>39</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>40</sup> Amended pursuant to the Regulation published in the Official Gazette dated 31 December 2019 and numbered 30995.

specified under the work program submitted and accepted by the General Directorate. In case the entire annual installed capacity specified under the work program cannot be put into operation; until the installation of the missing annual capacity is completed, a deduction shall be made from the purchase price set forth under the YEKA Utilization Right Agreement as much as the ratio of the missing annual installed capacity to the total annual installed capacity. This procedure shall continue until the total installed capacity under the license is reached.

(6)<sup>41</sup>

### **Electricity sale**

**ARTICLE 14** – (1)<sup>42</sup> Electricity generated in YEKAs shall be evaluated within the scope of Renewable Energy Resources Support Mechanism (YEKDEM) for the period set forth under the Specification and at the price specified under the YEKA Utilization Right Agreement. Except for the reasons stated under Article 17, no time extension shall be granted. No price increase shall be made for any reason whatsoever.

(2)<sup>43</sup> The purchase period specified in the Specification starts from the execution date of the YEKA Utilization Right Agreement. The electricity generated within the scope of the YEKA shall be evaluated within the scope of YEKDEM, without need for filing an application, from the date that the electricity generation facility becomes partially operational.

(3) At the end of the purchase period specified under the YEKA Utilization Right Agreement, market activities shall be carried out within the scope of the generation license.

(4) As for the electricity generation facilities to be established within the scope of the YEKA Utilization Right Agreement, domestic goods support within the scope of the Law No. 5346 shall not apply.

## **CHAPTER FIVE R&D and Certification**

### **R&D activities**

**ARTICLE 15** – (1)<sup>44</sup> Those intending to apply for YÜKT shall carry out their R&D activities within the framework of the Annual R&D Plan to be submitted by them within the scope of the Law No. 5746 and/or under the conditions and within the time period set forth under the Specification.

(2) The implementation and audit of R&D activities shall be carried out by the institutions/organizations assigned under the Law No. 5746. The relevant institutions/organizations shall submit the implementation and audit results for R&D activities to the Ministry annually.

(3) R&D activities shall commence after completion of the establishment of the R&D center within the period granted under the Specification following the execution of the YEKA Utilization Right Agreement. R&D center activities shall proceed in accordance with the submitted R&D plans, provided that duration is not less than the period specified under the

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<sup>41</sup> Repealed pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>42</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>43</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

<sup>44</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

Specification. The penalty to be applied in view of the submitted annual implementation and audit report and the status of achievement of the targets included in the R&D plan, in case it is understood that R&D activities are not carried out as per the plan, if t or are not effectively carried out, shall be set forth under the Specification.

### **Standard and certification**

**ARTICLE 16** – (1) The relevant legal entity shall obtain for the equipment and/or components manufactured within the scope of this Regulation; Type Certificate and/or Product Certificate or Unit Verification Certificate, which certifies compliance with component standards issued by organizations accredited by national accreditation institutions that have executed a mutual recognition agreement with the International Accreditation Forum (IAF) in accordance with the Turkish Standards Institution or TS EN ISO / IEC 17065 "Requirements for Product, Process and Service Certification Organizations" standards, or international standards or Turkish Standards or criteria pertaining to integrative parts used in the manufacturing of the component in case of absence of component standards.

(2) The conformity of the equipment and/or components produced and/or used by legal entities manufacturing and/or undertaking to use domestic goods within the scope of the YEKA with standards or criteria shall be evaluated by TSE. The certificate of conformity for equipment and/or components shall be issued by TSE and submitted to the Ministry by the relevant legal entities during the pre-license process. In case of failure to submit said document, action shall be taken in accordance with the third paragraph of Article 13.

### **Force majeure**

**ARTICLE 17** – (1)<sup>45</sup> In case the works and transactions carried out within the scope of this Regulation are not completed within the periods set forth under the YEKA Utilization Right Agreement, the penalties specified under this Regulation and the Specification shall apply.

(2) Time extension can be granted due to events of force majeure including but not limited to the ones below:

- a) Natural disasters.
- b) Legal strike.
- c) General epidemic disease.
- ç) Partial or general mobilization declaration.
- d) Fire and sabotage.

(3) In order for the events set forth under the second paragraph to be deemed as force majeure and in order to grant time extension to the legal entity with whom YEKA Utilization Right Agreement is executed it is mandatory that:

- a) it shall not be caused by the fault of the legal entity concerned;
- b) it shall prevent the fulfillment of an undertaking;
- c) the legal entity shall be unable to overcome it;
- ç) the legal entity with whom YEKA Utilization Right Agreement is executed shall notify the General Directorate in writing within 30 (thirty) calendar days from the date that the event of force majeure has occurred;

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<sup>45</sup> Amended pursuant to the Regulation published in the Official Gazette dated 11 April 2017 and numbered 30035.

d) it shall be certified by the competent authorities.

(4) The legal entity shall include the following information in writing in its force majeure notification:

- a) The commencement date and nature of the event of force majeure;
- b) Its effects on its obligations under the relevant legislation;
- c) If possible, the estimated time period to remedy the effects.

(5) Upon confirmation that an event of force majeure has occurred, the delay to occur within this framework shall be added to the work program and the total time. The total time extension to be granted within the framework of force majeure cannot exceed 1 (one) year.

(6) Written notifications that are not made in due time shall not be taken into consideration and a time extension request cannot be made after the expiration of the application period.

(7) In case the General Directorate fails to fulfill its obligations regarding the performance of the YEKA Utilization Right Agreement (such as, site delivery, approval of projects, approval of the work program, insufficiency of funds) without fault on the part of the legal entity, and delays occur for such reason for which the legal entity is not liable, this situation prevents the fulfillment of the undertaking, and that the legal entity is not able to overcome it, then the time for some or all of said work shall be extended at least for the delay time, depending on the reasons preventing the work and the nature of the works to be done.

(8) In case the delay experienced within the framework of force majeure by the parties that executed the YEKA Utilization Right Agreement lasts more than 1 (one) year or it is understood that it cannot be overcome within 1 (one) year, the General Directorate shall be entitled to terminate the YEKA Utilization Right Agreement upon certification of this situation by competent authorities. In this case, the letter of guarantee shall be returned. The legal entity cannot in this case make any claims under the name of loss, damage or the like.

## **CHAPTER SIX**

### **Protection of YEKAs and Infrastructure Investments**

#### **Protection and use of YEKAs**

**ARTICLE 18** – (1) The following procedures and principles shall be followed as to the protection of YEKAs:

a) It is essential to preserve the naturalness of the resource to be used in the YEKA and to ensure its sustainability.

b) The General Directorate's opinion shall be obtained during the preparation phase of all types of projects and plans that may change the characteristic values of the renewable energy resource in the areas determined within the scope of this Regulation and announced in the Official Gazette.

c) Excluding cases related to national security, no action can be taken on the YEKA that may prevent the utilization of this resource. However, additional measures that may be requested depending on the ecological, physical and technical characteristics of the area for the purpose of protection of the areas that are declared as a YEKA may be implemented upon the Ministry's approval.



**Procedures and principles regarding the obligations of institutions and organizations for development of the necessary infrastructure in order to utilize YEKA to the maximum extent**

**ARTICLE 19** – (1) The following procedures and principles shall be followed by the relevant institutions and organizations to the maximum extent in order to utilize YEKAs efficiently and effectively:

a) The General Directorate shall designate the YEKA the parcels and installed capacities in optimum sizes depending on the resource, and make the necessary measurement and feasibility studies/have them made.

b) It shall carry out works for the purpose of reducing the methods and processes in obtaining land permits.

c) The energy transmission facilities required for the electricity generation facilities to be established on the YEKAs shall be built by the TEİAŞ in accordance with the commissioning program of the electricity generation facility units.

ç) The General Directorate shall take initiative to improve the transportation infrastructure of the YEKA.

**Repealed Regulation**

**ARTICLE 20** – (1) The Regulation on Procedures and Principles Regarding the Determination, Rating, Protection and Use of Renewable Energy Resource Zones for Electricity Generation published in the Official Gazette dated 27/11/2013 and numbered 28834 has been repealed.

**Enforcement**

**ARTICLE 21** – (1) This Regulation shall enter into force on the date of its publication.

**Execution**

**ARTICLE 22** – (1) The provisions of this Regulation shall be executed by the Minister of Energy and Natural Resources.

	<b>Regulation Published in the Official Gazette</b>	
	<b>Dated</b>	<b>Numbered</b>
	9/10/2016	29852
<b>Regulations Amending the Regulation Published in the Official Gazettes</b>		
	<b>Dated</b>	<b>Numbered</b>
1	11/4/2017	30035
2	31/12/2019	30995 (4 <sup>th</sup> bis)
3	9/4/2021	31449

