

*Official Gazette dated 08/05/2021, numbered 31478*

**From the Energy Market Regulatory Authority:**

**BOARD DECISION**

**Decision No:** 10197

**Decision Date:** 06/05/2021

It has been resolved in the Energy Market Regulatory Board meeting dated 6 May 2021 to approve the attached "YEK-G System and Organized YEK-G Market Operating Procedures and Principles" and to publish these Procedures and Principles in the Official Gazette.

**YEK-G SYSTEM AND ORGANIZED YEK-G MARKET OPERATING  
PROCEDURES AND PRINCIPLES**

**CHAPTER ONE**

**Purpose, Scope, Legal Basis and Definitions**

**Purpose**

**ARTICLE 1 – (1)** The purpose of these Procedures and Principles is to regulate the matters regarding the operation of the renewable energy guarantees of origin system and the organized renewable energy guarantees of origin market within EPIAŞ in a nondiscriminatory, objective and transparent manner, and to regulate the matters specified under the Regulation on Renewable Energy Guarantees of Origin in the Electricity Market published in the Official Gazette dated 14/11/2020 and numbered 31304, that shall be included in these Procedures and Principles.

**Scope**

**ARTICLE 2 - (1)**<sup>12</sup> These Procedures and Principles cover provisions related to participation of legal entities holding generation, supply and charging network operating licenses in the renewable energy guarantees of origin system; matters related to issue, transfer, withdrawal, expiry and cancellation processes for renewable energy guarantees of origin (YEK-G certificate); disclosure of renewable energy supply; establishing and operating an organized YEK-G market with YEK-G system; and registration, settlement, collateral management and invoice and payment processes.

**Legal Basis**

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<sup>1</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>2</sup> The effective date of this provision is 15 December 2023.

**ARTICLE 3** - (1) These Procedures and Principles have been prepared based on the Regulation on Renewable Energy Guarantees of Origin in the Electricity Market published in the Official Gazette dated 14/11/2020 and numbered 31304.

### **Definitions and Abbreviations**

**ARTICLE 4** – (1) The following shall apply to the implementation of these Procedures and Principles:

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

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

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

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

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

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

f)<sup>34</sup> **Disclosure:** Declaration made through bills and/or another means of notification, that a certain volume or share of the electricity supplied to consumers by suppliers, the electricity utilized in charging services by charging network operators is generated from renewable energy resources and documented by a YEK-G certificate,

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

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

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<sup>3</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>4</sup> The effective date of this provision is 15 December 2023.

h) Applicable legislation: Laws, Presidential decrees, Presidential decisions, regulations, communiqués, circulars, Board decisions and licenses regarding the electricity market,

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

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

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

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

l) Board: Energy Market Regulatory Board,

m) Authority: Energy Market Regulatory Authority,

n) Central Settlement Institution: The institution designated by the relevant legislation to carry out financial transactions among the YEK-G system participants and authorized as the central clearing house as per the Capital Markets Law No. 6362, dated 6/12/2012,

o) Organized YEK-G market: The market organized and operated by the Market Operator, where YEK-G certificate is purchased and sold between market participants,ö) Organized YEK-G market participation agreement: Standard agreement that includes the terms and provisions regarding participation of the market participants in the organized YEK-G market and operation of the organized YEK-G market by the Market Operator,

p) Market Operator: Energy Markets Operator Company of Turkey,

r) Market participant: License holder legal entities that have executed an organized YEK-G market participation agreement within the scope of the Regulation,

s) MMS: Market Management System defined within the scope of DUY,

ş) Session: The period when the contracts are open to trade for purchase and sale,

t) Eligible consumer: Individuals or legal entities eligible to choose their supplier due to having an electricity consumption volume higher than the threshold volume designated by the Board, or directly connected to the transmission system, or possessing the legal entity of an organized industrial zone,

u) Supplier: Generation companies and company holding a supply license that supply electricity and/or capacity,

ü) Transfer: The electronic transfer process carried out by the Market Operator in order to transfer a YEK-G certificate between accounts within the registration database,

v) Consumption period: Period in which the consumption subject to cancellation of the YEK-G certificate takes place, covering at least one billing period and at most one calendar year,

y) Generation period end date: 24:00 on the last day of each billing period corresponding to the electricity generated within any settlement period from renewable energy resources,

z) YEK-G bilateral agreement market: The market where YEK-G certificate is traded among YEK-G system participants together with or separate from electricity itself, through commercial agreements that are not subject to Board approval,

aa) YEK-G system participant: License holder legal entities that have executed a YEK-G system participation agreement to participate in the YEK-G system operated by the Market Operator within the scope of the Regulation,

bb) YEK-G system: The system that includes issue, transfer, cancellation in favor of consumers, expiry and withdrawal processes of YEK-G certificate for electricity generated in generation facilities registered in the system to be established within the scope of the Regulation and these Procedures and Principles, and managed by the Market Operator,

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

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

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

ee) Renewable energy guarantees of origin (YEK-G certificate): Electronic document which proves that a certain volume or share of the electricity supplied to consumers by suppliers is generated from renewable energy resources and issued, corresponding to 1 MWh of electricity generation each,

ff) Renewable energy guarantees of origin market (YEK-G market): The YEK-G bilateral agreement market, where YEK-G certificates are purchased and sold together with or separate from electricity itself between YEK-G System participants, and the organized YEK-G market that is organized and operated by a central intermediary legal entity that holds a market operating license,

gg) Renewable energy resources (YEK): Non-fossil energy resources such as hydraulic, wind, solar, geothermal, biomass, wave, current and tides,

ğğ) Green tariff: The tariff designated by the Board in order to support renewable energy resources within the scope of the fourth paragraph of Article 17 of the Electricity Market Law no. 6446,

hh) Regulation: Regulation on Renewable Energy Guarantees of Origin in Electricity Market;

ıı)<sup>56</sup> Charging network operator: License holder legal entity that provides charging services to electric vehicle users by granting access to the charging network and operates the charging network;

ii)<sup>78</sup> Green charging station: Within the scope of the Charging Service Regulation published in Official Gazette dated 2/4/2022 numbered 31797, the charging station that falls that documents the entirety of the electricity utilized in charging services is sourced from electricity generated from renewable energy resources by demonstrating that a commensurate lot of YEK-G certificates have been cancelled.

(2) Other expressions and abbreviations used in this Procedures and Principles but not included in the first paragraph shall have the meanings and scope attributed to them under the relevant legislation.

## CHAPTER TWO

### YEK-G Certificate, YEK-G System and Registration Processes

#### Principles regarding YEK-G certificate

**ARTICLE 5** – (1) YEK-G certificate is an electronic document issued by the Market Operator for the following purposes:

a)<sup>910</sup> to track and prove via the YEK-G system that a certain volume or share of electricity supplied to consumers by suppliers and the electricity utilized in charging services by charging network operators is generated from renewable energy resources,

b)<sup>1112</sup> to prove and disclose to consumers the resource type of the electricity supplied to them or to users the electricity provided through charging services,

c) to be traded among YEK-G system participants.

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<sup>5</sup> Inserted pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>6</sup> The effective date of this provision is 15 December 2023.

<sup>7</sup> Inserted pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>8</sup> The effective date of this provision is 15 December 2023.

<sup>9</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>10</sup> The effective date of this provision is 15 December 2023.

<sup>11</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>12</sup> The effective date of this provision is 15 December 2023.

(2) An issued YEK-G certificate can be subject to trade in the YEK-G market, transfer between YEK-G system participants, cancellation notice by suppliers, and expiry and withdrawal processes by the Market Operator.

(3) YEK-G certificate shall be issued by the Market Operator in accordance with the following principles:

a) Only licensed generation facilities based on renewable energy resources can apply for issue of a YEK-G certificate.

b) The generation volume subject to issue of a YEK-G certificate is the certifiable generation volume generated in facilities that fall within the scope of subparagraph (a).

c) Participation in the YEK-G system is voluntary and a YEK-G certificate shall be issued, provided that YEK-G system participants that own a generation facility within the scope of subparagraph (a) file a request with the Market Operator.

(4) 1 (one) YEK-G certificate shall be issued for each 1 (one) MWh of certifiable generation volume.

(5) YEK-G certificate shall be valid for 12 (twelve) months from the end date of the generation period.

(6) Cancelled, expired and withdrawn YEK-G certificates cannot be subject of a new transfer and/or cancellation process.

(7) Each YEK-G certificate to be issued shall display in Turkish and English languages:

a) Trade name of the YEK-G system participant,

b) Name of the generation facility, first acceptance date, installed electrical capacity in the establishment, license number, ENTSO-E code

c) The type of primary energy resource used in the facility where electricity is generated,

ç) Types of main and auxiliary energy resources used in multi-resource electricity generation facilities,

d) Registration/identification number uniquely assigned on the registration database,

e) Generation period (start and end date) of the electricity for which YEK-G certificate is issued,

f) Generation facility type/technology.

g) The name of the country where the generation facility is located,

ğ) Location of the generation facility,

h) The date and time of issue of the YEK-G certificate,

ı) Information on whether the generation facility where the electricity is generated, which is the subject of the YEK-G certificate, is subject to the YEK support mechanism.

i) Other information that may be added by the Market Operator.

### **YEK-G system**

**ARTICLE 6 -** (1) The YEK-G system established and operated by the Market Operator shall include the following processes:

- a) Establishment, management and operation of the registration database,
- b) Completion of registration processes of YEK-G system participants and generation facilities to be associated with each YEK-G system participant,
- c) Issue of YEK-G certificate,
- ç) Transfer of YEK-G certificates between YEK-G system participants and recording of the information regarding the transfer transactions,
- d) Cancellation of YEK-G certificates by suppliers by associating them with a consumer,
- e) Conducting expiry and withdrawal processes by the Market Operator regarding YEK-G certificates.

(2) The Market Operator shall inform each YEK-G system participant about the issue, transfer, cancellation, expiry and withdrawal processes that can be concluded with respect to YEK-G certificates via the MMS.

(3) YEK-G system participants can carry out registration, issue, transfer and cancellation processes on the YEK-G system between 10:00 and 15:00, excluding weekends, public holidays and business days that are half-day public holidays.

(4) YEK-G system participants, against whom an action is taken within the scope of the sixth paragraph of Article 25 of the Regulation, shall not be allowed to carry out transactions on the YEK-G system.

#### **YEK-G system registration process**

**ARTICLE 7 -** (1) Legal entities that have completed the processes for participation in the YEK-G system as specified in Article 9 of the Regulation may apply to the Market Operator to complete their registration to the YEK-G system.

(2) In order for registration of each legal entity to be completed, the information and documents that are requested by the Market Operator shall be submitted to the Market Operator via registered electronic mail system/MMS.

(3) The Market Operator shall complete the examination and evaluation of the information and documents in the application file within 5 working days from the application date.

(4) The deficiencies detected as a result of examination and evaluation, and the fact that registration to YEK-G system shall not be completed if the said deficiencies are not remedied, shall be notified to the legal entities that have made an application, and 5 business days shall be granted to remedy such deficiencies.

(5) The registration application of legal entities whose application files are found to be suitable or that remedied their deficiencies within 5 business days, shall be approved.

(6) Registration applications of legal entities that fail to timely remedy their deficiencies shall not be approved.

(7) Any additional information and documents may be requested from license holder legal entities during the examination and evaluation of the application file.

<sup>13</sup><sup>14</sup>(8) Following the completion of the registration process as defined under the Regulation and this article, participation in the YEK-G system shall be given effect by way of creation of an account within the registration database by the Market Operator in the name of each legal entity.

(9) Changes to be made to the registration information of each YEK-G system participant via the MMS shall automatically be reflected to the YEK-G system registration database in accordance with Article 33 of DUY.

(10) YEK-G system registrations shall be renewed upon payment of the annual participation fee by YEK-G system participants for each calendar year. YEK-G system participants whose YEK-G system registrations are not renewed cannot perform Transactions on the YEK-G system.

### **Generation facility registration**

**ARTICLE 8** - (1) Generation license holder legal entities, whose registration on YEK-G system is completed and in whose name an account is created within the registration database in accordance with Article 7, shall register their generation facilities based on renewable energy resources that they will include in the YEK-G system via the MMS.

(2) As a result of the generation facility registration process, each generation facility shall be associated with the account created in the name of each legal entity within the registration database.

(3) Generation license holder legal entities shall renew the registration of generation facility based on renewable energy resources for each calendar year via the MMS, by submitting the YEK-G system participation undertaking to the Market Operator. In case the generation facility registration is not renewed in this manner, the YEK-G system participation status of each generation facility shall be deactivated by the Market Operator as of the beginning of each calendar year.

(4) Changes made to the generation facility registration information of each YEK-G system participant via the MMS shall automatically be reflected to the YEK-G system registration database in accordance with Article 33 of DUY.

### **Deactivation of YEK-G system**

**ARTICLE 9** - (1) In case YEK-G system participants request that their YEK-G system participation status be deactivated, the participation status of each facility shall be deactivated within the first business day following the submission of such request at the latest.

(2) In case the licenses of the generation facilities owned by YEK-G system participants are withdrawn, suspended, terminated or the license term expires, the YEK-G system participation status of each generation facility shall be deactivated.

(3) In case the licenses of suppliers that are YEK-G system participants are withdrawn, suspended, terminated or the license term expires, the YEK-G system participation status of each legal entity shall be deactivated.

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<sup>13</sup> Repealed pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>14</sup> The effective date of this provision is 15 December 2023.



(4) In case the YEK-G system participation agreement is terminated by the Market Operator, the YEK-G system participant defaults or its bankruptcy becomes finalized, and the Market Operator is notified of such situation, the terms of this article shall apply.

(5) If it is determined that a generation facility owned by a generation license holder legal entity is registered in other certificate markets that aim to provide information on the attributes of energy other than the YEK-G system for the same calendar year, the YEK-G system participation status of each generation facility shall be deactivated. Generation facilities whose YEK-G system participation status is deactivated within a year, cannot participate in the YEK-G system again for the same calendar year.

(6) Deactivating the YEK-G system participation status of a YEK-G system participant and/or a generation facility owned by a generation license holder legal entity shall not release those debts and receivables that have already accrued or that are yet to mature.

### **YEK-G system participation agreement and organized YEK-G market participation agreement**

**ARTICLE 10** - (1) The YEK-G system participation agreement stating that the YEK-G system participants confirm the accuracy of all information and documents included in their registration applications, and that they accept and undertake their obligations under the Regulation and these Procedures and Principles, and that contain provisions on the obligations of YEK-G system participants with respect to the YEK-G system; as well as the organized YEK-G market participation agreement, which includes the obligations of the market participants with respect to participation in the organized YEK-G market, shall be prepared by the Market Operator and submitted for the approval of the Chairman.

(2) All YEK-G system participants shall execute a YEK-G system participation agreement, and the YEK-G system participants that will participate in the organized YEK-G market shall also execute an organized YEK-G market participation agreement, which shall be submitted to the Market Operator.

## **CHAPTER THREE**

### **Provisions Regarding Operation of YEK-G System**

#### **Registration database and accounts**

**ARTICLE 11** - (1) The records with respect to all processes related to the operation of the YEK-G system, including issue, transfer, cancellation, expiry and withdrawal of YEK-G certificates shall be kept in the registration database.

(2) The account created in the name of each YEK-G system participant within the registration database shall display:

- a) Information relating to YEK-G certificates and the issued YEK-G certificates,
- b) Information/data regarding YEK-G certificates transferred to accounts,
- c) Information/data regarding YEK-G certificates transferred from accounts,

ç) YEK-G certificates that are cancelled and data regarding YEK-G certificates that are cancelled, including the details on the cancellation ,

- d) Information on withdrawn and expired YEK-G certificates,
- e) Other information that may be required by the Market Operator during operation of the registration database.

(3) Account holders can access the information that fall within the scope of the second paragraph via the MMS.

(4) Data regarding the generation facilities and the certifiable generation volume associated with an account shall also be included in the registration database, and account holders can access the relevant information through the MMS.

### **Calculation of the certifiable generation volume**

**ARTICLE 12** - (1) The certifiable generation amount shall be calculated by the Market Operator for a generation facility associated with the accounts of YEK-G system participants within the registration database, in view of the supply volume subject to settlement, which is obtained in the following manner:

- a) By using the meters registered in MMS at the unit exits of each generation facility, if applicable,
- b) By using the meters registered in MMS in the name of the facility, in case there are no meters at the unit exits of each generation facility,

(2) In terms of the issue of a YEK-G certificate, the most up-to-date certifiable generation volume as of the application date shall be taken into consideration.

(3) The certifiable generation volume shall be calculated within three business days from the announcement of the final settlement notice in accordance with the provisions of DUY related to the billing period, within which the generation period end date falls, and each YEK-G system participant shall be notified accordingly via the MMS.

### **Issue of YEK-G certificates**

**ARTICLE 13** - (1) YEK-G system participants that own a generation facility based on renewable energy resources can file a request via the MMS for issue of a YEK-G certificate with respect to the certifiable generation volumes on the registration database.

(2) Application for issue of a YEK-G certificate regarding electricity generation within a certain generation period can be made following notification of the certifiable generation volume calculated within the scope of Article 12 to each YEK-G system participant via the MMS. The said application shall be filed no later than the end of the second billing period following the announcement of the final settlement notice for each billing period in accordance with the provisions of DUY.

(3) In the event of a generation facility based on renewable energy resources being transferred to another license holder legal entity, the license holder legal entity that took over the facility can apply for issue of YEK-G certificate for electricity generated since the completion of the transfer via the MMS, provided that it has had completed the registration process of the generation facility on the date that certifiable generation volume calculation is made for each period.

(4) In the event of a generation facility based on renewable energy resources being transferred to another license holder legal entity, the license holder legal entity transferring the facility may apply for issue of YEK-G certificate for certifiable generation volume s pertaining to the time before the transfer date. In case the YEK-G system participant status of the transferor legal entity terminates, the terms of Article 14 shall not apply.

(5) When determining the certifiable generation volume for each billing period, the metering data shall be taken as 1 MWh and its positive integer multiples. Issue request can be made by combining non-integer parts of the documented generation volumes for different billing periods, for up to three billing periods.

(6) The issued YEK-G certificates shall be recorded in the account with which the generation facilities within the registry database are associated.

### **Correction of the certifiable generation volume**

**ARTICLE 14 -** (1) The following procedures shall be followed, in case it is determined that transactions within the scope of articles 133 and 134 of DUY result in an increase in the certifiable generation volume calculated for an billing period of a YEK-G system participant:

a) The certifiable generation volume calculated for each billing period shall be updated within three business days in line with the determined volume of increase and notified to each YEK-G system participant via the MMS.

b) YEK-G system participants may request that a number of YEK-G certificates be issued, corresponding to each amount of increase in the updated documented generation volume. The said request shall be fulfilled until the end of the second billing period following the date that the additional certifiable generation volume is determined.

c) The validity term of YEK-G certificates to be issued within the scope of subparagraph (b) shall be 12 months from the end date of the generation period.

(2) The following procedures shall be followed, in case it is determined that transactions within the scope of articles 133 and 134 of DUY cause a decrease in the certifiable generation volume calculated for an billing period of a YEK-G system participant:

a) The certifiable generation volume calculated for each billing period shall be updated in line with the determined amount of decrease and notified to each YEK-G system participant via the MMS.

b) In case it is detected that there are a number of excess YEK-G certificates issued for the same billing period in a YEK-G system participant's account, which equals to or is more than the number of YEK-G certificates, the number of detected excess YEK-G certificates among the YEK-G certificates that cover the same billing period shall be withdrawn by the Market Operator.

c) In case it is detected that there are less YEK-G certificates than the number specified in subparagraph (b), the current number of YEK-G certificates covering the same billing period shall be withdrawn first, then, the missing number of YEK-G certificates that are not transferred, expired or withdrawn for different billing periods shall be withdrawn by the Market Operator, if any, beginning from the one that has the earliest generation period end date.

ç) If there are not sufficient number of YEK-G certificates for different billing periods within the scope of subparagraph (c), the certifiable generation volume that may be subject to issue shall

be checked. If there is sufficient certifiable generation volume, the missing number of YEK-G certificates shall be issued *ex officio* by the Market Operator in the name of each YEK-G system participant, starting from those whose generation period end date is the oldest, and then these issued YEK-G certificates shall be withdrawn.

d) If the certifiable generation volume within the scope of subparagraph (ç) is not sufficient, a remedy period until the end of the billing period in which correction was made shall be granted to the YEK-G system participant to obtain the said YEK-G certificates from the YEK-G market. The said YEK-G certificates shall be withdrawn as soon as they are obtained by the YEK-G system participant.

e) If YEK-G certificates are not provided by each YEK-G system participant within the period specified in subparagraph (d), each YEK-G system participant shall be prevented from operating in the YEK-G system and the organized YEK-G market, except for transactions to obtain YEK-G certificate from the YEK-G bilateral agreement market, and the said situation shall be reported to the Authority by the Market Operator. In case of fulfillment of the obligations regarding provision of YEK-G certificates, each YEK-G system participant can again continue operating in the YEK-G system and the organized YEK-G market.

f) The terms of paragraph (ç) shall continue to apply until such time when the obligations of each YEK-G system participant specified under this paragraph are fulfilled.

### **Transfer of YEK-G certificates**

**ARTICLE 15** - (1) YEK-G certificates subject to trade in the YEK-G market shall be transferred between the accounts within the registration database by YEK-G system participants.

(2) The transfer of YEK-G certificates shall be carried out by the Market Operator via the MMS to consummate the transactions carried out in the organized YEK-G market.

(3) Transfer processes relating to YEK-G certificate trade outside the organized YEK-G market shall be performed in the following cases:

a) The YEK-G system participant that requests transfer of YEK-G certificate from its account shall submit a YEK-G transfer notification via the MMS, including information on the YEK-G certificates subject to trade and information on the counter party.

b) The YEK-G system participant to whose account a YEK-G certificate is to be transferred shall approve each transfer notification via the MMS.

(4) If the notification is not withdrawn or revised by each YEK-G system participant that submit a notification until 15:00 on the business day following the day that the YEK-G transfer notification is made, the transfer process shall be consummated by the Market Operator in accordance with the said notification.

(5) YEK-G certificates subject to YEK-G transfer notification shall be blocked in the account of the YEK-G system participant that has submitted the notification, until each transfer process is consummated by the Market Operator.

(6) YEK-G certificates that are blocked within the scope of the fifth paragraph cannot be made subject to any transaction in the YEK-G system by the YEK-G system participant during the time they are blocked.

(7) In the event that a license holder legal entity that is a YEK-G system participant merges with another license holder legal entity, YEK-G certificates in the accounts of each YEK-G system participant shall be transferred to the accounts of the merged legal entity, provided that the merged legal entity has completed the registration procedures specified in the Regulation and these Procedures and Principles, in case the certificates related to the said merger transaction are submitted to the Market Operator and are not registered,

#### **Withdrawal of YEK-G certificates**

**ARTICLE 16 -** (1) YEK-G certificates in an account within the YEK-G system registration database may be withdrawn by the Market Operator due to errors that may occur during issue and/or transfer.

(2) As for withdrawn YEK-G certificates, the cause for withdrawal shall be announced to each YEK-G system participant via the MMS.

(3) A number of YEK-G certificates corresponding to the number of the withdrawn YEK-G certificates can be re-issued as a result of the positive evaluation result acquired from the evaluation made by the Market Operator, depending on the grounds for withdrawal.

(4) Withdrawn YEK-G certificates cannot be made subject to any transaction by YEK-G system participants in the YEK-G system.

#### **Expiry of YEK-G certificates**

**ARTICLE 17 -** (1) In the event that YEK-G certificates in an account within the registration database are not cancelled or withdrawn despite a period of 12 months having passed since end of the generation period, each YEK-G certificate shall be expired by the Market Operator and notified to the relevant system participant via MMS.

(2) YEK-G certificates expired within the scope of the first paragraph shall not be made subject to any transaction by YEK-G system participants in the YEK-G system.

#### **Cancellation of YEK-G certificates**

**ARTICLE 18 -** (1) YEK-G certificates in an account within the registration database shall be cancelled by the Market Operator via the MMS in order to be used in the disclosure of renewable energy supply and pursuant to the cancellation notification of each YEK-G system participant.

(2) YEK-G certificates in the account of the YEK-G system participant that will submit a cancellation notification may be cancelled provided that they are not blocked, expired or withdrawn. YEK-G certificates cancelled within the scope of the first paragraph shall not be made subject to any other transaction by YEK-G system participants in the YEK-G system.

(3) The cancellation notification to be made by suppliers shall include, as a minimum, the YEK-G certificates in the account of each supplier that is to be made subject to cancellation, information on consumers and the consumption period.

(4) No cancellation notification can be made by another supplier for the same consumption period regarding a consumer in whose name a cancellation notification has been made.

(5) Notification of the YEK-G certificates to be cancelled by YEK-G system participants in return for the energy supplied to consumers can be made via the MMS as from the first business day of the month following the period within which each consumption has taken place.

(6) The cancellation notifications by YEK-G system participants shall be made until the end of March of the year following the year in which the consumption period falls.

(7) YEK-G system participant can make amendments to each cancellation notification until 15:00 on the business day following the day that the cancellation notification is made.

(8) A cancellation statement shall be produced for each cancellation consummated by the Market Operator, which shall be submitted to each supplier via the MMS. The cancellation statement shall display:

- a) Information on the supplier that made the cancellation notification.
- b) Information on the consumers with whom the cancellation is associated.
- c) Information on the cancelled YEK-G certificates.
- ç) Date of the cancellation.
- d) The consumption period subject to the cancellation.

**Cancellation notifications within the scope of green tariff**

**ARTICLE 19 - (1)**<sup>1516</sup> The cancellation notifications to be made for the consumers within the scope of green tariff shall be made to the Market Operator by each assigned supply company, at the latest within five business days from the first day of trading in the month within which the final settlement notice for each billing period falls, in accordance with the provisions of the DUY.

(2) Cancellation within the scope of green tariff shall be carried out for the consumers that benefit from green tariff in each billing period by the assigned supply companies at once.

(3) Information on the consumers within the scope of green tariff in each billing period shall be notified to the Market Operator by the assigned supplier company via MMS prior to the cancellation .

(4) Cancellation statements to be issued for cancellation notifications to be made in the name of the consumers within the scope of green tariff shall also include the total consumption volume subject to cancellation. The said consumption volume shall be based on the withdrawal data subject to settlement in accordance with the provisions of DUY.

(5) As for cancellation notifications to be made for the consumers within the scope of the green tariff, the energy volume corresponding to the YEK-G certificates to be made subject to cancellation cannot be less than the total volume of energy consumed pertaining to the consumption points with which the YEK-G certificates are associated.

(6) Only YEK-G certificates obtained from the organized YEK-G market shall be used in the cancellation notification to be made by assigned supply companies for consumers within the scope of green tariff.

(7) If the assigned supply companies carry out the cancellation process within the scope of this article, they shall be deemed to have fulfilled their obligation to supply renewable energy within the scope of green tariff in each billing period.

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<sup>15</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>16</sup> The effective date of this provision is 15 December 2023.

(8) Information on assigned supply companies that fail to carry out the cancellation process in accordance with this article shall be reported to the Authority by the Market Operator.

(9) In case there is an increase in the total consumption volume subject to the cancellation process as a result of retrospective correction processes in accordance with the provisions of DUY, a number of YEK-G certificates equal to the amount subject to the said increase shall be cancelled upon the notice of the assigned supplier companies.

(10) In case there is a decrease in the total consumption volume subject to the cancellation process of each assigned supply company as a result of retrospective correction processes in accordance with the provisions of DUY, the amount subject to such decrease shall be taken into consideration in the cancellation notification to be made pursuant to this article for the billing period within which such decrease is detected.

(11) A cancellation statement shall be produced by the Market Operator for each cancellation carried out within the scope of this article, which shall be submitted to each assigned supply company via the MMS. Each cancellation statement shall display:

- a) Information on the assigned supply company that made the cancellation notification.
- b) Information on the cancelled YEK-G certificates.
- c) The date of producing the cancellation statement.
- ç) The consumption period subject to cancellation.
- d) Total consumption volume subject to cancellation.

(12) No cancellation can be carried out by another supplier regarding the consumption period in the cancellation statement specified in the eleventh paragraph and the same YEK-G certificate.

### **Disclosure**

**ARTICLE 20** - (1) The assigned supply companies shall disclose that all of the electricity they supply to consumers in the green tariff category is generated from renewable energy resources, by placing a special mark or logo on the invoices of the consumers. The standard of the mark to be added to the consumer invoices for the green tariff shall be designated by the Authority.

(2) The cancellation statements produced by the Market Operator within the scope of Article 18 shall be used for the disclosure that a certain volume or share of electricity supplied to consumers other than those that have subscribed to green tariff is generated from renewable energy resources. The special mark or logo specified in the first paragraph shall be included in the cancellation statement.

### **YEK-G certificate supply contracts**

**ARTICLE 21** - (1) A contract shall be executed between suppliers and consumers, together with or separate from energy itself, in order to document that a certain volume or share of the electricity supplied to consumers is generated from renewable energy resources,

(2) Suppliers shall undertake in each contract to cancel the YEK-G Certificate on behalf of the consumer for the consumption points included in their contracts and to disclose that a certain volume or share of the electricity supplied to the consumer is generated from renewable resources through the cancellation status certificate.

(3) Contracts shall be drafted in a manner not to contradict the relevant provisions of the Electricity Market Consumer Services Regulation and other applicable legislation.

### **Charging Network Operators**

**ARTICLE 21/A<sup>1718</sup>** – (1) Charging network operators that fall within the scope of the Charging Service Regulation published in the Official Gazette dated 02/04/2022 and numbered 31797 may become a system participant by signing a YEK-G system participation agreement and may become a market participant by signing an organized YEK-G market participation agreement.

(2) Charging network operators who are YEK-G system participants and/or market participants shall have the rights and obligations granted to system participants and market participants within the scope of the Regulation and these Procedures and Principles, excluding those granted to generation license holder system participants.

(3) Charging network operators may apply to the Market Operator to carry out the transfer and cancellation processes for YEK-G certificates. Article 15 shall be applied with respect to transfer processes of YEK-G certificates and Article 16 shall be applied with respect to withdrawal processes of YEK-G certificates.

(4) YEK-G certificate cancellation processes pertaining to charging network operators shall be carried out as follows:

a) Charging network operators may only carry out cancellation processes corresponding to consumption within the scope of charging services associated with YEK-G certificates;

b) The cancellation notifications to be made for the consumption within the scope of charging services shall be made by the charging network operator at the latest within five business days from the first day of trading in the month following the billing period in which consumption took place;

c) The energy volume corresponding to the YEK-G certificates to be made subject to cancellation cannot be less than the total consumption volume with which the YEK-G certificates are associated in respect of cancellation notifications to be made regarding consumption at green charging stations;

ç) A cancellation statement shall be produced by the Market Operator for each cancellation carried out within the scope of this article, which shall be submitted to related charging network operator via the MMS. Related cancellation statement shall display as a minimum:

1) Information on the charging network operator that made the cancellation notification;

2) Information on the cancelled YEK-G certificates;

3) The date of cancellation statement;

4) The consumption period subject to cancellation.(5) The cancellation statements produced by the Market Operator within the scope of Article 18 shall be used by charging network operators for disclosing to the users that the entirety of the electricity utilized in charging services provided by them is generated from renewable energy resources.

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<sup>17</sup> Inserted pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>18</sup> The effective date of this provision is 15 December 2023.



(6) No cancellation can be carried out by another market participant regarding the consumption period in the cancellation statement specified in the fourth paragraph and using the same YEK-G certificate.

(7) The cancellation of YEK-G certificates for consumption associated with charging services at green charging stations may only be carried out by charging network operators.

## **CHAPTER FOUR**

### **Provisions Regarding Organized YEK-G Market**

#### **Contracts**

**ARTICLE 22** - (1) The Market Operator shall make available to be traded in the organized YEK-G market, those contracts imposing an obligation to receive or deliver the YEK-G certificate at the matching price and in the matching volume.

(2) Each month, contracts shall be made available to be traded during the trading session on the fourth business day following the day that the finalized settlement notice is announced, in accordance with the provisions of DUY.

(3) Contracts shall be made available to be traded on the basis of the renewable energy resources to be designated in accordance with market needs. Matters regarding the contracts to be made available to be traded on the basis of resource type shall be announced via the corporate website of the Market Operator and the MMS.

(4) YEK-G certificates issued within the scope of the certifiable generation volume shall be processed among contracts categorized in accordance with the resource type underlying electricity generation.

(5) Market participants may submit a buy side bid and/or sell side offer for contracts that are open during the session.

(6) Contracts shall be processed during the session in accordance with the continuous trading method.

(7) As for contracts to be made available to be traded by the Market Operator, there shall be at least be 1 (one) month remaining to the expiry of the YEK-G certificates to be made subject of a sale transaction as from the opening day of the session within which each contract is to be processed.

#### **Trading Session**

**ARTICLE 23** - (1) In the Organized YEK-G market, the session shall be open once every month between 10:00 and 15:00 on the business day specified in the second paragraph of Article 22.

(2) The Market Operator may open new session within the month, change the opening day of the session and/or the duration of the session in accordance with market needs and provided that it notifies the market participants via the MMS.

(3) During the session, market participants can:

- a) Submit orders.
- b) Change the volume and prices of their active and passive orders.
- c) Cancel their active orders or change their active orders into passive.
- ç) Activate their passive orders and submit them to the order book or cancel them.
- d) File an objection within the specified periods.

#### **Post-session**

**ARTICLE 24** - (1) Post-session period shall refer to the time period between 15:00 and 15:30 on trading session days.

(2) In the post-session period:

- a) All contracts shall be closed to trading.
- b) Submission of new orders shall not be allowed until the next session opening time.
- c) All unmatched orders in the order book shall be canceled.
- ç) Ongoing objections, if any, shall be finalized.

#### **Orders**

**ARTICLE 25** - (1) Only standard orders can be submitted by market participants. A standard order is a purchase or offer with a specific price and quantity information.

(2) Order types submitted in the organized YEK-G market can be categorized as follows based on their features:

- a) Active: Orders that are not matched yet and waiting to be matched in the order book,
- b) Passive: Orders that are not included in the order book, and that can be activated by market participants,

(3) Standard orders can be matched in whole or in part.

(4) The price in the standard bid is the maximum price offered by the market participant to purchase the YEK-G certificate in a volume that does not exceed the volume specified in the order.

(5) The price in the standard offer is the minimum price offered by the market participant to sell the YEK-G certificate in a volume that does not exceed the volume specified in the order.

(6) YEK-G certificates that are the subject of a standard offer shall be blocked in the account of the market participant who submitted each order, unless each order is matched, changed with a new order or canceled, and cannot be made subject of another transaction by YEK-G system participants in the YEK-G system during the blockage period.

(7) The order volumes to be submitted for each contract via the MMS in the organized YEK-G market shall be notified in MWh units, as 1 MWh and its integer multiples. The minimum order size that can be submitted at once is 1 MWh. Order prices shall be expressed in TL/MWh terms with two digits after the comma.

(8) Market participants shall notify their orders related to the contracts to the Market Operator via the MMS during the session.

(9) The notification of organized YEK-G market orders shall take place upon completion of the registration of orders in the MMS. The completion of registration of orders in the MMS shall be completed upon no earlier than the assignment of a registration number to the order and recording the entry time of the order in the MMS in hours, minutes and seconds.

(10) In case the standard order whose registration in the MMS is complete does not result in a match, it shall be active during the session of each contract, if it is not changed with a new order or canceled.

(11) Standard orders to be submitted by market participants to the contracts shall at least display:

- a) Name and participation code of the market participant,
- b) Type of order,
- c) Direction of the order,
- ç) Price and quantity information,
- d) The contract that the order is submitted to,
- e) Other information that is to be requested by the Market Operator and announced to the market participants via the MMS.

(12) The amount of offers that a market participant can submit to the organized YEK-G market shall not exceed the amount of YEK-G certificates in the account of each participant within the YEK-G system.

### **Rules of matching for bids**

**ARTICLE 26 -** (1) As for buy side bids submitted for the related contract in accordance with the terms of order notice:

a) If the bid price is higher than or equal to the best offer price, the amount of the orders shall be compared against each other:

1) If the bid volume is equal to the best offer volume, it shall be fully matched. Matching shall be made according to the pending offer price, which has already been entered in the order book.

2) If the bid volume is higher than the best offer volume, the portion equal to the offer volume shall be matched. Matching shall be conducted according to the pending offer price, which is already entered in the order book. As for the remaining amount of the partially matched bid, it shall be checked whether there is an offer with a suitable price, and in the absence of a suitable offer, it shall continue to stay in the order book as the best bid. The list of best bids shall be re-updated sequentially.

3) If the bid volume is lower than the best offer, the bid volume shall be fully matched. Matching shall be conducted according to the pending offer price, which is already entered in the order book. The remaining amount of the partially matched offer shall continue to stay in the order book, by preserving the priority of the order.

b) If the bid price is lower than the best offer price, it shall be added to the order book to the list of best bids in the order of price.

### **Rules of matching for offers**

**ARTICLE 27** - (1) As for sell side offers submitted for each contract in accordance with the terms of the order notice:

a) If the offer price is lower than or equal to the best bid price, the amount of orders shall be compared;

1) If the offer volume is equal to the best bid volume, it shall be fully matched. Matching shall be made according to the pending bid price, which is already entered in the order book.

2) If the offer volume is higher than the best bid volume, the portion equal to the bid volume shall be matched. Matching shall be conducted according to the pending bid price, which is already entered in the order book. The matched bid shall be removed from the order book. As for the remaining amount of the partially matched offer, it shall be checked whether there is bid with a suitable price, and in the absence of a suitable bid, it shall continue to stay in the order book as the best offer. The lists of best offers shall be re-updated sequentially.

3) If the offer volume is lower than the best bid volume, the offer shall be fully matched in proportion to the sales. Matching shall be conducted according to the pending bid price, which is already entered in the order book. The remaining amount of the partially matched bid shall continue to stay in the order book, by preserving the priority of the order.

b) If the offer price is higher than the best bid price, it shall be added to the order book to the list of best offers in the order of price.

### **Priority rules for matching orders**

**ARTICLE 28** - (1) Following the active recording of the orders submitted by the market participants to the organized YEK-G market, the processes regarding the matching of the orders shall be carried out as follows:

a) Orders shall be evaluated separately and individually for each contract type.

b) The best priced order among the orders that are made for the same contracts and in the same direction shall have priority over the others.

c) The order that is recorded first according to the system time among the equally priced orders that are made for the same contracts and in the same direction shall have priority over the others.

ç) Orders with the highest price for the bid and orders with the lowest price for the offer shall be indicated as the best priced order in the order book.

### **Commercial transaction approval**

**ARTICLE 29** - (1) Matched orders shall be removed from the list of best priced orders and the Market Operator shall notify each market participant about their commercial transaction approvals via MMS, following the end of the trading session. In case of a partial match, the remaining unmatched volume shall retain its place in the order book as long as the order is valid.

(2) Commercial transaction approval shall at least display:

a) Name and participation code of the market participant,

b) Price and purchase-sales amounts with respect to the matching,

- c) The contract in which matching occurred,
- ç) Other information to be announced to market participants via the MMS as may be deemed necessary by the Market Operator.

(3) After the commercial transaction approval, market participants can view the matching transaction on the MMS, excluding any information relating to the counterparties of the match.

(4) Following the commercial transaction approval as a result of the matches materialized in the organized YEK-G market, the transfer of each YEK-G certificate shall be carried out between the accounts of the YEK-G system participants by the Market Operator via the MMS.

### **Objection process in the organized YEK-G market**

**ARTICLE 30** - (1) Market participants shall be granted 20 minutes following the notification to file an objection in case of an error in the notifications regarding commercial transaction approvals. Objections shall be accepted only if the objection was timely filed and the error is attributable to the Market Operator. In case the objection is accepted, the Market Operator shall submit the corrected commercial transaction approval to each market participant.

(2) The filing of an objection shall not relieve each market participant of its obligations. The market participant that does not file an objection within the granted period shall be deemed to have accepted the commercial transaction approval content in its entirety. Following the completion of the objection period, the commercial transaction approvals shall qualify as a contract concluded at the prices and amounts included therein.

(3) In case there are multiple objections regarding a contract, the Market Operator shall evaluate the objections, whereby it shall suspend each contract and make the necessary announcement to market participants via PYS, if serious doubt arise as to the said objection being contrary to the principles specified in the Regulation and these Procedures and Principles.

## **CHAPTER FIVE**

### **Collaterals**

#### **Market transaction collateral**

**ARTICLE 31** - (1) Market transaction collateral shall be taken against financial risk exposure in connection with invoice payments for transactions conducted by market participants in the organized YEK-G market. Market participants can carry out transactions in the organized YEK-G market in the amount of their existing market transaction collaterals.

(2)<sup>19</sup> The market transaction collateral required to be provided by market participants for unmatched active bids and matched orders shall be calculated according to the following formula:

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<sup>19</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

$$YEKGPI\dot{T}_{p,d} = \max \left[ \left( \sum_{i=1}^b \sum_{r=1}^c YEKGATM_{p,i,r} \times YEKGATF_{p,i,r} + \sum_{i=1}^e \sum_{a=1}^f YEKGAEM_{p,i,a} \times YEKGAEF_{p,i,a} - \sum_{i=1}^g \sum_{s=1}^h YEKGSEM_{p,i,s} \times YEKGSEF_{p,i,s} \right), 0 \right] \times GK0d$$

(3)<sup>20</sup> The abbreviations used in the formula in the second paragraph shall have the following meanings:

$YEKGPI\dot{T}_{p,d}$  refers to the collateral amount that the market participant "p" shall maintain for the organized YEK-G market transactions on day "d",

$YEKGATM_{p,i,r}$  refers to the amount of unmatched active bid "r" submitted by the market participant "p" for the contract "i",

$YEKGATF_{p,i,r}$  refers to the price of unmatched active bid "r" submitted by the market participant "p" for the contract "i",

$YEKGAEM_{p,i,a}$  refers to the amount of the purchase match "a" realized within the session regarding the contract "i" of the market participant "p",

$YEKGAEF_{p,i,a}$  refers to the price of the purchase match "a" realized within the session regarding the contract "i" of the market participant "p",

$YEKGSEM_{p,i,s}$  refers to the amount of the sales match "s" realized within the session regarding the contract "i" of the market participant "p",

$YEKGSEF_{p,i,s}$  refers to the price of the sales match "s" realized within the session regarding the contract "i" of the market participant "p",

$GK0d$  refers to the current VAT rate on day "d" within the framework of the applicable legislation,

$b$  refers to the number of contracts of the market participant with active orders,

$c$  refers to the existing number of active orders submitted by the market participant "p" for the contract "i",

$e$  refers to the number of contracts with buy side matches of the market participant "p",

$f$  refers to the number of buy side matches regarding the contract "i" of the market participant "p",

$g$  refers to the number of contracts with sell side matches of the market participant "p",

<sup>20</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

h refers to the number of sell side matches regarding the contract “i” of the market participant “p”,

(4) Orders that are included in the calculation of the market transaction collateral in accordance with the second paragraph shall be regarded as a match under each formula, in case such orders match.

(5) The collateral amount in the market transaction collateral account of the market participants shall be blocked in the amount found by deducting the sell side matching amount, if any, from the total of the buy side bid amount and the buy side matching amount of the relevant participant, and the transaction limit shall be reduced by this rate.

(6) The block on the market transaction collateral of the market participant shall be lifted in the following amounts and the transaction limits shall be increased by the amount of said block:

a) The amount of unmatched or partially unmatched buy side bids following the closing of the session or the evaluation of objections, if any,

b) The amount of payment made by the market participant following the invoice payment.

**Assets to be accepted as collateral**

**ARTICLE 32 -** (1) The following assets can be accepted as collateral:

a) Turkish lira.

b) Foreign currency (US dollar or Euro).

c) Definite electronic letters of collateral with indefinite term in Turkish lira (TL) or in foreign currency (US dollar or Euro), which are issued by banks operating in Turkey and subject to its banking legislation.

ç) Definite collateral letters of guarantee with indefinite term in Turkish lira (TL) or foreign currency (US dollar or Euro) to be issued by foreign banks that are permitted to operate in Turkey in accordance with banking legislation or by banks subject to Turkish banking legislation upon the counter-guarantee of a bank or similar credit institutions that operate outside Turkey.

(2) Foreign exchange buying rate of the Central Bank of the Republic of Turkey (TCMB) shall be used as the basis for foreign currency cash collaterals and foreign currency denominated letters of collateral when calculating the Turkish lira (TL) equivalent of collaterals.

(3) Market participants can provide the required collaterals by using one or more of the assets that can be accepted as collateral specified in the first paragraph of this article.

(4) In case the Market Operator becomes aware of injunction orders rendered by judicial authorities regarding collaterals provided by the market participant or other circumstances that prejudice a definite collateral, the said assets shall not be taken into consideration when calculating the total outstanding collateral of each market participant.

(5) Valuation coefficient shall apply to the assets accepted as collateral other than Turkish lira (TL) cash or letters of collateral in Turkish lira (TL). The valuation coefficient to apply within the scope of these Procedures and Principles shall be designated upon approval of the Market Operator, considering the valuation coefficients that apply in similar markets, and shall be announced to market participants via the MMS.

(6) All costs related to collaterals shall be borne by each market participant.

### **Process regarding collateral operations**

**ARTICLE 33** - (1) Following completion of the end of session processes, the Market Operator shall make the required calculations regarding the collateral amounts to be provided on a market participant basis and accordingly inform the market participants and the central settlement institution on a market participant basis. In case the total collateral amount provided by a market participant in relation to organized YEK-G market activities does not meet the total YEK-G collateral amount required to be provided, a call shall be made to each market participant by the central settlement institution to top up the collateral.

(2) A market participant, to whom a call is made to top up a collateral, shall provide the total collateral that it is required to provide to the central settlement institution and/or the Market Operator, depending on the attributes of the said collateral, in order to be able to continue its organized YEK-G market activities.

(3) The central settlement institution shall notify the Market Operator on a market participant basis of up-to-date information on the collateral amount provided by market participants, between 09:00 and 17:00 on trading session days.

### **Refund of collaterals**

**ARTICLE 34** - (1) In case the total collateral amount provided by the market participant is higher than the total collateral amount that the market participant is required to provide, the excess collateral amount shall be refunded to the market participant by the central settlement institution and/or the Market Operator, upon request of the market participant, if each collateral is eligible for a partial refund.

(2) Collateral withdrawal transactions to be carried out by the market participant for all types of collateral can be carried out between 09:00 and 09:58 on full business days.

## **CHAPTER SIX**

### **Settlement Transactions, Invoicing Transactions, Payments and Collection**

**Calculation of the amount regarding the matches realized within the scope of the organized YEK-G market**

**ARTICLE 35** - (1) The commercial transaction approvals as to the purchase and/or sales of YEK-G certificate within the scope of the Organized YEK-G market shall be taken into consideration in the settlement of the organized YEK-G market.

(2) The debt amount to accrue with respect to each market participant for a billing period in connection with the purchase of YEK-G certificate by market participants within the scope of the organized YEK-G market shall be calculated according to the following formula:

$$YEKGAT_{p,f} = \sum_{s=1}^a \left( \sum_{r=1}^n (YEKGAM_{p,f,s,r} \times YEKGAEF_{p,f,s,r}) \right)$$

(3) The abbreviations used in the formula in the second paragraph shall have the following meanings:



$YEKGAT_{p,f}$  refers to the amount of debt to accrue with respect to each market participant "p" due to YEK-G certificate purchases realized in the billing period "f",

$YEGAEF_{p,f,s,r}$  refers to the buy side matching price to apply to the valid match "r" pertaining to session "s" of the market participant "p" in the billing period "f", that is determined in accordance with Article 29,

$YEGAM_{p,f,s,r}$  refers to the amount of purchases realized by the market participant "p" due to the valid match "r" pertaining to session "s" in the billing period "f", that is determined in accordance with Article 29,

n refers to the number of matches realized by the market participant "p" in the billing period "f" for the purchase of YEK-G certificate pertaining to session "s",

a refers to the number of trading sessions that are open in each billing period.

(4) The receivable amount to accrue with respect to each market participant for an billing period in connection with the sales of YEK-G certificate by market participants within the scope of the organized YEK-G market shall be calculated according to the following formula:

$$YEGST_{p,f} = \sum_{s=1}^a \left( \sum_{r=1}^n (YEGSM_{p,f,s,r} \times YEGSEF_{p,f,s,r}) \right)$$

(5) The abbreviations used in the formula in the fourth paragraph shall have the following meanings:

$YEGST_{p,f}$  refers to the amount of receivable to accrue with respect to each market participant "p" due to YEK-G certificate sales realized in the billing period "f",

$YEGSEF_{p,f,s,r}$  refers to the sell side matching price to apply to the valid match "r" pertaining to session "s" of the market participant "p" in the billing period "f", that is determined in accordance with Article 29,

$YEGSM_{p,f,s,r}$  refers to the amount of sales realized by the market participant "p" due to the valid match "r" pertaining to session "s" in the billing period "f", that is determined in accordance with Article 29,

n refers to the number of matches realized by the market participant "p" in the billing period "f" for the sales of YEK-G certificate pertaining to session "s",

a refers to the number of trading sessions that are open in each billing period.

### **YEK-G settlement notifications**

**ARTICLE 36 -** (1) The pre-settlement notifications specifying the amounts to be paid by YEK-G system participants to the Market Operator for each billing period or amounts to be paid to YEK-G system participants by the Market Operator as a result of YEK-G settlement calculations shall be announced to each YEK-G system participants via the MMS on the first business day of the month following the billing period, and final settlement notifications shall be announced to each YEK-G system participants via the MMS on the fifth business day of the month following the billing period.

(2) The pre-settlement and final settlement notifications regarding the organized YEK-G market and YEK-G system announced by the Market Operator to the YEK-G system participants shall at least display:

a) The amount of YEK-G certificates relating to the sales by the participant within the scope of the organized YEK-G market and breakdown of receivables.

b) The amount of YEK-G certificates relating to the purchases by the participant within the scope of the organized YEK-G market and debt breakdown.

c) Default escalation applicable to invoice payments.

ç) Market operating fee to accrue with respect to each YEK-G system participant.

d) Correction item.

### **Objections**

**ARTICLE 37-** (1) YEK-G system participants can file an objection with the Market Operator regarding the settlement notifications or invoices pertaining to the billing period. The grounds of objection must be stated in the objection applications.

(2) Objection applications to pre-settlement notifications shall be filed via the MMS until 17:30 on the business day following the day that the pre-settlement notification is announced.

(3) Objections filed regarding the pre-settlement notification shall be finalized by the Market Operator within two business days and the outcome of the objection shall be notified to each YEK-G system participant in writing or via the MMS.

(4) Invoice objection applications shall be filed with the Market Operator in writing within 8 days from the date of receipt of the invoice.

(5) The objection filed by YEK-G system participants to settlement notifications and/or invoices shall not relieve them of their payment obligations.

(6) YEK-G system participants can file an objection in writing regarding YEK-G final settlement notices pertaining to the billing period. Objection applications can be filed for the billing periods specified in Article 133 of the DUY. The grounds of objection shall be stated in the objection applications. Objection applications shall be evaluated and concluded by the Market Operator within 2 months from the objection application and the necessary correction process shall be performed if the objection is accepted. Also, in case other errors are detected *ex officio* by the Market Operator, the necessary correction process shall be performed.

(7) If the Market Operator detects an error without an objection filed within the scope of this article, the necessary correction process shall be performed pursuant to Article 133 of DUY.

(8) Disputes about the conclusion reached by the Market Operator shall be examined by the Authority further to the applications of YEK-G system participants.

### **Invoicing processes**

**ARTICLE 38 -** (1) The Market Operator shall issue invoices according to the amounts included in the YEK-G final settlement notice within 7 days from the day that the YEK-G final settlement notification is announced to each YEK-G system participant via the MMS. The announcement date of the YEK-G final settlement notification shall be considered as the invoice receipt date for YEK-G system participants.

(2) A single invoice shall be issued regarding the YEK-G system and organized YEK-G market activities.

(3) The Market Operator shall notify the debt/receivable information to the central settlement institution based on the invoices issued in the name of the YEK-G system participant from the day that the YEK-G finalized settlement notification is announced to each YEK-G system participant via the MMS.

(4) YEK-G system participants to whom payment is to be made shall submit the invoice issued according to the amounts included in the YEK-G final settlement notification to the Market Operator within 7 days from the day that the YEK-G final settlement notification is announced to each YEK-G system participant via the MMS.

(5) If the amounts generated according to the results of YEK-G settlement are below the tax assessment waiver threshold published by the Turkish Ministry of Treasury and Finance annually pursuant to the Tax Procedure Law No. 213, dated 4/01/1961, the amounts generated up until this threshold may not be included in the YEK-G invoices. During the year, on the month that the total of the said settlement amounts reach the tax assessment waiver threshold, the total amount shall be included in the YEK-G finalized settlement notification and the invoice shall be issued accordingly. If this threshold is not reached within the year, the total amount at the end of the year shall be included in the YEK-G final settlement notification and the invoice shall be issued accordingly. The tax assessment waiver threshold shall be announced by the Market Operator annually.

### **Payments and collection**

**ARTICLE 39-** (1) If the same YEK-G system participant is a creditor under the invoice, the amount of the invoices submitted to YEK-G system participants regarding YEK-G settlement shall be paid by indebted YEK-G system participants to the account of the Market Operator at the central settlement institution through intermediary banks on the second business day following the invoice receipt date at the latest, provided that the total receivable amount is deducted from the invoice amount.

(2) The amounts of invoices submitted to the Market Operator by YEK-G system participants shall be paid by the Market Operator from the account of the Market Operator at the central settlement institution through intermediary banks within the third business day following the invoice receipt date at the latest, by deducting from the net invoice receivable of the YEK-G system participant, the net invoice debt and the overdue debts related to the markets operated by the Market Operator, according to the invoice receipt date and order.

(3) The central settlement institution shall notify the YEK-G system participants on a monthly basis about the service fees required to be paid by YEK-G system participants regarding the collateral management and cash clearing service offered by it. The service fees notified to YEK-G system participants by the central settlement institution shall be paid to the central settlement institution within 6 business days following the receipt date of this fee notification. The provisions to apply in case the YEK-G system participant fails to pay the monthly service commission fee within 6 business days following the receipt date of the fee notification, shall be included in the agreement to be executed between the YEK-G system participant and the central settlement institution.

(4) YEK-G system participants shall work with a single intermediary bank regarding the invoice payments to be made to them by the central settlement institution; however, they can work with more than one bank regarding the payments to be made by them to the central settlement institution. YEK-G system participants can notify and change the intermediary bank they will work with regarding the invoice payments to be made to them by the central settlement institution through the central settlement institution systems.

(5) The offset process between the receivables and debts shall automatically be concluded for YEK-G system participants that are both creditor and debtor with respect to each settlement period, following the announcement of the settlement notification that serves as the basis for the invoice and service of the receivable invoice to the Market Operator,

#### **Failure to make invoice payments**

**ARTICLE 40 -** (1) In case the YEK-G system participant fails to pay the net debt arising from the said invoice within two business days following the invoice receipt date, default interest shall apply to the amount payable. The default interest rate is the interest rate determined in accordance with Article 51 of the Law on the Procedure for the Collection of Public Receivables No. 6183, dated 21/07/1953. The monthly total of the default interest amounts calculated daily by the central settlement institution shall be regarded as the value that serves as the basis for the invoice. The amounts related to default interest shall be indicated in each month's settlement notification as a default escalation item and reflected on the invoice of each YEK-G system participant at the end of each month.

(2) If the cash collateral amount in Turkish lira (TL), that is higher than the amount in the free current account of the YEK-G system participant and/or the total collateral amount required to submitted by the YEK-G system participant, is sufficient to cover the YEK-G system participant's debt regarding each invoice notification, the said debt shall automatically be covered from these amounts, whereby each YEK-G system participant does not default.

(3) In case the Market Operator fails to pay the invoice amount to be paid to YEK-G system participants within three business days following the invoice receipt date, default interest shall apply to the amount payable. The default interest rate is the interest rate determined in accordance with Article 51 of the Law on the Procedure for the Collection of Public Receivables. The amounts related to default interest shall be indicated in each month's settlement notification as a default escalation item and are reflected on the invoice issued to the Market Operator at the end of each month.

(4) In case YEK-G system participant fails to pay the said invoice amount within two business days following the invoice receipt date, the following shall be cashed in the below order:

- a) Firstly, the current account of the YEK-G system participant,
- b) Cash YEK-G collateral excess in TL,
- c) Cash YEK-G collateral in TL.

In case these amounts fail to cover the debt, the YEK-G system participant shall be deemed to have defaulted on the invoice without need for further notice. Recourse shall be made to other YEK-G collaterals (foreign currency, e-guarantee letter) of the system participant in default. The YEK-G system participant that is in default shall be prevented from carrying out transactions in the YEK-G system and the organized YEK-G market. The said breach shall be reported to the

Authority by the Market Operator and respective measure shall be implemented within the framework of the Electricity Market Law no. 6446; dated 14/3/2013. Concurrently, legal action shall be initiated against the YEK-G system participant who defaults on the invoice.

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

(6) The minimum default amount and the minimum default interest amount determined in view of the tax assessment waiver threshold to be implemented in accordance with the fifth paragraph of Article 38 to YEK-G system participants shall be announced by the Market Operator via the MMS. No default penalty shall apply to the amounts below the minimum default amount.

(7) If the YEK-G system participants in default fulfill all of their financial obligations regarding the YEK-G system and the organized YEK-G market, the event of default shall cease.

## **CHAPTER SEVEN**

### **Final Provisions**

#### **Fees to be collected by the Market Operator**

**ARTICLE 41** - (1) The market operating fees to be collected for transactions carried out by YEK-G system participants in the YEK-G system and organized YEK-G market shall be designated annually by Board Decision. The provisions regarding the designation and collection of each fee shall be regulated under the Communiqué on Regulation of the Market Operating Income published in the Official Gazette dated 22/12/2015 and numbered 29570.

(2) Market operating fee shall comprise the following items:

- a) YEK-G system annual participation fee.
- b) The fee designated for trade transactions made in the organized YEK-G market.

(3)<sup>2122</sup> YEK-G system annual participation fee shall be charged as the annual participation fee item in the first invoice following the completion of the registration processes for YEK-G system participants that register in the system for the first time and in the invoice pertaining to January of each year for YEK-G system participants who are existing system users. The YEK-G system annual participation fee shall be collected through such invoice or, if available, shall be deducted from the receivables of the YEK-G system participant. Annual participation fee shall not be refunded if the market participant exits the system within the same year. If the YEK-G system participant intends to exit the system, this request shall be notified to the Market Operator until the last business day of December of the relevant year.

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<sup>21</sup> Amended pursuant to the Board decision dated 10/08/2023 and numbered 12006 published in the Official Gazette dated 17 August 2023 and numbered 32282.

<sup>22</sup> The effective date of this provision is 15 December 2023.

**Enforcement**

**ARTICLE 42** – (1) These Procedures and Principles shall enter into force on 1/6/2021.

**Execution**

**ARTICLE 43** – (1) The provisions of these Procedures and Principles shall be enforced by the Chairman of the Energy Market Regulatory Authority.