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Official Gazette dated 12/05/2019, numbered 30772

UNLICENSED ELECTRICITY GENERATION IN THE ELECTRICITY MARKET REGULATION

Purpose

ARTICLE 1 – (1) The purpose of this Regulation is to set out the procedures and principles that apply to the real and legal persons, who are entitled to generate electricity without the need to obtain license and to establish a company, for the purposes of enabling consumers to meet their electricity requirements from their generation facilities closest to the consumption point, incorporating the small scale generation facilities to the national economy for supply security and ensuring the efficient use of the small scale generation resources and decreasing the losses incurred in the electricity network.

Scope

ARTICLE 2 – (1) This Regulation covers the procedures and principles regarding;

- (a) Principles and procedures relating to the connection of generation facilities to be established within the scope of the Article 14 of Electricity Market Law No. 6446 to the system and evaluation of applications for the establishment of such generation facilities;
- (b) Practices to be implemented in the event that real and legal persons engaged in unlicensed generation activities transmit the surplus electricity they generate to the system;
- (c) Rights and obligations of real or legal persons and relevant network operators engaging in generation and transferring of generation facilities related to the unlicensed generation;
- (d) Supervision of activities within the scope of this Regulation of persons who engage in unlicensed generation and supervision of established electricity generation facilities.

Legal basis

ARTICLE 3 – (1) This Regulation is based on Article 14 of the Electricity Market Law numbered 6446 and dated 14/03/2013, and on Article 6/A of the Law on the Utilization of Renewable Energy Resources for the Purpose of Generating Electricity numbered 5346 and dated 10/05/2005.

Definitions and abbreviations

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

- (a) **Isolation:** Physical separation of a part of distribution system with generation facility from distribution system in a way that will keep that part energized;
- (b) **AG:** Voltage level with efficient power of 1000 Volts or less;
- (c) **Contractual power set out in the connection agreement:** Power calculated by multiplying the installed capacity referred in the electricity project of a place of use with the utilization factor;
- (d) **Ministry:** The Ministry of Energy and Natural Resources;
- (e) **Cogeneration facility within the scope of this Regulation:** Cogeneration and tri-generation facilities meeting the productivity levels designated by the Ministry;

(f) **Consumption Facility within the scope of this Regulation:** Units, facilities and equipment consuming electricity, under the responsibility of a real or a legal persons or within the scope of the consumption aggregation either connected to the distribution or transmission system or to be connected to a generation facility in accordance with the connection agreement or connected to a distribution or transmission system within the scope of an existing agreement executed before 25/09/2002;

(g) **Distribution zone:** Zone defined in the license of the a distribution company or distribution license holder OIZ;

(h) **DSİ:** General Directorate of State Hydraulic Works;

(i) **EİGM:** Ministry General Directorate of Energy Affairs;

(j) **Invoicing period:** Period commencing from 00.00 of the first day of a calendar month until the beginning of the following calendar month;

(k) ¹ **Special Provincial Administration:** Special provincial administration of the place where the generation facility will be established or in the absence of special provincial administrations, Monitoring and Coordination Presidency of the relevant Governorate;

(l) **Relevant legislation:** Laws, regulations, communiqués, circulars and Board decisions relating to electricity market;

(m) **Other relevant legislation:** Regulations, communiqués and other legislation issued by Presidency and Ministries;

(n) **Relevant standard:** TS, EN, IEC, ISO standards and other international standards in order of priority relating to the equipment, connection system and performance criteria to be used in the generation facility;

(o) **Relevant network operator:** TEİAŞ, distribution company or legal entity holding distribution license depending on the relevance;

(p) **Relevant technical legislation:** Regulation, communiqués and other legislation issued by the Ministry;

(q) **Permanent data custodian:** Text messages, electronic mail, internet, disk, CD, DVD, memory card and any other means and media that enables data sent by the consumer or sent to the customer to be recorded and copied without modification in a way that allows this information to be examined in accordance with this purpose;

(r) **Law:** Electricity Market Law dated 14/3/2013 and numbered 6446;

(s) **Offsetting:** The process of finding the net generation or net consumption value in kWh as a result of deducting the production and consumption from each other within a certain period of time;

(t) **Micro-cogeneration facility:** A cogeneration facility based on electricity with an installed capacity of 100 kilowatts or less;

(u) **OG:** Voltage level with efficient power over 1000 V and up to 36 kV (36 kV included);

(v) **Market operator:** Energy Markets Operator Company of Turkey;

(w) **Network:** Transmission, distribution or OIZ distribution network depending on the connection points of the consumption facility within the scope of this Regulation;

(x) **Technical evaluation report:** Report prepared as a result of the evaluation made by EİGM regarding efficient use of the wind energy-based or solar energy-based generation sites;

(y) **Technical interaction permit:** Positive or conditional wind turbine installment permit granted to the relevant persons by relevant institution through Ministry as a result of the technical interaction analysis;

(z) **YEKDEM:** A support mechanism that includes the prices, periods, and the procedures and principles of payments that legal entities holding a generation license and

¹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

engaged in generation activities based on renewable energy resources within the scope of the Regulation on the Certification and Support of Renewable Energy Resources published on the Official Gazette dated 01/10/2013 and numbered 28782 can benefit on their own and that persons who are generating electricity based on the renewable energy resources within the scope of this Regulation can benefit through distribution companies assigned in their regions;

(aa) **Renewable energy resources:** Non-fossil energy resources such as hydraulic, wind, solar, geothermal, biomass, gas derived from biomass (including landfill gas), waves, current energy and tide;

(bb) **YEK Law:** Law on the Utilization of Renewable Energy Resources for the Purpose of Generating Electricity no. 5346 and dated 10/5/2005;

(cc) **YG:** Voltage level with efficient power over 36 kV;

(2) Within the scope of this Regulation, generation facility and consumption facility will be regarded in the same place if the connection of the generation facility is built to the consumption facility side before bidirectional meter.

(3) Other expressions and abbreviations in this Regulation shall have the meanings ascribed to them in the relevant legislation.

Exemption from obtaining license and establishing company

ARTICLE 5 – (1) Generation facilities exempt from the requirement to obtain a pre-license and license or to incorporate a company are as follows:

(a) Emergency generator sets;

(b) ²Generation facilities that work isolated without being connected to the transmission or distribution systems;

(c) Generation facilities based on renewable energy resources with installed capacities of maximum one megawatt or maximum megawatt to be designated by the President in accordance with the Article 14 of the Law;

(d) Generation facilities based on renewable energy resources using all of the energy they generate without supplying any of it to the transmission or distribution systems, and whose generation and consumption are at the same measurement point;

(e) Cogeneration facilities in the category providing the efficiency value to be determined by the Ministry;

(f) Micro-generation facilities;

(g) Waste water treatment facilities of municipalities and generation facilities used for the disposal of sludge from wastewater treatment;

(h) Energy generation facilities established on water conveyance lines and waste water conveyance lines by legal entities, of which more than half of the capital directly or indirectly belongs to the municipality, provided that there are technical means and if it is approved by the DSI;

(i) Generation facilities based on renewable energy resources established and operated by the General Directorate of State Hydraulic Works in order to meet the electricity needs of agricultural irrigation facilities, the electricity subscriptions of which is in the name of the General Directorate of State Hydraulic Works, provided that the installed capacity of these generation facilities is limited to the contractual power set out in the connection agreement of the agricultural irrigation facility and if there are multiple facilities, the total contractual power of all of the facilities;

(j) ³Generation facilities based on renewable energy sources, limited to the contractual power in the connection agreement.

² Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

³ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

(2) In the event that the surplus electricity output generated by real and legal persons who generate electricity based on renewable energy resources and who are exempt from the obligation to obtain a pre-license and license are supplied to the system, this electricity shall be considered within the scope of YEKDEM through the related supplier company.

(3) Transactions relating to the water usage rights of generation facilities within the scope of the section (g) of the first paragraph shall be finalized in accordance with water usage right procurement legislation.

(4)⁴ Within the scope of this Regulation, establishment of more than one generation facilities based on renewable energy resources for one consumption facility or more than one cogeneration facility in one metering point may be granted permission provided that there is enough capacity. For each consumption facility, installed capacity of generation facility or facilities based on renewable energy resources to be established in accordance with section (c) of the first paragraph cannot be more than maximum capacity referred in the section (c) of the first paragraph. A real or legal person can establish only one microgeneration facility for each consumption facility under its responsibility.

(5) It is compulsory for real and legal persons that will establish generation facilities in accordance with this Regulation to have their generation facilities and consumption facilities in the same distribution zone.

(6)⁵ Installed capacity upper limit shall not apply to generation facilities falling under section (a), (b), (ç), (d), (f), (g), (ğ) and (h) of the first paragraph.

(7) Within the scope of this Regulation; general provisions to be included in the connection and system usage agreements to be executed with generators who will connect to the network shall be designated by the Authority. Designated general provisions shall be announced on the web site of relevant network operator and the Authority.

(8)⁶ Additional generation facility or facilities can be established within the scope of section (h) of the first paragraph, on the condition that the offsetting operations are carried out in accordance with Article 26, the invitation letter for the connection agreement has been issued within the scope of section (c) of the first paragraph, the connection agreement is signed or the consumption facilities associated with the production facilities whose acceptance procedures are completed.

Transactions within the scope of relevant technical legislation

ARTICLE 6 – (1) Project designing, installation, connection to the system, acceptance, operation, maintenance and testing and trial activities of generation facilities within the scope of this Regulation shall be conducted in compliance with the applicable standards and in a way as defined in the relevant technical legislation.

(2) Owner of the generation facility shall comply with issues in first paragraph and conditions required by relevant technical legislation and relevant standards.

(3) In regards to the generation facilities that do not meet the conditions required by the relevant technical legislation and relevant standards:

(a) In the event of risky situations that are substantial or dangerous in terms of life and property safety or affecting electricity system safety, generation facility shall be separated from network without the need for a notice until it is made suitable again and grounds for separation shall be notified to the owner of the generation facility in 3 (three) business days in writing;

(b) In the event of situations that are not substantial in a way not affecting the operation of the system or the generation facility and safety of the installation and not dangerous in terms of life and property safety and not affecting the safety of electricity system, if the violation is

⁴ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁵ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁶ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

not remedied within 15 days from the notice requiring that the violation be remedied by the relevant network operator, generation facility shall be separated from the network by the network operator. If said violation is remedied, generation facility shall be reconnected to the system and put into operation in 3 (three) business days.

(4) In the event of short circuit fault or network lacking energy, in order to ensure the safety of life and property, generation facility shall be isolated from network in respect of connection point and shall not be supplied energy. Isolation in a way to include a part of the network shall not be permitted. In this case, the generation facility, which is isolated from the network in respect of the connection point, may supply isolated part of the consumption facility independently from the network.

Connection principles

ARTICLE 7 – (1) Generation facilities within the scope of this Regulation shall be connected to the distribution system save for the exceptions under the fourth paragraph. Relevant network operator may connect the generation facility to the distribution system from OG or AG level depending on the characteristics and current capacity of distribution system in respect of the connection point. Request for connection application may be refused only in accordance with the relevant legislation and relevant technical legislation and grounds for refusal shall be notified to the applicant in writing along with the refusal decision.

(2) Total capacity of generation facilities to be connected from AG level, may not exceed fifty per cent of the transformer power, if the distribution transformer to which these generation facilities are connected is owned by the relevant network operator. If the transformer is owned by the applicant, said capacity shall be equal to the maximum transformer power.

(3) Except for the applications within the scope of the first paragraph the Article 11, capacity of a distribution transformer owned by a network operator that can be allocated to a person in one year shall be designated in accordance with table in the Annex-3.

(4) First paragraph of Article 5:

(a) Generation facilities to be established within the scope of section (ç) of Article 5, provided that the consumer facility that will be related to those facilities are connected to the system through transmission level;

(b) Cogeneration facilities to be established within the scope of section (d) of Article 5, depending on its installed capacity shall be connected to the transmission system. For applications for the generation facility to be connected to the transmission system within the scope of this paragraph, the works and transactions stipulated to be carried out by the distribution company in the generation facility applications to be connected to the distribution system in this Regulation shall also be carried out by TEİAŞ.

(5)⁷ Following the evaluation of applications for generation facilities to be established in terms of documentation requirements, TEİAŞ shall be consulted regarding the fault current limit specific to the transformer station. TEİAŞ shall conclude the consultation request within fifteen (15) days from the date of receipt of the request.

(6) In the event that it is notified by the TEİAŞ to the relevant transformer station that the fault current limit is exceeded, applications for the relevant transformer station shall be refused without any further process.

(7)⁸ Except for the generation facilities to be established under section (h) of the first paragraph of Article 5 from the transmission level, if the provisional acceptance of transformer station, distribution center and energy transmission line on the connection point has not been made, no application can be made within the scope of this Regulation. Applications made shall be refused without any further process.

⁷ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁸ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

(8)⁹ Except for the generation facilities to be established under section (h) of the first paragraph of Article 5 from the transmission level, for the generation facilities to be established within the scope of this Regulation, direct connections and feeder allocations cannot be made, save for the exceptions defined under the fourth paragraph.

(9) The generation facility to be established within the scope of this Regulation cannot be connected to any other distribution system located outside the distribution area where the said generation facility will be established.

(10)¹⁰ Installed capacity of the generation facilities to be established within the scope of the section (c), (f), (g) and (h) of the first paragraph of Article 5 cannot be more than the contractual power set out in their connection agreements of the consumption facility that will be related to the relevant generation facility.

(11) In the event that opinion for connection is granted to the generation facilities and/or consumption facilities that are not related to the unlicensed generation facility through facilities that were consolidated before 23/03/2016 or for those made exclusively for unlicensed generation facilities within the scope of the given connection opinion and not purchased as of 17/1/2018 by the network operator and qualifying as distribution facilities even if single, the network operator shall purchase the common use parts of those facilities for a nominal fee in accordance with the Electricity Market Connection and System Usage Regulation published on the Official Gazette dated 28/1/2014 and numbered 28896.

(12)¹¹ Except for provisional subscriptions of consumption facilities under construction, real or legal persons cannot establish generation facility within the scope of this Regulation for the consumption facilities within the scope of the provisional connection.

(13) Connection agreement shall be amended as a result of the amendments made on the generation facility in accordance with the relevant legislation provisions pertaining to the connection and system usage.

(14)¹² If the owner of the generation facility seeks to make other changes, including increasing or decreasing the DC/AC power of the generation facility, changing the protection scheme, changing the compensation, it is obliged to apply to the relevant network operator in advance and obtain permission in accordance with the procedures stipulated in the relevant legislation. In applications based on wind or solar energy; the information in the technical evaluation form to be submitted regarding the change shall be sent to the EİGM for technical evaluation.

(15) Unlicensed generation application cannot be made save for the provisions of relevant legislation for generation facility sites subject to pre-license sites or generation license application, in such a case relevant applications shall be returned.

(16) For the generation sites subject to the unlicensed generation application;

(a) In the event of a solar energy-based or wind energy-based pre-license applications, if technical evaluation conducted by EİGM for each application is positive, such applications shall be concluded in accordance with the provisions of relevant legislation. If relevant applications adversely impact each other as a result of the technical evaluations conducted by EİGM, applications for unlicensed generation shall be refused except for the ones that received invitation letter to sign connection agreement. In the event that the unlicensed generation application is entitled to receive an invitation letter to sign connection agreement, pre-license and license applications shall be refused if there is no possibility of revision;

(b) In the event that a pre-license or license application is made based on resources other than wind or solar energy and the application for unlicensed production does not qualify

⁹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹⁰ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹¹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹² Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

for an invitation letter for the connection agreement, the application for unlicensed generation shall be rejected;

(c) In the event of pre-license or license applications based on resources other than wind or solar energy and in the event that unlicensed generation application is entitled to receive invitation letter, relevant pre-license and license application shall be refused and unlicensed generation applications shall be concluded in accordance with the provisions of relevant legislation. However, if the pre-license application made at the same day for the establishment of generation facilities in the relevant generation sites is entitled to receive invitation letter to sign connection agreement and an application for pre-license and license is made, unlicensed generation application shall be rejected;

(17)¹³ For the investments of distribution facilities and/or transmission facilities belonging to generation facilities to be established within the scope of section (h) of the first paragraph of Article 5, the process shall be established in accordance with the provisions of the Electricity Market Connection and System Usage Regulation.

Emergency generator sets and isolated generation facilities

ARTICLE 8 – (1) Real and legal persons seeking to generate within the scope of section (a) and (b) of the first paragraph of Article 5 shall notify the network operator. No document shall be issued for applications of these people within the scope of this Regulation.

(2) Business and transactions regarding generation facilities within the scope of section (a) and (b) of the first paragraph of Article 5 shall be carried out by the Ministry or an institution authorized by the Ministry.

Obtaining water usage right in generation facilities based on hydraulic resources

ARTICLE 9 – (1) In order to obtain water usage right for generation facilities based on hydraulic resources, an application shall first be made to the special provincial administration of where the facility is to be established. The real or legal person applicant is obliged to add the documents required in the legislation issued by DSI to the application file.

(2) Special provincial administrations shall send connection applications received each calendar month within first five days of the following month to the authorized regional directorate of DSI in order to obtain its opinion regarding the convenience of generation facility establishment in terms of water regime. Relevant DSI unit shall conclude the convenience opinion in terms of water regime until twentieth day of the following month of arrival month and send it to special provincial administration. In the event that the opinion sent by the relevant unit of DSI is positive, special provincial administration shall send this opinion to the applicant within the first five days of the following month of arrival month.

Applications

ARTICLE 10 – (1)¹⁴ Real and legal persons that seek to generate within the scope of sections (c), (ç), (d), (e), (f), (g) (ğ) and (h) of the first paragraph of Article 5 shall apply to the relevant network operator along with information and document designated by the Board decision.

(2) Relevant network operator cannot reject the application based on the absence of information and document other than those designated by the Board decision, save for other obligations arising from other relevant legislation.

(3) In the event that real or legal persons applying within the scope of this Article make a written request for a change in installed power related to the relevant generation facility within the month of the application,

¹³ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹⁴ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

- (a) Installed capacity change request date shall be regarded as application date;
- (b) Document to be submitted in accordance with the new installed capacity shall be submitted along with the application.

(4) In the event of a request of applicants, data that may be used in the application and that may be obtained from network operators by nature shall be provided in writing by the relevant network operator to the applicant within 3 (three) business days provided that a written request is submitted.

Facilities that may apply

ARTICLE 11 – (1) In the evaluation of applications and utilization of surplus energy of generation facilities of which preparation of typical projects up to 10 kW (including 10 kW) is approved by Ministry or institution authorized by the Ministry within the scope of this Regulation, and are based on renewable energy resources and up to its contractual power set out in the connection agreement in its own consumption facility whose consumption and generation are connected at the same point, procedures and principles designated by the Authority and form of invitation letter to sign connection agreement shall apply. Applications for generation facilities based on the renewable energy resources within the scope of this Regulation shall be evaluated in accordance with the procedures and principles to be designated by the Authority.

(2)¹⁵ Public institutions and organizations may establish generation facility based on renewable energy resources at the same metering point with consumption facilities within the scope of section (c) of the first paragraph of Article 5, provided that it does not exceed the contractual power set out in the connection agreement of wastewater and drinking water treatment facilities and agricultural irrigation facilities.

(3) Individuals seeking to operate within the scope of this Regulation can establish a generation facility based on renewable energy sources without equipping a facility as a distribution facility at the same measurement point as the consumption facility, not exceeding the contract power in the connection agreement and the installed power to be determined in accordance with section (c) of the first paragraph of Article 5. Solar energy based generation facilities can only be realized as roof and front applications.

(4) Generation facility for the purpose of agricultural irrigation on a part of agricultural land may be established within the scope of this Regulation, subject to the provisions of other relevant legislation. However, installed capacity of the relevant generation facility cannot be more than contractual power set out in the connection agreement of such irrigation facility. In this context, it is compulsory to submit the Approval Certificate issued by the DSI in accordance with the secondary legislation along with the applications. Applications within the scope of this paragraph shall be evaluated in accordance with the section (ç) of the first paragraph of Article 5.

Establishment of the commission

ARTICLE 12 – (1) Relevant network operator shall perform examination of the applications, except for the ones within the scope of the first paragraph of Article 11, in terms of documentation requirements and technical aspects through a commission to be established by compiling. Applications within the scope of the first paragraph of Article 11 shall be evaluated and concluded by the relevant network operator.

(2)¹⁶ Commission of the distribution companies consists of one representative each from TEİAŞ, TEDAŞ and the relevant network operator and takes decisions with the majority of votes. President of the commission is the representative of TEİAŞ. In the event that the relevant

¹⁵ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹⁶ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

network operator is a legal entity holding an OIZ distribution license, the commission shall consist of three members, including the OIZ manager, an expert staff from the regional distribution company, and an expert staff from the OIZ and shall take decisions by majority vote. Decisions adopted by the commission shall be executed by the members and preserved in the relevant files.

(3)¹⁷ For unlicensed generation applications to be made at the transmission level, the commission shall consist of 3 members, all of whom are representatives of TEİAŞ, and take decisions by majority vote. Decisions taken by the commission are signed by the members and kept in the relevant files.

Evaluation of applications in terms of documentation requirements

ARTICLE 13 – (1) New applications of real or legal persons seeking to generate within the scope of this Regulation received in each calendar month shall be evaluated and concluded in terms of documentation requirements collectively by the commission within first fifteen days of the following month. Applications of those who submitted incomplete or incorrect documents shall not be taken into technical evaluation.

(2)¹⁸ The applicant shall be notified about the nature of the incompleteness or incorrectness within 3 (three) business days following the evaluation results, and application documents shall be returned to the applicant after a copy of them is transferred to the permanent data storage, and the relevant provincial administration shall be informed about the issue in terms of hydraulic resources.

(3) Results of the examination in terms of document requirements shall be announced on the website of the relevant network operator in a way to include explanations about the incomplete and incorrect applications within the following business day of evaluation date.

(4)¹⁹ Within the scope of this Regulation, new applications received within each calendar month of real or legal persons who seek to make generation by connecting at the transmission level shall be evaluated and finalized collectively in terms of documents within the first fifteen days of the following month by the commission defined in the third paragraph of Article 12. Applications of those who submit incomplete or incorrect documents will not be taken into technical evaluation. Application documents shall be returned to the applicant after a copy is transferred to the permanent data custodian, by notifying the applicant about the nature of the incompleteness or incorrectness within 3 (three) business days following the evaluation results. The results of the evaluation made in terms of documents are published on the website of TEİAŞ, including explanations for incomplete and incorrect applications, within the business day following the evaluation date.

Technical evaluation of applications

ARTICLE 14 – (1)²⁰ Applications found to be complete shall be evaluated by the commission in terms of technical aspects within the first fifteen days of the month following the month in which the evaluation was made. Applications for which TEİAŞ has notified that the fault current limit is exceeded shall be refused without technical evaluation.

(2) Applications shall be classified according to the transformer stations.

(3) Each application shall be evaluated independently in terms of connection and system usage but collectively in terms of connection point. Technical evaluation shall be completed by virtue of an evaluation of facility to be established in terms of measurement and preservation

¹⁷ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹⁸ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

¹⁹ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²⁰ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

systems based on the conformity of the application to this Regulation, relevant technical legislation and relevant legislation.

(4) Following the technical evaluation results, applications are taken into priority evaluation. Within the scope of the priority evaluation, applications shall be concluded considering the transmission or distribution network constraints in respect of connection point, if any.

(5) Applications not subject to connection constraints in respect of connection point shall be concluded without subjecting the technical evaluation results to priority evaluation.

(6) During the priority evaluation to be implemented to the connection of generation facility that will be connected to the network by the relevant network operator, the following criteria shall be applied respectively;

(a) Generation facility subject to the application be based on the renewable energy resources;

(b) Generation facility subject to the application be cogeneration facility;

(c) Amount of consumption of applicant be more than other applications within last one year;

(d) Contractual power set out in the connection agreement of applicant be more than other applications;

(e) The applicant does not have an application for which a positive connection opinion has been given before the annual consumption of the consumption points that do not have a one-year consumption is calculated on an annual basis, taking into account the average of their current monthly consumption. In the applications made for the consumption points that do not have a monthly consumption and for the facilities in the construction phase, the calculation is made according to the consumption of the nearest similar consumption points, taking into account the project values. If more than one application meets all the criteria as a result of the evaluation, the date of application made to the relevant network operator shall be taken as the basis for the ranking.

(7) For applications regarding generation facilities within the scope of the first paragraph of Article 11, a positive connection opinion shall be formed by the relevant network operator, without prejudice to the procedures and principles to be determined by the Authority, without any further action within the scope of this Article.

(8)²¹ Applications found to be complete within the scope of the fourth paragraph of Article 13 shall be evaluated technically by the commission defined in the third paragraph of Article 12, within the first fifteen days of the month following the evaluation made in terms of documents. Each application is evaluated independently of the others in terms of connection and system usage, but together in terms of port. The technical evaluation is completed by evaluating the application in terms of the measurement and protection system of the facility planned to be established within the scope of the connectable capacity and short circuit current limit calculations of the relevant transformer station, based on the compliance of the application with this Regulation, the relevant technical legislation and the relevant legislation.

Creation of connection point and issuance of invitation letter to sign connection agreement

ARTICLE 15 – (1) For the applications that are concluded in accordance with the provisions of Article 14;

(a) Results of the evaluation shall be announced on the website of the relevant network operator in a way to include explanations regarding the technical evaluation, within the following day of evaluation date;

²¹ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

(b) A written notification shall be served to the applicant about the result of the evaluations within 3 (three) business days from the date of evaluations results. Written notifications to be served to the persons whose applications were refused shall include the grounds for refusal and technical evaluations and documents shall be returned to the applicants in ten business days after one copy of them is sent to the permanent data custodian;

(c) Persons whose applications were based on hydraulic resources and refused, a notification shall be served to the special provincial administration within five business days from the date of announcement on website;

(d) TEİAŞ shall be notified within 5 business days about the persons whose application turned negative as a result of the technical evaluation, but TEİAŞ has given a positive opinion on the fault current limit;

(e) Except for applications based on wind or solar energy, if those whose connection application is found suitable make a written application within one month from the announcement date of the list specified in section (a), the invitation letter for the connection agreement shall be notified to the relevant person by the relevant network operator. In this context, positive connection opinions of applicants that do not submit a written request shall become automatically invalid. For the applications based on hydraulic resources, a notification shall be served to the special provincial administration within five days from the date invitation letter to sign connection agreement is notified to the relevant persons.

Creation of connection opinion as a result of technical evaluation and issuance of an invitation letter to connection agreement

ARTICLE 16 – (1) Among the applications based on wind or solar energy; the information in the technical evaluation form of the applications whose connection applications are found suitable shall be sent to the EİGM for technical evaluation within ten business days from the date of approval of the application. Technical evaluation shall be concluded by the EİGM within thirty days and technical evaluation report shall be sent to the relevant network operator. In the event of incorrectness and/or incompleteness in the information sent to the EİGM, applicant shall be notified by the relevant network operator to correct the nonconformity within 3 business days from the relevant detection. If the incorrectness and/or incompleteness is not corrected within 10 business days from the date of notification or if the technical evaluation report as a result of the evaluation of the EİGM is negative, application documents shall be returned to the applicants after one copy of them is sent to the permanent data custodian.

(2) Invitation letter for the connection agreement issued for the applications based on solar energy, whose technical evaluation report is positive shall be served to the relevant person by the relevant network operator within one month from the date of announcement of list indicated in the fifth paragraph, upon the written application of the relevant persons. In this context, positive connection opinions of applicants who do not submit are automatically invalidated and application documents shall be returned to the applicants after one copy of them is sent to the permanent data custodian.

(3) Among wind-energy based applications, technical evaluation reports of applications whose technical evaluation is approved by the EİGM shall be announced on the website of EİGM until fifth day of each month. An application shall be made by the applicant to the relevant unit of TÜBİTAK for technical interaction permit within thirty days from the announcement date. Document certifying that such application has been complete shall be submitted to the EİGM within thirty days from announcement date of the EİGM. If such document certifying that the application has been complete and submitted to the relevant unit of TÜBİTAK;

(a) is not submitted within the statutory period;

(b) is submitted within the statutory period, for the capacity of the relevant application to be held until the result of the technical interaction permit.

a notification shall be served by the EIGM to the relevant network operator. Technical interaction permit shall be notified to the EIGM by the relevant network operator within ten business days along with technical evaluation report. In the event that the technical evaluation report and/or technical interaction permit is negative or in the event that document certifying that the application has been complete is not submitted within the statutory period, application documents shall be returned to the applicants by the relevant network operator after one copy of them is sent to the permanent data custodian.

(4) Invitation letter to sign connection agreement shall be issued by the relevant network operator for wind-energy based applications whose technical interaction permit and technical evaluation report is positive. Invitation letter to sign connection agreement shall be served by the relevant network operator to relevant persons within one month from the date of announcement of list indicated in the fifth paragraph if such persons submits written request. In this context, positive connection opinions of applicants who do not submit such request shall automatically be invalidated and application documents shall be returned to the applicants after one copy of them is sent to the permanent data custodian.

(5) Information regarding applications that resulted positively or negatively within the scope of the first, second, third and fourth paragraphs shall be announced regularly on a monthly basis on the website of the relevant network operator in a way to include necessary explanations.

(6) The Article of this Regulation that the document is based on shall be explicitly specified in the invitation letter to sign connection agreement issued by the relevant network operator. In this document, it is also specified under which Article the surplus electricity will be evaluated.

Connection agreement application

ARTICLE 17 – (1) Those who are served invitation letter to sign connection agreement shall be granted one hundred and eight days from the date of notification of the invitation letter to sign connection agreement. Within the first ninety days of such period, holders of invitation letter to sign connection agreement shall submit generation facility project and connection line project, if any, to the Ministry or to institutions and/or legal entities authorized by the Ministry for approval. Connection applications of real and legal persons who do not apply for approval of projects within ninety days shall be deemed invalid and documents submitted by them shall be returned.

(2) In the event that the relevant real or legal person submits the following documents completely and duly to the relevant network operator within the statutory period specified in the first paragraph, the network operator is obliged to execute a connection agreement with them within thirty days:

(a) Project approvals within the scope of the relevant technical legislation required for the commencement of generation facility construction;

(b) Water usage right agreement for applications based on hydraulic resources.

(3) Applicants that could not obtain documents referred to in the second paragraph may be granted additional one hundred and eighty days by the relevant network operator, provided that the a written application is submitted to the relevant network operator within the statutory period referred to in the first paragraph and it is certified that generation facility project and connection line project, if any, is submitted to the Ministry or institutions and/or legal entities authorized by the Ministry for approval within the statutory period referred in the first paragraph.

(4) In the event that applicants do not submit the said documents to the relevant network operator within the periods designated in the first paragraph or until the end of additional period

granted to the applicants in accordance with third paragraph, relevant real and legal persons lose their right to execute connection agreements and submitted documents shall be returned.

(5) Ownership and operating limits for the connection shall be specified in the connection agreement.

(6) In the event that enhancement of installed capacity is requested in generation facilities which are entitled to receive invitation letter and executed connection agreement as a result of the applications made as of the effective date of this Regulation, relevant request shall be evaluated together with all other applications made in the same month of request. In this context:

(a) ²² Where the commission gives negative opinion to the said request, the validity of the connection agreement and the invitation letter to the existing connection agreement of the applicant continues;

(b) ²³ In case of a request for an increase in installed power for the generation facilities for which an invitation letter to the connection agreement is given and a positive opinion is given by the commission to the said request, an additional period of ninety days shall be given in addition to the periods specified in the first paragraph in order to complete the obligations under the second paragraph from the date the invitation letter to the revised connection agreement within the scope of power increase is notified to the applicant. If no application is made to the relevant network operator to sign a connection agreement within the time limit, the right to sign a connection agreement shall be lost and all relevant documents shall be returned to the person requesting a power increase;

(c) ²⁴ In case of a request for an increase in the installed power at the generation facilities that have signed a connection agreement or whose acceptance has been completed and a positive opinion is given by the commission, from the date of notification of the invitation letter to the applicant for the revised connection agreement within the scope of power increase, an additional year shall be given for the completion of the obligations under the second paragraph of the invitation letter for the revised connection agreement and the acceptance procedures of the generation facility.

Compliance, maintenance, tests and acceptance

ARTICLE 18 – (1) ²⁵ Real or legal person establishing a generation facility within the scope of this Regulation; shall notify the relevant network operator that the generation facility to be connected to the network complies with the criteria defined in this Regulation and the conditions included in the connection agreement. It shall be written down in a minute and signed by the relevant network operator within fifteen days that the generation facility is ready for the acceptance. Application for acceptance shall be made by submitting such minute to the Ministry or institutions and/or legal entities authorized by the Ministry.

(2) Acceptance procedures are carried out in accordance with the relevant technical legislation.

(3) ²⁶ Regarding acceptance process and transactions; no charge will be requested for the electricity supplied to the network during the pre-acceptance, acceptance transactions and test transactions phases. Energy supplied during these phases shall be deemed to have been produced and transmitted to the system by the relevant assigned supplier company and is considered as free contribution to YEKDEM.

²² Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²³ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²⁴ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²⁵ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²⁶ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

(4)²⁷ Where generation and consumption facilities are not located in the same metering point; the amount of internal consumption that will occur due to the operation of all kinds of structures and equipment in the production facility area before acceptance, during the acceptance process and during the testing process is included in the set-off by being added to the consumption of the consumption facility or facilities associated with the production facility in the first billing period after the production facility is put into operation.

Commissioning of generation facilities and system usage

ARTICLE 19 – (1)²⁸ It is obligatory to complete the acceptance procedures of the generation facilities to be connected to the network as per the provisions of this Regulation, starting from the signing date of the connection agreement, according to the point where the meter is installed, within the following periods;

(a) three years for generation facilities based on the hydraulic resources to be connected to the system from OG level;

(b) two years for generation facilities other than those based on the hydraulic resources to be connected to the system from OG level;

(c) one year for all generation facilities to be connected from AG level;

(d) the period stipulated for generation facilities with the same qualifications within the framework of the Electricity Market License Regulation published in the Official Gazette dated 2/11/2013 and numbered 28809.

In the event that the generation facilities are not completed until end of such periods, licenses related to the allocated capacity, technical interaction permit and water usage rights shall automatically become invalid, save for the events of force majeure referred to in Article 35 of Electricity Market License Regulation and cases that are deemed appropriate by the Board.

(2) Generation facilities may supply energy to the system as of the date specified in the system usage agreement. Such date can by no means be before the date generation facility starts business.

(3)²⁹ In generation facilities that are accepted and put into operation, parties are obliged to sign a system usage agreement within one month following the start of commercial activity of the facility. In the event that system usage agreement is not executed by the owner of generation facility within one month, generation facility shall be separated from the network without requiring any further notification until generation facility is made appropriate and grounds for the separation shall be notified to the owner of the generation facility in writing within 3 (three) business days.

Issuing generation source certificate to unlicensed generators

ARTICLE 20 – (1) Upon their request, generators who executed connection agreement and system usage agreement with relevant network operator for the purpose of generating electricity from renewable energy resources within the scope of this Regulation shall be issued a Generation Source Certificate in accordance with the sample in Annex-2 by the relevant network operator.

(2) Applications to be made within the scope of this Article shall be concluded within ten business days at the latest. Generation Source Certificate can be issued only once by the relevant network operator for the same invoicing period within the scope of this Article.

Meters, remote monitoring, protection and control systems

²⁷ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²⁸ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

²⁹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

ARTICLE 21 – (1) For the purpose of application of this Regulation, save for the provisions of third paragraph;

(a) If the consumption and generation facilities are located in the same place, bidirectional meter that will enable communication required by the legislation for the settlement mechanism to the place specified in the connection agreement;

(b) ³⁰ If the consumption and generation facilities are not located in the same place, bidirectional meter for generation facility and one-way meter for consumption facility that will enable communication required by the legislation for the settlement mechanism to the place specified in the connection agreement shall be installed. For bidirectional meters, a second counter can be installed by the network operator for control purposes.

(2) Metering point forming the basis of invoicing is the meter to be installed to the network on the connection point in accordance with the first paragraph. It is compulsory to have a separate meter to measure generation of each generation facility connected to the network and the daily data to be obtained from such meter shall be submitted by the relevant persons in accordance with the format requirements designated by the Authority.

(3)³¹ Meters installed in accordance with the first paragraph to the generation facilities whose installed capacity is higher than 10 kW shall comply with the automatic metering system to be established in accordance with the relevant legislation. Meters installed to the generation facilities whose installed capacity is higher than 10 kW shall be associated to the metering and communication system.

(4) Meter enabling the separate hourly measurement of electricity generated in the micro-generation facilities and cogeneration facilities and generation facilities based on the renewable energy to be established for a consumption facility and subject to different price incentives.

(5) Meters within the scope of this Article shall be procured and installed by the relevant network operator.

(6) During the acceptance stage of generation facility, metering system shall be sealed and recorded after the control in a way to include the meter installed within the scope of the second paragraph as well by the officer of the relevant network operator.

(7)³² Connection to SCADA control center that belong to the network operator to which the generation facilities whose installed capacity is equal to and higher than 50kW shall be made in accordance with the Electricity Network Regulation. Real and legal persons shall procure and establish required equipment and infrastructure for the generating facility.

Operation

ARTICLE 22 – (1) Generation facility cannot be operated with power more than the contractual power set out in the connection agreement. In the event that the generation facility is operated with power more than the contractual power set out in the connection agreement, penalty clauses included in the Connection Agreement to the Distribution System for Unlicensed Electricity Generators shall apply.

(2)³³ The interruption to the connection of the generation facility under the necessary circumstances shall be realized pursuant to Article 27 of the Electricity Market Connection and System Use Regulation.

Determination of surplus electricity energy

ARTICLE 23 – (1) In principle, real and legal persons engaged in unlicensed generation shall generate electricity for the purpose of meeting their own needs. However, the

³⁰ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

³¹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

³² Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

³³ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

amount of electricity generated in the generation facilities referred to in section (c), (d), (e), (f) and (g) of the first paragraph of Article 5 and that cannot be consumed in the consumption facility or facilities established at the same location, may be consumed in another consumption facility or facilities owned by the same person provided that they are located in the same distribution zone.

(2) Surplus electricity generated by real and legal persons within the scope of this Regulation and transmitted to the network shall be detected by the relevant network operator;

(a) On an hourly basis from the data obtained from the meter installed to the place specified in the connection agreement if the generation facility and the consumption facility are located in the same place and/or;

(b) On an hourly basis to be calculated by offsetting hourly consumption data related to the consumption facility or from data to be obtained by using profile application approved in accordance with the relevant legislation governing balancing and settlement transactions, from hourly rates obtained from generation meter for the facilities that it is not possible to obtain hourly data from consumption meters for hourly consumption if the generation facility and the consumption facility are not located in the same place.

(3) Relevant network operator shall detect the amount of surplus electricity for each generator transmitted to the network for each invoicing period by gathering hourly data obtained on the source basis in accordance with the second paragraph and notify the relevant assigned supplier company until the sixth day of each month.

(4) Relevant network operators shall notify the market operator of the amount of surplus electricity by the unlicensed generators in its network:

(a) On the source basis for the unlicensed generators within the scope of the first paragraph of Article 24;

(b) For the unlicensed generators within the scope of the second, third, fourth and fifth paragraphs of Article 24;

(c) Separately through Market Management System the total amounts each month on an hourly basis in compliance with the issued schedule related to the notification of meter values in the drafting unit configurations forming the basis of settlement in the relevant provisions of legislation providing the settlement transactions for other cases where such amounts are to be considered as free contribution to the YEKDEM within the scope of this regulation and relevant legislation.

(5) In the event that consumption facility associated with the unlicensed generation facility supplies energy as an eligible consumer through a bilateral agreement, the value calculated by offsetting the generation within the scope of unlicensed generation and consumption shall be inserted in place of the value measured by the meter for the consumption location registered in the Market Management System. In this context, in the event that there are more than one facility associated with the generation facility and they are considered as eligible customers, it is mandatory for all of the consumption facilities to use their right to choose the supplier, and energy supply of all facilities be supplied by the same supplier. In the event that energy supply of all facilities is not supplied by the same supplier, the energy generated in the relevant month is deemed to be generated and transmitted to the system by assigned supplier company and no payment shall be made by market operator and assigned supplier company due to such energy and energy transmitted to the system shall be regarded as free contribution to YEKDEM in this context.

(6) Energy transmitted to the system from facilities to be established in free zones within the scope of this Regulation can be consumed only within the territories of free zones. In this context, no payment shall be made for the energy transmitted to the system and energy transmitted to the system in this context shall be regarded as free contribution to YEKDEM.

Utilization of surplus energy

ARTICLE 24 – (1) Within the scope of subparagraphs (c), (f) and (g) of the first paragraph of Article 5;

(a) The net amount of electrical energy generated in the generation facility or facilities established in the same place with the consumption facility and supplied to the network during each invoicing period;

(b) ³⁴ The net amount of electrical energy that cannot be consumed during each invoicing period in the relevant consumption facility from the electricity generated and supplied to the network in the generation facility or facilities not established in the same place with the consumption facility shall be purchased as surplus electricity energy at the price determined by the supplier company for ten years to be determined within the scope of YEKDEM. This period shall be calculated starting from the date when the relevant generation facility starts to supply energy to the network within the framework of the second paragraph of Article 19. As of the end of the ten-year period, the procedures and principles regarding the implementation with regards to these facilities shall be determined by the President in accordance with the second paragraph of Article 6 of the YEK Law.

(2) Within the scope of subparagraphs (e) and (f) of the first paragraph of Article 5, the net amount of energy generated by generation facilities established by real or legal persons from sources other than renewable energy resources shall be purchased by the assigned supplier company at the lowest price determined in the Schedule I annexed to the YEK Law for ten years from the date the facility starts to supply energy to the network. The energy supplied to the system shall be evaluated within the scope of the electricity sold to its customers within the scope of the retail sale tariff by the supplier companies.

(3) In the event that the energy is supplied to the network from the generation facilities, which are established within the scope of subparagraphs (ç) and (d) of the first paragraph of Article 5, the said energy amount shall be considered within the scope of YEKDEM in accordance with the relevant legislation. However, this energy shall be considered as generated and supplied to the system by the assigned supply company, and no payment shall be made by the market operator and the assigned supplier company in relation to this energy, and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM.

(4) In the event that more than one generation facility based on renewable energy resources other than the ones within the scope of subparagraph (ç) of the first paragraph of Article 5 or a generation facility based on renewable energy sources and a micro-cogeneration facility shall be established for a consumption facility and the generation facility which supplies the surplus energy supplied to the network cannot be determined, the energy supplied to the network from these facilities shall be purchased at the lowest price determined according to those that are relevant within the scope of YEKDEM.

(5) In the event that the generation facilities that can be established within the scope of subparagraphs (ç) and/or (d) of the first paragraph of Article 5 and generation facilities that can be established within the scope of other subparagraphs of the same paragraph are established together and that the generation facility from which the surplus energy supplied to the network cannot be determined, the amount of energy in question shall be evaluated within the scope of YEKDEM in accordance with the relevant legislation. However, this energy shall be considered as generated and supplied to the system by the assigned supply company, and no payment shall be made by the market operator and the assigned supplier company in relation to this energy, and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM.

³⁴ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

(6) Electrical energy within the scope of the second paragraph can be sold to consumers who buy energy within the scope of the tariff set by the assigned supplier company.

(7) Unlicensed generators cannot enter into bilateral agreements and/or make sales in organized wholesale electricity markets for their generation within the scope of this Regulation.

Payment for and purchase of surplus energy

ARTICLE 25 – (1) The assigned supplier company shall perform the following operations respectively in order to calculate the amount of payment to be made to each generator for each invoicing period for the amount of energy that it is required to purchase within the scope of YEKDEM:

(a) It shall determine the amount of payment for the amount of energy that it is required to purchase within the scope of the first paragraph of Article 24 by multiplying the surplus generation to be determined for each generator and notified to itself in accordance with the third paragraph of Article 23 with the price determined in accordance with the first paragraph of Article 24;

(b) According to subparagraph (a) of this paragraph, it shall determine the payment to be made for each source by collecting the prices found for each generator on the basis of source;

(c) It shall determine the amount of payment for the amount of energy that it is required to purchase within the scope of the fourth paragraph of Article 24 by multiplying the surplus generation that is determined for each generator and notified to it in accordance with the third paragraph of Article 23 with the lowest price that is relevant;

(d) It shall determine the total price to be paid to the unlicensed generators to be notified to the market operator (LÜYTOB) for the relevant invoicing period and by collecting the sum of the costs determined on the basis of source in accordance with subparagraph (b) of this paragraph and the amount determined under subparagraph (c);

(e) It shall notify the market operator of the LÜYTOB amount determined in accordance with subparagraph (ç) of this paragraph each month through the market management system in accordance with the regulated schedule regarding the notification of the values of the meters included in the supply-draw unit configurations as a basis for settlement in the provisions of the relevant legislation;

(f) It shall make the payment that it received from the market operator to the relevant generators by the fifth business day of the month following the calendar month in which the payment was made;

(2) In order to calculate the amount of payment to be made to each generator for the amount of energy that they are required to purchase under the second paragraph of Article 24, the assigned supplier companies shall perform the following operations respectively:

(a) It shall determine the payment to be made by multiplying the surplus generation amount specified for each generator and notified to it according to the third paragraph of Article 23 with the lowest price stipulated in the Schedule I annexed to the YEK Law;

(b) Within six days following the notification date within the scope of the third paragraph of Article 23, it shall inform the relevant person about the surplus energy amount supplied to the network and the unit price for energy purchase;

(c) It shall deposit the invoice amount to the bank account to be notified by the relevant person within ten business days following the date of notification of the invoice issued by the relevant person to the assigned supplier company;

(3) In case the assigned supplier company defaults on the payment, the default interest determined in accordance with Article 51 of the Law No. 6183 dated 21/7/1953 on the Procedure for the Collection of Public Receivables shall be applied at twice the rate.

(4) The foreign exchange buying rate to be announced by the Central Bank of the Republic of Turkey on the date that the energy is supplied to the system shall be used for the

payments to be made in accordance with the prices in the Schedule I of YEK Law by the assigned supplier company for the amount of excess energy it is obliged to purchase.

Monthly offsetting application

ARTICLE 26 – (1)³⁵ The relevant network operator shall determine the amount of electrical energy generated and supplied to the network on an hourly basis from the data measured by the meter installed in the place determined in the connection agreement for the generation facilities that are entitled to receive a letter of invitation to the connection agreement as a result of the applications to be made as of the effective date of this Regulation.

(2) The relevant network operator shall determine the amount of electricity supplied to and obtained from the network on the basis of the invoicing period by gathering the hourly data obtained within the scope of the first paragraph for each generator within the scope of this Article, on the basis of subscriber groups and resources and shall notify the relevant supplier company until the sixth day of each month.

(3) The relevant network operators shall notify the total generation and total consumption amount of unlicensed generators in their networks within the scope of this Article, as separate total values calculated on the basis of subscriber groups and resources to the market operator through the Market Management System on an hourly basis every month in accordance with the regulated schedule regarding the notification of the values of the meters included in the settlement supply-draw unit configurations in the provisions of the relevant legislation regulating the settlement procedures.

(4)³⁶ The surplus electricity supplied to the network in every invoicing period as a result of monthly offsetting in the generation facilities established and operated by real or legal persons based on renewable energy resources within the scope of subparagraph (c) of the first paragraph of Article 5 and first, second and third paragraphs of Article 11, by meeting the conditions specified under the first paragraph, shall be purchased by the assigned supplier company for ten years. This period shall be calculated from the date when the relevant generation facility starts to supply energy to the network within the framework of the second paragraph of Article 19. As of the end of the ten-year period, the procedures and principles regarding the implementation with regards to these facilities shall be determined by the President in accordance with the second paragraph of Article 6 of the YEK Law.

(5) In the event that energy is supplied to the network as a result of monthly offsetting in generation facilities established under subparagraph (ç) of the first paragraph of Article 5 pursuant to the conditions specified in the first paragraph, the said energy amount shall be evaluated within the scope of YEKDEM in accordance with the relevant legislation. However, it is accepted that this energy has been generated and supplied to the system by the assigned supplier company, and no payment shall be made by the market operator and the assigned supplier company in relation to this energy, and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM.

(6) The assigned supplier company shall perform the following procedures respectively in order to calculate the amount of payment to be made to each generator and each supplier subject to this Article during the invoicing period:

(a) It shall determine the payment to be made for the amount of energy that it is required to purchase within the scope of the fourth paragraph by multiplying the amount of generation that is determined for each generator and notified to it according to the third paragraph with the relevant price determined;

³⁵ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

³⁶ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

(b) It shall determine the payment to be made by calculating the sum of the prices found for each generator according to subparagraph (a) of this paragraph on the basis of subscriber groups and resources;

(c) It shall calculate the sum of the fees determined on the basis of subscriber groups and resources in accordance with subparagraph (b) of this paragraph and add this amount to LÜYTOB, of which it will notify the market operator during the relevant invoicing period;

(d) It shall notify the amount determined in accordance with subparagraph (c) of this paragraph and added to LÜYTOB to the market operator each month through the market management system in accordance with the regulated schedule regarding the notification of the values of the meters included in the supply-draw unit configurations in the relevant provisions of the legislation;

(e) In cases where the net energy is withdrawn from the system after the monthly offsetting of the generation and consumption amount of each generator, it shall notify the new consumption amount in order to ensure that the transactions arising from the relevant legislation may be carried out;

(f) ³⁷ In case surplus energy is generated as a result of monthly clearing for the facilities within the scope of the fourth paragraph regarding the payment made by the market operator for the energy supplied to the system, it shall pay the part corresponding to the surplus energy in the payment calculated under subparagraph (a) of this paragraph at the latest by the fifth business day of the month following the calendar month it is paid;

(g) It shall pay the price calculated according to the subscriber group of the consumption facility in the tariff issued to the relevant suppliers for the amount of the electrical energy drawn from the system that does not exceed the amount of energy supplied to the system regarding the payment made by the market operator for the energy supplied to the system at the latest by the fifth business day of the month following the calendar month it is paid;

(7) In the event that the net energy is withdrawn from the system after the monthly offsetting process, the invoices shall be accrued and collected according to the provisions of the current contract between the supplier and the consumer for the consumption remaining from the consumption paid by the assigned supplier company in accordance with subparagraph (f) of the sixth paragraph.

(8) In the event that the consumption facility associated with the generation facility within the scope of this Article procures energy as an eligible consumer through a bilateral agreement, it is mandatory to notify the relevant network operator and the relevant assigned supplier company in case the supplier is changed by the person who owns the unlicensed generation facility until the fifteenth of the month in which the relevant change is made. Otherwise, the invoices shall be accrued and payments shall be collected by the relevant suppliers according to the provisions of the contract or bilateral agreement between the supplier and the consumer for consumption without monthly offsetting. Considering that the energy generated in the relevant period was generated by the assigned supplier company and supplied to the system, no payment shall be made by the market operator and the assigned supplier company regarding this energy, and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM.

(9)³⁸ In the event that generation facility or facilities to be connected to the system through distribution or transmission level are established for the consumption facilities within the scope of subparagraphs (ç) and (h) of first paragraph of Article 5, the amount of electrical energy consumed by the consumption facility shall be determined on an hourly basis based on the data obtained from the meter installed at the relevant location pursuant to generated and supplied to the network on an hourly basis from the data obtained from the meter installed in the place

³⁷ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

³⁸ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

determined in the connection agreement and notified by TEİAŞ until the third business day of each month. The work and transactions within the scope this Article shall be carried out by the relevant distribution company and the assigned supplier company.

(10)³⁹ In the event that the assigned supplier company defaults on payment, the default interest determined in accordance with Article 51 of the Law on the Procedure for the Collection of Public Receivables shall be applied at twice the rate.

(11)⁴⁰ The domestic contribution prices in Turkish Lira to be applied to the unlicensed generation facilities that will start operating for the first time as of 30/6/2021 and from which surplus energy supplied to the grid will be purchased at a certain price, any update to these prices, the applicable period, and other procedures and principles with regards to the implementation of such shall be determined by the President in accordance with the second paragraph of Article 6/B of the YEK Law.

Objections

ARTICLE 27 – (1) Real and legal persons engaged in generation within the scope of this Regulation may object to the works and transactions carried out by the assigned supply company in accordance with Articles 23, 24, 25 and 26 within three business days from the date of notification of the transaction.

(2) The assigned supplier company shall re-examine the transaction subject to the objection within five business days from the date of objection, and shall correct it if necessary, and notify the objector of the outcome.

(3) If the relevant amount and price subject to the payment change, the difference shall be adjusted during the next invoicing period.

Consumption facilities

ARTICLE 28 – (1) The energy generated in the generation facility established in a distribution region by real and legal persons engaged in unlicensed generation may only be consumed in the consumption facility or facilities within the same distribution region and belonging to the same person.

(2) Generation facilities within the OIZ distribution license zone may only be associated with consumption facilities belonging to the same person within the OIZ distribution license zone.

(3) It is accepted that the generation is primarily consumed at consumption points with high tariffs in the offsetting to be made for the period in which the generation exceeds the consumption of the person who has more than one consumption facility that is not included in the same tariff group and who associates these facilities with the generation facility.

(4) In cases where the generation and consumption facility is not located at the same measurement point, the internal consumption amount that will occur due to the operation of all kinds of structures and equipment in the generation facility area of the generation facility shall be included in the offsetting by adding it to the consumption of the consumption facility or facilities associated with the generation facility.

(5)⁴¹ If the subscription for the consumption facility or facilities associated with the generation facility is sought to be changed, the contractual power in the connection agreement of the new consumption facility or facilities to be associated with the generation facility cannot be less than the contractual power in the connection agreement subject to the application. In the event that the consumption facility or facilities associated with the generation facility are changed without the knowledge of the relevant network operator or the relevant supplier

³⁹ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁴⁰ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁴¹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

company and/or the contractual power of the said consumption facility or facilities in the connection agreement is less than the contractual power of the connection agreement subject to the application, no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context is considered as a free contribution to YEKDEM considering that the energy generated in the relevant period was generated by the assigned supplier company and supplied to the system. In the event that the required documents for the transactions related to the consumption facility changes are complete and full, the transactions shall be concluded by the assigned supplier company and distribution company simultaneously on the same day as a result of the requests submitted on the last business day of each month.

(6) Within the scope of subparagraph (c) of the sixth paragraph of Article 14, in case where the recipient of the invitation letter for the connection agreement and the persons executing the connection agreement seek to change the subscription for the consumption facility or facilities associated with the generation facility, the annual total electrical energy consumption of the new consumption facility or facilities to be associated with the generation facility cannot be less than the amount of consumption subject to the application. In the event that the consumption facility or facilities associated with the generation facility are changed without the knowledge of the relevant network operator or the relevant supplier company and/or the annual total electrical energy consumption of the new consumption facility or facilities to be associated with the generation facility is less than the amount of consumption subject to the application, no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context is considered as a free contribution to YEKDEM considering that the energy generated in the relevant period was generated by the assigned supplier company and supplied to the system.

(7) In case an illegal consumption of electricity is determined for the subscription related to the consumption facility or facilities associated with the generation facility owned by the real or legal persons that received the invitation letter for the connection agreement and executed the connection agreement within the scope of this Regulation, no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM considering that the energy generated in the relevant period was generated by the assigned supply company and supplied to the system. If the illegal electricity usage bill is not objected to within the scope of the relevant legislation or the illegal electricity consumption has been conclusively determined as a result of the objection, the invitation letter for the connection agreement, the connection agreement and the system usage agreement shall be canceled.

(8)⁴² In the event that the agreement or contract made for consumption for any of the consumption facility or facilities associated with the generation facility becomes invalid and/or the contractual power in the connection agreement based on the application for the said consumption facility decreases, it shall be accepted that the energy produced for the relevant month is produced and supplied to the system by the assigned supplier company and no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context, and it shall be considered as a free contribution to YEKDEM.

(9)⁴³ In the event that there is no electricity consumption in the consumption facility or facilities associated with the generation facility, no payment shall be made by the market operator and the assigned supplier company regarding this energy, and it shall be accepted that the energy produced for the relevant month is produced and supplied to the system by the assigned supplier company and no payment shall be made by the market operator and the

⁴² Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁴³ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

assigned supplier company regarding this energy supplied to the system in this context, and it shall be considered as a free contribution to YEKDEM.

(10)⁴⁴ All consumption facilities that are associated with unlicensed generation facilities shall consume energy at the latest by the acceptance date of the relevant generation facility. In the event that the consumption facility or facilities do not consume energy as of the acceptance date of the relevant generation facility, it shall be accepted that the energy produced until the consumption is produced and supplied to the system by the assigned supplier company and no payment shall be made by the market operator and the assigned supplier company regarding this energy supplied to the system in this context, and it shall be considered as a free contribution to YEKDEM.

Consumption unification

ARTICLE 29⁴⁵ – (1) Facilities that belong to one or more real and/or legal persons whose electrical energy consumption may be measured by a single common meter may combine their consumption for the consumed electricity and establish generation facilities or facilities within the scope of this Regulation.

(2) A written application shall be submitted to the relevant network operator for consumption unification.

(3) Persons who unify their consumption within the scope of this Regulation shall settle any dispute arising from this unification among themselves. No dispute can be directed to the relevant network operator and/or assigned supplier company.

(4) According to the Zoning Law dated 3/5/1985 and numbered 3194, consumption unification may occur within the framework of the consumption unification provisions of the approved zoning project in the buildings constructed within the scope of a single construction license.

(5) In the generation facilities established through the renewable energy generation cooperatives established within the scope of the Cooperatives Law No. 1163 dated 24/4/1969, the legal entity of the cooperative may be authorized to handle the work and transactions within the scope of this Regulation.

Applications for consumption needs

ARTICLE 30 – (1)⁴⁶ A generation facility based on renewable energy resources may be established within the scope of subparagraph (h) of the first paragraph of Article 5 in order to meet the electricity need of the consumption facilities without exceeding the contractual power in the connection agreement of the relevant consumption facilities. In addition, a generation facility based on renewable energy sources may also be established public institutions and organizations within the scope of subparagraph (c) of the first paragraph of Article 5.

(2) For the facilities within the scope of this Article, the generation and consumption facilities are not required to be at the same measurement point, provided that they are located in the same distribution region.

(3) In the generation facilities established within the scope of this Article, a transaction shall be established within the scope of the fourth paragraph of Article 26 for the surplus energy supplied to the network during each invoice period.

(4) In the event that the consumption facility associated with the generation facility within the scope of this Article supplies energy as an eligible consumer pursuant to a bilateral agreement, in case where the supplier is changed, the person who owns the unlicensed generation facility must notify the relevant system operator and the relevant supplier company

⁴⁴ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁴⁵ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁴⁶ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

in charge until the fifteenth of the month in which the change occurs. Otherwise, the invoices shall be collected without monthly offsetting by the relevant suppliers according to the provisions of the contract or bilateral agreement between the supplier and the consumer for consumption. It shall be accepted that the energy generated in the relevant period was generated and supplied to the system by the responsible supply company and no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM.

(5) In the event that there are more than one consumption facility associated with the generation facility within the scope of this Article, it is required that all of the consumption facilities use the right to choose the supplier and the energy supply of all facilities must be met from a single supplier for eligible consumers. In cases where the energy supply of all facilities is not covered by a single supplier, the costs are collected by the relevant suppliers by accruing an invoice for consumption in accordance with the contract or bilateral agreement between the supplier and the consumer, without monthly offsetting. It shall be accepted that the energy generated within the relevant period was generated and supplied to the system by the responsible supplier company and no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context shall be considered as a free contribution to YEKDEM.

(6) The consumption facilities to be associated with the generation facility covered by this Article must be in the same tariff group.

(7)⁴⁷ Within the scope of this Article and according to the provisions of this Regulation, the acceptance procedures of the generation facilities to be connected to the network must be completed within three years from the signing date of the connection agreement. Except for the force majeure causes stated under the Article 35 of the Electricity Market Licensing Regulation and the cases approved by the Board, if the generation facility is not completed at the end of this period, the connection agreement and the permit documents regarding water usage rights shall be automatically void.

Inspection

ARTICLE 31 – (1) Within the scope of this Regulation, the inspection and control of the activities of real or legal persons engaged in unlicensed generation within the scope of this Regulation shall be carried out directly or by the Institution through reports prepared by the relevant network operator and/or the assigned supplier company.

Expropriation

ARTICLE 32 – (1) For the generation facilities to be established within the scope of this Regulation, no action shall be taken by the Institution regarding the acquisition of immovable ownership and limited real rights.

Collection and preservation of information

ARTICLE 33 – (1) Real or legal persons establishing generation facilities within the scope of this Regulation, are required to provide the information and documents requested by the Institution, the relevant network operator and the assigned supplier company within the framework of this Regulation within the time limit.

(2) The relevant network operators are provide the following information each month;

(a) The real or legal persons whose generation application has been accepted or rejected;

⁴⁷ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

- (b) The real or legal persons that start to manage generation facility and installed power, generation amount, source type, voltage level and generation technology of these facilities;
- (c) The city and district where the generation facility is located, and;
- (d) Other information required by the Institution to the Institution in accordance with the format to be determined by the Institution within the scope of this Regulation of the previous month.

(3) Announcements published on the website of the relevant network operators within the scope of this Regulation are systematically archived in their website on a monthly basis for each year.

(4) The relevant network operators and assigned supplier companies are required to store and protect the information that they possess in accordance with the provisions of this Regulation by transferring them to the permanent data storage.

Prohibitions and sanctions

ARTICLE 34 – (1) Relevant network operators and assigned supplier companies shall not discriminate between real or legal persons operating within the scope of this Regulation.

(2) The generation facilities covered by this Regulation cannot be a balancing unit within the scope of the relevant legislation and cannot participate in practices within this scope.

(3) Electricity generated in the generation facilities within the scope of this Regulation cannot be subject to trade, except for the exceptions specified in this Regulation.

(4) Except for the exceptions and arrangements defined in this Regulation the invitation letter for the connection agreement or the connection and/or the system usage agreement shall be canceled without any notification in the event that it is determined that the works and transactions that cannot be corrected due to the nature of the breach are carried out, the conditions that constitute the basis for the application for unlicensed generation no longer exist, these conditions do not exist since the beginning or there is fraud or false statement against the law and legislation in the requests and transactions.

Transfer of generation facility

ARTICLE 35 – (1)⁴⁸ Provided that it has been accepted, the generation facility within the scope of this Regulation may be transferred to a real or legal person who seek to generate in accordance with the conditions that meet the capacity allocation, including the conditions arising from the status of the person who wants to transfer within the scope of this Regulation or the relevant legislation, by sale, transfer or other such arrangement Except for the generation facilities included in the first paragraph of Article 11, generation facilities that have not been accepted cannot be subject to transfer under this paragraph.

(2) Real or legal persons who will transfer and take over the generation facility within the scope of the first paragraph shall simultaneously apply to the relevant network operator within the first ten days of the month before the transfer process takes place. The relevant network operator shall finalize the applications made within the scope of this paragraph, provided that the documents required for the transfer are whole and complete at the end of the invoicing period and shall notify the supplier company in charge. The transfer process shall not become valid before the relevant network operator unless the real or legal person who will take over signs the connection agreement and system usage agreement. Provided that the application is not full and complete, the request shall not be taken into consideration by the relevant network operators and the addressee shall be notified of the deficiencies within 5 business days.

Prices

⁴⁸ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

ARTICLE 36 – (1) Within the scope of this Regulation, available capacity fee shall not be accrued for generation facilities based on renewable energy resources with an installed power up to 5 MW.

(2) Within the scope of this Regulation;

(a) Application fee that can be collected by the relevant network operator;

(b) Annual operating fee that the relevant network operator and assigned supplier companies can collect in return for the works and transactions they perform for the people who actually generate within the scope of this Regulation;

(c) The transaction fee for the applications to be made to the relevant network operator and assigned supplier companies and the finalized requests shall be determined by the Board, each year until 31 December, separately for the relevant network operator and the assigned supplier company. The costs that the generation facilities are obliged to pay in accordance with the relevant legislation are reserved. Considering the number of months the generation facility is in operation, annual operating fee for the year the generation facility is in operation shall be paid to the relevant network operator and the assigned supplier company until the end of the last business day in the months of July and December of each calendar year that the generation facility is in operation.

(3)⁴⁹ Real and legal persons engaged in production within the scope of this Regulation are obliged to pay the system usage fees determined by the Board Decision. In the event that the system usage fees are not paid by the unlicensed generation facility owner by the deadline specified in the invoice, the generation facility shall be disconnected from the network by the relevant network operator, without the need for any notification, until the situation becomes appropriate, and the reason for leaving shall be notified in writing to the generation facility owner within three business days.

(4) The provisions of the relevant legislation shall be applied to the real or legal persons operating within the scope of this Regulation for all kinds of fees and guarantees arising from the connection and system usage, except for the matters specified in this Regulation.

Other provisions

ARTICLE 37 – (1) The Institution is authorized to carry out sub-regulatory transactions arising from the connection of unlicensed electricity generation facilities to the system, system usage and, use and the rights and obligations arising from unlicensed electricity generation and the issues not regulated in this Regulation and the implementation of this Regulation regarding the operation of the network in accordance with the safety, technical and quality principles stipulated in the relevant legislation.

(2) The applicant legal entities shall notify the relevant network operator of any changes to their trade name and type. The connection agreement and/or system usage agreement shall be amended according to the new trade name based on the notification to be made within 15 days.

(3) The persons to whom a letter of invitation to the connection agreement has been issued may, upon request, deduct at most ten percent from the installed power included in the connection agreement and the invitation letter for the connection agreement for once.

(4) The electrical energy that is generated by the emergency generator and supplied to the network shall be deducted from the relevant common consumption meter values in order to prevent the accrual of surplus electrical energy at residential estates, shopping centers campuses and similar usage points where the emergency generators which are installed to provide electrical energy to more than one user provide energy to their users through the network disconnected from the main network in case of an outage and where this energy passes through

⁴⁹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

the user meters. Provided that the generation within the scope of this paragraph exceeds the common consumption, the balance shall be transferred to the next month for generation offset. The emergency generator within the scope of this paragraph is connected to the installation via a separate measurement system or a common consumption meter. In both cases, a meter capable of one way measurement shall be installed.

(5) Persons who own generation facilities on wind energy under construction or operation within the scope of this Regulation are obliged to fulfill the requested measures regarding the Communications, Navigation and Radar Systems operated under the responsibility of the General Staff and/or the turbines that are found to have an effect on the systems operated under the responsibility of the MIT in cases of crisis, tension and war situations, when requested by the General Staff and/or MIT.

(6)⁵⁰ Materials used in the power generation facility and connection equipment to be established within the scope of this Regulation must be manufactured in accordance with the relevant legislation and standards, within the scope of warranty and within the last five years. The five-year condition included in the provision of this paragraph does not apply to facilities under subparagraph (d) of the first paragraph of Article 5.

(7)⁵¹ In the event that the legal person who owns an unlicensed generation facility wishes to merge under its own legal entity or merge within another legal entity with all its assets and liabilities, the merger shall be carried out within the scope of the applicable legislation, provided that all of the relevant generation facility or facilities have been accepted. In case where the legal person owning an unlicensed generation facility remains the same and the share percentages do not change, the condition for acceptance shall not be sought. Before the merger process takes place, an application shall be made to the relevant network operator within the first ten days of the relevant month for works and transactions within the scope of the relevant legislation. In the event that the documents required to be submitted within the scope of the merger request are full and complete, the merger process and works and transactions required to be carried out within the scope of the relevant legislation shall be concluded by the relevant parties simultaneously and by the end of the invoice period. In case where a full and complete application is not made, the request shall not be taken into consideration by the relevant network operators and the addressees shall be notified about the deficiencies within 5 business days. In the event that the merger is not completed by the relevant legal persons in accordance with the above-mentioned issues, it shall be deemed that the energy generated in the relevant month has been generated and supplied by the assigned supplier company to the system, and no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context shall be considered as a free contribution to the YEKDEM.

(8)⁵² In the event that a legal entity within the scope of this Regulation seeks to de-merge completely or partially, the de-merger is carried out within the scope of the applicable legislation, provided that all the generation facilities under its responsibility have been accepted. In case where the legal person owning an unlicensed generation facility remains the same and the share percentages do not change, the condition for acceptance shall not be sought. Before the de-merger process takes place, an application shall be made to the relevant network operator within the first ten days of the relevant month for works and transactions within the scope of the relevant legislation. In the event that the documents required to be submitted within the scope of the de-merger request are full and complete, the split process and works and transactions required to be carried out within the scope of the relevant legislation shall be

⁵⁰ Amended pursuant to the Regulation published in the Official Gazette dated 23 September 2020 and numbered 31523.

⁵¹ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁵² Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

concluded by the relevant parties simultaneously and by the end of the invoice period. In case where a full and complete application is not made, the request shall not be taken into consideration by the relevant network operators and the addressees shall be notified about the deficiencies within 5 business days. In the event that the de-merger is not completed by the relevant legal persons in accordance with the above-mentioned issues, it shall be accepted that the energy generated in the relevant month has been generated and supplied by the assigned supplier company to the system, and no payment shall be made by the market operator and the assigned supplier company regarding this energy and the energy supplied to the system in this context shall be considered as a free contribution to the YEKDEM.

(9)⁵³ No transfer of shares other than those by inheritance shall occur for energy generation facilities based on wind or solar energy within the scope of the subparagraph (c) of the first paragraph of Article 5 from the date of application until the acceptance of all generation facilities subject to application. This provision does not apply to:

(a) Changes in the shareholding structure of the publicly held legal entities and the publicly held legal entity's shareholder shares, limited to the publicly held shares;

(b) Direct or indirect changes in the shareholding structure of the legal entity due to the share changes between the existing partners of the relevant legal entity depending on the use of the pre-emptive rights of the shareholders;

(c) Indirect changes in shareholding due to changes in the partnership structure of the relevant legal entity and the partnership structure of the partners established abroad;

(d) Direct or indirect changes in the shareholding structure of the relevant legal entity within the scope of the public offering of the shares of the direct or indirect legal entity shareholders of this legal entity and the relevant legal entity;

(e) ⁵⁴ Direct or indirect changes in shares of the existing partners of the legal entity owning an unlicensed generation facility, which have direct or indirect shares in the partnership structure, in a way that does not create a change of control in the partnership structure of the legal entity owning the unlicensed generation facility;

(f) ⁵⁵ Direct or indirect shareholding structure changes in the partnership structure of the legal entity owning an unlicensed generation facility as a result of share transfers between spouses and first degree relative-real persons, who have a direct or indirect share in the partnership structure of the said legal entity owning an unlicensed generation facility;

The relevant network operators are required to carry out the necessary checks on whether the shares have been transferred during the signing of the connection agreement and the preparation of the acceptance report. In case of transfer of shares, according to their relevance, the connection agreement and the invitation letter for the connection agreement of the relevant legal person shall be canceled.

(10) Direct and indirect partners of distribution and assigned supplier companies, legal entities under their control, persons employed in direct or indirect partnerships of these legal entities under the control these individuals cannot apply for wind and solar energy based generation within the scope of this Regulation in the distribution region of the relevant distribution company and in the distribution region where the relevant distribution company is a shareholder.

(11) The relevant network operators and the relevant supplier companies may transfer the necessary data and information in written or electronic form in order to implement this Regulation or to fulfill the matters requested by the Authority.

References

⁵³ Amended pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁵⁴ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

⁵⁵ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

ARTICLE 38 – (1) References made to the Regulation on Unlicensed Electricity Generation in the Electricity Market, published in the Official Gazette dated 2/10/2013 and numbered 28783 and Communiqué on the Implementation of the Regulation on Unlicensed Electricity Generation in the Electricity Market published in the Official Gazette dated 2/10/2013 and numbered 28783 shall be deemed to have been made to this Regulation.

Repealed regulation

ARTICLE 39 – (1) The Regulation on Unlicensed Electricity Generation in the Electricity Market published in the Official Gazette dated 2/10/2013 and numbered 28783 has been repealed.

Facilities within the scope of subparagraph (ç) of the first paragraph of Article 5 and the first paragraph of Article 11.

Facilities within the scope of sub-paragraph (ç) of Article 5 and first paragraph of Article 11

PROVISIONAL ARTICLE 1 – (1) In the event that an application is made by the concerned parties within 60 (sixty) days from the date of entry into force of this Regulation regarding electricity generation facilities with roof and façade applications for which an invitation letter for a connection agreement has been issued, a connection agreement has been signed, or which have been put into operation after temporary acceptance within the scope of subparagraph (ç) of the first paragraph of Article 5 and the first paragraph of Article 11 after 21/6/2018, as of the month following the application, the procedure shall be established in accordance with the provisions of Article 26.

(2) Until the connection and system use agreements of the generation facilities included within the scope of the first paragraph are terminated and/or cancelled, the provisions of Article 26 shall be applied.

Procedures to be applied to persons for whom a letter of invitation to a connection agreement has been issued within the scope of the repealed regulation

PROVISIONAL ARTICLE 2 – (1) The work and transactions of the persons who are entitled to receive a letter of invitation to the connection agreement within the scope of the regulation repealed by Article 39, those who receive an invitation letter for the connection agreement or who have signed the connection agreement shall continue in accordance with the provisions of this Regulation.

(2) Regarding the requests made by the persons within the scope of the provisions of the first paragraph, after the effective date of this Regulation, a transaction shall be established in accordance with the provisions of this Regulation.

(3) The contract allowing the persons for whom the invitation letter for the connection agreement to be issued within the scope of grants and/or loans provided by public institutions and organizations or international grant programs, including those governed by the regulation repealed by Article 39 and the those included in the components of the European Union Instrument for Pre-Accession shall be entitled to benefit from the grant and/or loan within the scope of the said grant and/or loan programs shall be submitted to the relevant network operator within seven months following the signing of the connection agreement. In the event that the relevant document is not submitted, the connection agreement shall be canceled.

Unlicensed generation facilities with a subscription for internal consumption

PROVISIONAL ARTICLE 3 – (1) The agreements and contracts signed regarding the consumption of generation facilities for which subscription has been established for the internal consumption amount due to the operation of all kinds of structures and equipment in the

generation facility site before the entry into force of this Regulation shall be terminated within 6 months from the date of entry into force of this Article, and the work and transactions regarding the said consumption shall be carried out in accordance with the fourth paragraph of Article 28.

(2) The generation facilities, whose consumption agreements and contracts are not terminated within the periods defined in the first paragraph, shall be disassociated from the network until their situation is made suitable by the relevant network operator without any notification and the reason for disassociation is notified in writing to the owner of the generation facility within 3 (three) business days.

Facilities that can switch to monthly set-off

PROVISIONAL ARTICLE 4⁵⁶ – (1) In the event that an application is made within sixty days from the effective date of this Article regarding the electricity generation facilities, for which a call letter is drawn up to the connection agreement, a connection agreement is signed or the acceptance is completed within the scope of the sub-paragraph (ç) of the first paragraph of Article 5 before the date of 12/5/2019 and the sub-paragraph (c) of the first paragraph of Article 5 with an installed power of 10 kW and below, the procedure shall be established as of the month following the application in accordance with the provisions of Article 26,

(2) The provisions of Article 26 shall apply until the connection and system usage agreements of the generation facilities included in the scope of the first paragraph are terminated and/or cancelled.

Effective date

ARTICLE 40 – (1) This Regulation enters into force on the date of its publication.

Execution

ARTICLE 41 – (1) The provisions of this Regulation are executed by the President of the Energy Market Regulatory Authority.

	The Official Gazette in which the Regulation was published	
	Date	Number
	12/5/2019	30772
	Official Gazettes in which the Regulations Amending the Regulation were Published	
	Date	Number
1.	23/9/2020	31253
2.	9/5/2021	31479

ANNEX-1

UNLICENSED GENERATION APPLICATION FORM

Information of Applicant	
Name-Surname/Title	
Address	
Telephone	
Fax number	
E-mail Address / Registered Electronic Mail Address	

⁵⁶ Inserted pursuant to the Regulation published in the Official Gazette dated 09 May 2021 and numbered 31479.

T.C. Tax I.D. Number / T.C. I.D. Number			
Bank Account Number (IBAN)			
Consumption Facility Individual Code			
Information regarding Generation Facility			
Name of the Facility			
Address			
Geographical Coordinates (UTM 6-ED50)			
Number of Units / Installed Capacity of the Unit			
Installed Capacity of the Facility			
Type of Resource Used			
Type of Application (It shall be specified that the application is made based on the relevant Article/paragraph/section of the Regulation) (e.g. Article 5/1.c, Article 11/1 etc.)			
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Information			
All information provided in this form is accurately filled in by myself. In the event of acceptance of my application; I acknowledge and undertake that I will establish the generation facility in compliance with the qualifications specified in this form, during the construction phase I will not carry out any transaction without obtaining required permissions from relevant network operator, violating the information specified in this form, in the event of violation of information provided in this form my application may be cancelled.			
Name-Surname/Title	Signature	Date (Day/Month/Year)	

ANNEX-2

<p>GENERATION RESOURCE CERTIFICATE with the Purpose of Identifying the Type of Resource within the scope of Law on the Utilization of Renewable Energy Resources for the Purpose of Generating Electricity</p>
<p><i>Date of Issuance of the Certificate</i> <i>This document is valid between .../.../201... and .../.../201..</i></p> <p>(CERTIFICATE NO: ...57) /...58/ 00000000...59)</p> <hr/>
<p>This document is issued for in accordance with Article 5 of Law on the Utilization of Renewable Energy Resources for the Purpose of Generating Electricity for the generation facility with the below information.</p> <p>Type of renewable resource: Period of generation: Gross electricity energy generation in the period of generation (kWh): Registry Number of the relevant network operator of generation facility: Name of the generation facility: Place of the generation facility: Type of the generation facility: Installed power of generation facility: Connection point to the system and voltage level:</p> <p>..... General Manager⁶⁰</p>

⁵⁷ Short name of the relevant network operator shall be inserted.

⁵⁸ Relevant year shall be inserted.

⁵⁹ Ordinal number of the issued certificate shall be inserted.

⁶⁰ Logo and emblem of the relevant network operator shall be inserted.

ANNEX-3

CAPACITY THAT CAN BE ALLOCATED TO A PERSON FOR A YEAR FROM AG LEVEL IN A DISTRIBUTION TRANSFORMER

Transformer Capacity (t.c.) (kVA)	Total Connectible Capacity (kWe)	Capacity that can be allocated to a person for a year from AG level in a distribution transformer (kWe)
t.c. < 100	t.c. x 0,5	7,5
$100 \leq t.c. \leq 1000$		t.c. x 0,1
t.c. >1000		100 kWe