

"Reasonable efforts have been made in order to provide accurate translations. Translations are provided to users of EPIAŞ website, "as is." No warranty of any kind, either expressed or implied, is made as to the accuracy, reliability, or correctness of any translations made from Turkish into English."

Official Gazette dated 22/12/2015, numbered 29570

COMMUNIQUE ON REGULATION OF MARKET OPERATING INCOME

PART ONE

Purpose, Scope, Basis and Definitions

Purpose

ARTICLE 1¹ – (1) The purpose of this Communiqué is to determine the procedures and principles regarding the income regulations of EPIAŞ.

Scope

ARTICLE 2 – (1) This Communiqué covers the procedures and principles for determining the market operating activity revenues of EPIAŞ.

Basis

ARTICLE 3 – (1) This Communiqué has been prepared on the basis of subparagraph (e) of the sixth paragraph of Article 17 of the Electricity Market Law No. 6446 dated 14.03.2013.

Definitions

ARTICLE 4 – (1) For the purposes of this Communiqué, the following shall mean;

a) R&D: Expenses incurred, including pilot applications developed for bringing the markets for which EPIAŞ is responsible to reach the international quality standards, developing technology for the operation of the system, producing information, making innovation, increasing efficiency and service quality,

b) Fees and commissions: Fees and commissions to be collected within the scope of market operating activity,

c) EPIAŞ: Energy Markets Operator Company of Turkey,

ç)² (Opportunity cost rate: The rate determined by the Board based on the current real rate of return for companies subject to the tariff regulation,

d) Income adjustment component (GFDB): The value of the difference between the market operating income cap of a tariff year and the market operating income realized in the relevant tariff year, taking into account the time value of money,

e)³ Regulated operating expenses (DIG): Operating expenses relating to the activities of EPIAŞ and taken into account in the PIGT account,

f) Board: Energy Market Regulatory Board,

¹ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

² Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

³ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

g) Authority: Energy Market Regulatory Authority,

ğ)⁴ Market operating income cap (PIGT): The upper limit of the income that EPIAŞ will collect in a tariff year,

h)⁵ Tariff offer: The offer, which is determined by the Board of Directors and submitted to the approval of the Board, consisting of the market operation fee to be applied to meet the PIGT and the method notification for the application,

ı)⁶ Invested capital: The amount of paid-in capital included in the balance sheet of EPIAŞ during the establishment phase,

i)⁷ Opportunity cost of invested capital (YSFM): The amount calculated by applying the opportunity cost rate to the amount obtained by updating the invested capital at the rate of Consumer Price Index (CPI),

j) Board of Directors: Board of Directors of EPIAŞ,

k)⁸ Market operating fee: The price determined within the scope of meeting the income requirement required for the continuation of market operating activities,

l)⁹ Method notification: The regulation submitted by EPIAŞ and entered into force with the approval of the Board to be applied during the relevant tariff period.

(2) Other undefined concepts, although being mentioned in this Communiqué, shall have the meaning and scope in the relevant legislation.

PART TWO

EPIAŞ's Revenues

EPIAŞ's Revenues

ARTICLE 5¹⁰ – (1) It is essential that the PIGT, which is calculated based on the costs incurred as a result of the services provided by EPIAŞ within the scope of market operation activity, is covered by the market operation fee. PIGT is calculated in accordance with the following equation:

$$PIGT_t = YSFM_t + DIG_t + ARG_t + GFDB_{t-2}$$

Following shall mean;

PIGT_t: market operating income cap for tariff year t,

YSFM_t: YSFM value calculated for the tariff year t,

DIG_t: DIG amount projected for the tariff year t,

ARG_t: the amount of R&D projected for the tariff year t,

GFDB_{t-2}: (t-2) the value of the difference between the current market operating income cap for the tariff year and the market operating income in the tariff year (t-2), taking into account the time value of money.

(2) EPIAŞ prepares the tariff offer for the income it needs within the scope of basic services it provides as a single provider and the market operating income cap items that will meet this

⁴ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

⁵ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

⁶ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

⁷ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

⁸ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

⁹ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

¹⁰ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

income with the decision of the Board of Directors and submits them to the Authority for approval of the Board.

(3) Except for the services provided by EPIAŞ as a single provider within the scope of market operation activity, the costs for services that are not mandatory shall be determined by the Board of Directors and submitted to the Authority. The revenues of EPIAŞ within this scope shall not be taken into account in the GFDB account, provided that the costs incurred by EPIAŞ for the relevant services are separated.

(4) Except for the services within the scope of the third paragraph, the additional costs envisaged for the duties assigned to EPIAŞ within the scope of the relevant legislation may be reflected to the participants by excluding them within the income cap or outside the income cap. In case the said costs are reflected to the participants by excluding them from the market operating income cap, the revenues obtained by EPIAŞ within this scope shall not be taken into account in the GFDB account, provided that the costs incurred by EPIAŞ for the related services are separated.

PART THREE

Tariff Offer

Preparation and submission of the tariff offer

ARTICLE 6¹¹ – (1) The tariff offer is prepared for at least one year on basis of a calendar year.

(2)¹² It is essential that all expenses included in the tariff offer submitted by the Board of Directors for the approval of the Board are necessary for the execution of the market operation activity.

(3)¹³ EPIAŞ shall submit the data, information and documents that will be the basis for the tariff studies and the tariff offer and Method Notification to be prepared in accordance with this Communiqué to the Authority at the latest 2 (two) months prior to the start of the new tariff period. In the event that the information and documents submitted in the tariff offer are missing or additional information, documents and studies are required, the Authority shall inform EPIAŞ and request that the deficiencies be corrected within the specified period.

Evaluation and approval of the tariff offer

ARTICLE 7¹⁴ – (1) The proposed tariff offer, which is submitted within the tariff offer by taking into account the expenses required for the execution of market operation activities, shall be evaluated by the Board.

(2) The income cap determined on the basis of the relevant offer enters into force with the approval of the Board.

(3) Except for the extraordinary situations and force majeure conditions included in the relevant legislation, the approved tariff offer cannot be changed within the tariff period.

¹¹ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

¹² Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

¹³ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

¹⁴ Amended pursuant to the Communiqué published in the Official Gazette dated 15 December 2019 and numbered 30979.

PART FOUR

Miscellaneous and Final Provisions

References

ARTICLE 8 – (1) References made to the Communiqué on Regulation of Market Operating Income published in the Official Gazette dated 7/9/2005 and numbered 25929 are deemed to have been made to this Communiqué.

Abolished Communiqué

ARTICLE 9 – (1) The Communiqué on Regulation of Market Operating Income published in the Official Gazette dated 7/9/2005 and numbered 25929 has been abolished.

Submission of the first tariff offer

PROVISIONAL ARTICLE 1 – (1) EPİAŞ shall submit the tariff offer to the Board for approval within ten days at the latest from the effective date of this Communiqué. The said tariff offer is presented to be valid at least for the end of the current year and the whole following year.

Establishment and organization expenses

PROVISIONAL ARTICLE 2 – (1) Among the establishment and organization expenses that are transferred to the expense accounts in 2015, those that are determined to be mandatory shall be added to the PIGT in the first market operating tariff to be prepared.

Enforcement

ARTICLE 10 – (1) This Communiqué enters into force on the date of its publication.

Execution

ARTICLE 11 – (1) The provisions of this Communiqué are executed by the Chairman of the Energy Market Regulatory Authority.