

Official Gazette dated 28/05/2016, numbered 29725

From the Energy Market Regulatory Authority:

BOARD DECISION

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Decision No: 6282-3
13/05/2016

Decision Date:

It has been resolved in the Energy Market Regulatory Board meeting dated 13 May 2016 to approve the attached "Collateral Procedures and Principles" and to publish these Procedures and Principles in the Official Gazette.

ANNEX-1

COLLATERAL PROCEDURES AND PRINCIPLES NO. 6282-3

Purpose

ARTICLE 1 - (1) The purpose of these Procedures and Principles is to designate the applicable collateral procedures and principles in order to manage the risks of the Market Operator and to secure other market participants in the event that market participants operating in the organized wholesale electricity markets are unable to fulfill their obligations regarding the market.

Scope

ARTICLE 2 - (1)¹ These Procedures and Principles cover the procedures and principles regarding the collateral that must be provided by market participants in relation to the day-ahead market, the intraday market, the balancing power market and the financial settlement transactions.

Legal basis

ARTICLE 3 - (1) These Procedures and Principles have been prepared based on the Electricity Market Balancing and Settlement Regulation.

Definitions

ARTICLE 4 - (1) The following definitions shall be ascribed to the terms used in these Procedures and Principles:

a)²

¹ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

² Repealed pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

b)³ **Initial margin:** The collateral amount required to be offered by the market participants in order to complete their registrations as legal entities;

c)⁴ **Additional collateral:** The sum of the collateral amount calculated if it is determined as a result of the relevant risk assessment activities that a market participant's total risk arising from the activities anticipated to be reflected in the settlement account has increased for the billing periods before the invoice due date and the collateral amount calculated in relation to the imbalance volume resulting from the monthly settlement notifications;

ç)⁵ **Total collateral amount:** The sum of the initial margin, the collateral amount required to be provided by a market participant in relation to its day-ahead market and intraday market activities in accordance with the provisions of the Collateral Calculation Method and the additional collateral amount.

(2) Other terms and concepts mentioned but not defined in these Procedures and Principles shall bear the meanings and scope attributed to them under the relevant legislation.

Responsibilities of the Market Operator

ARTICLE 5 - (1) The Market Operator shall be responsible for the following:

a) Designating the initial margin amount to be used in collateral calculations on a participant basis;

b)⁶

c)⁷ In the event that the total collateral amount provided by a market participant for its market activities falls below the required level, making a margin call via the MMS and/or through the central settlement institution with respect to the total collateral amount required to be provided by the relevant market participant.

Principles regarding collateral increase

ARTICLE 6 - (1) The Market Operator shall request an increase in the provided collateral amount in the following cases:

a) Registration of a new settlement draw/supply unit;

b) Inclusion of a new market participant to a balancing responsible group;

c) Change in the installed capacity of a market participant holding a generation or Organized Industrial Zone (OIZ) generation license;

ç)⁸ Increase in purchase amounts compared to historical habits in the day-ahead market and/or intraday market;

d) The collateral requirement calculated according to the results of imbalance settlement being higher than the requirement calculated in the previous billing period;

e)⁹ The anticipation that the market participant's risk cannot be covered by the existing collateral amount due to determination of a constant increase in the total costs anticipated to be

³ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁴ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁵ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁶ Repealed pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

⁷ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁸ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁹ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

reflected to the participant's settlement account as a result of the relevant market monitoring activities for the billing periods before the invoice due date.

Collateral transactions process

ARTICLE 7 - (1)¹⁰ The Market Operator shall make the necessary calculations regarding the collateral amounts to be offered on a participant basis and inform the market participants and the central settlement institution on a participant basis each business day until 14:30.

(2)¹¹ The central settlement institution, to which collateral information is provided on a participant basis, shall monitor the required collateral amounts.

(3)¹² For collateral controls performed at 11:00 each business day, market participants shall submit their letters of guarantee to the Market Operator until 10:30, and collaterals other than letters of guarantee to the central settlement institution until 11:00. For collateral controls performed at 17:00 each business day, market participants shall submit their letters of guarantee to the Market Operator until 16:30, and collaterals other than letters of guarantee to the central settlement institution until 17:00.

(4)¹³ For the collateral controls performed at 11:00 every business day for the day-ahead market and the intraday market, the total collateral amount calculated according to the Collateral Calculation Method within the scope of the first paragraph of this Article on the previous business day shall be taken into consideration.

(5)¹⁴ The Market Operator shall inform the central settlement institution, on a participant basis, with respect to the amount of letters of guarantee submitted to it until 10:30 each business day until 11:00 at the latest, and the amount of letters of guarantee submitted to it until 16:30 each business day until 17:00 at the latest.

(6)¹⁵ The central settlement institution shall inform the Market Operator on the collateral amount provided by the market participants on a participant basis at 11:00 and 17:00 each business day.

(7)¹⁶ Following the advance payments within the scope of the day-ahead market and the intraday market activities, in the event that the total collateral amount provided by a market participant falls below the required level, the central settlement institution shall make a margin call to the relevant market participant for the completion of the total collateral until 16:00 at the latest.

(8)¹⁷ A market participant to whom a margin call is made shall provide its total collateral to the central settlement institution and/or the Market Operator, depending on the type of collateral, in order to continue its relevant market activities.

(9)¹⁸ With regard to the day-ahead market, the Market Operator shall carry out two collateral controls at 11:00 and 17:00 respectively on the business day before a weekend and/or

¹⁰ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹¹ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹² Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹³ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹⁴ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹⁵ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹⁶ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹⁷ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

¹⁸ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

an official holiday. For the collateral control to be carried out at 17:00, the total collateral amount required to be submitted as calculated on the same day by the Market Operator in accordance with the Collateral Calculation Method within the scope of the first paragraph of this Article and published to the MMS and/or by the central settlement institution shall be taken into consideration.

a) In order for the offers made by the market participants to the day-ahead market for the first day of a weekend or an official holiday to be evaluated, the market participants shall complete their total collateral by submitting letters of guarantee until 10:30 and the collaterals other than letters of guarantee until 11:00 at the latest on the business day before the relevant weekend or official holiday.

b)¹⁹ In order for the offers made by the market participants to the day-ahead market for the second and following days of a weekend or an official holiday and the first business day after a weekend or an official holiday to be evaluated, the market participants shall complete their total collateral by submitting letters of guarantee until 16:30 and collaterals other than letters of guarantee until 17:00 at the latest before the collateral control to be carried out at 17:00 on the business day before the relevant weekend or the official holiday.

(10)²⁰ The following shall apply regarding the intraday market;

a) The collateral controls shall be carried out by the Market Operator twice on each business day, at 11:00 and 17:00.

b)²¹ In order to continue their intraday market activities as of 17:00, market participants shall complete their total collateral amount required to be submitted, as calculated on the same day by the Market Operator in accordance with the Collateral Calculation Method within the scope of the first paragraph of this Article and published to the MMS and/or by the central settlement institution, within the period specified for the collateral control carried out at 17:00 within the scope of the third paragraph of this Article.

c)²² In the event that market participants who are deemed unable to participate in the intraday market due to insufficiency of collateral provided by them as of 17:00 complete their total required collateral within the period specified for the collateral control carried out at 11:00 on the following business day within the scope of the third paragraph of this Article, they shall be permitted to continue their intraday market activities as of 11:00.

ç) In the event that a market participant's collaterals are not deemed to be sufficient in the collateral controls carried out at the specified hours, the relevant participant's unmatched offers shall be canceled and it shall not be permitted to make new offers.

d)²³ In order to continue their intraday market activities during a weekend or on an official holiday, market participants shall complete their total collateral by submitting letters of guarantee until 16:30 at the latest on the business day before the relevant weekend or official holiday, and the collaterals other than letters of guarantee until 17:00.

(11) The following shall apply regarding bilateral agreements:

a) In the event that the collateral levels of market participants do not meet the total collateral amount they are required to offer at a collateral control carried out at 11:00 on any

¹⁹ Amended pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

²⁰ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

²¹ Amended pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

²² Amended pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

²³ Amended pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

business day, the market participants shall not be allowed to make a bilateral agreement settlement notification in their capacity as seller, the bilateral agreement notifications made for forward-looking sales shall be canceled and the relevant parties shall be informed via the MMS.

b)²⁴ In the event that the collateral levels of market participants do not meet the total collateral amount they are required to offer in the collateral control carried out at 17.00 on the business day before a weekend and/or an official holiday, as calculated according to the Collateral Calculation Method within the scope of the first paragraph of this Article and published to the MMS and/or published by the central settlement institution, the market participant shall not be allowed to make a settlement bilateral agreement notification for forward-looking sales from the second day of the relevant weekend or official holiday, including the second day, the bilateral agreement notifications made for forward-looking sales shall be canceled and the relevant parties shall be informed via the MMS.

c) The market participants who meet their required total collateral amounts in the collateral control carried out at 17:00 on the business day before a weekend and/or an official holiday shall be permitted to make bilateral agreement settlement notifications for forward-looking sales following the second day of the weekend or official holiday, including the second day.

ç)²⁵ Market participants who have been prohibited from making bilateral agreement settlement notifications for forward-looking sales shall be allowed to make bilateral agreement settlement notifications for forward-looking sales if their collateral levels meet their required total collateral amounts in the collateral control carried out at 11:00 on the following business days.

Assets eligible to be accepted as collateral

ARTICLE 8 - (1) Assets which are eligible to be accepted as collateral are as follows:

a) Turkish Lira;

b) Foreign currency (US dollar or Euro);

c)²⁶ Final and irrevocable electronic letters of guarantee in Turkish Liras or foreign currency (US dollar or Euro), which have been issued by banks subject to banking regulations and operating in Turkey;

ç)²⁷ Final and irrevocable electronic letters of guarantee in Turkish Liras or foreign currency (US dollar or Euro) issued by banks subject to banking regulations upon the counter guarantee of foreign banks permitted to operate in Turkey subject to banking regulations and banks or similar credit institutions operating outside Turkey;

d)²⁸, ²⁹Bearer Government Debt Securities issued by the Ministry of Treasury and Finance of the Republic of Turkey;

²⁴ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

²⁵ Inserted pursuant to the Regulation published in the Official Gazette dated 28 April 2017 numbered 30051.

²⁶ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

²⁷ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

²⁸ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

²⁹ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

e)³⁰ Eurobonds issued by the Ministry of Treasury and Finance of the Republic of Turkey.

(2)^{31, 32} When calculating the TRY equivalent of collaterals, the CBRT foreign exchange buying rate announced at 15:30 one business day prior to the date of calculation by the CBRT shall be used for foreign currency cash guarantees and foreign electronic exchange letters of guarantee, indicative prices published in the Official Gazette on the day of calculation by the CBRT shall be used for the Government Debt Securities issued by the Ministry of Treasury and Finance of the Republic of Turkey and prices determined by the central settlement institution shall be used for Eurobonds issued by the Ministry of Treasury and Finance of the Republic of Turkey.

(3)³³

(4)^{34, 35} Market participants can also provide their required collateral amount with only one or multiple of the eligible assets specified in the first paragraph of this Article. Provided collateral may be replaced in whole or in parts by other assets accepted as collateral.

(5)^{36, 37} Excluding TRY in cash and electronic letters of guarantee in TRY, a valuation coefficient shall be applied to eligible assets. The valuation coefficient to be applied within the scope of these Procedures and Principles shall be determined by the Market Operator upon the recommendation of the central settlement institution with regard to the valuation coefficients applied in similar markets, and announced to the market participants via the MMS.

(6) All costs related to the collaterals shall be covered by the relevant market participant.

(7)³⁸ Market participants shall be obliged to provide the letters of guarantee to be submitted under the subparagraphs (c) and (ç) of the first paragraph in accordance with the format determined by the Market Operator.

(8)³⁹ In the event that the Market Operator determines that preliminary injunctions have been issued by competent judicial authorities in respect of the assets provided as collateral by the market participant, or that other circumstances have arisen which eliminate the definitive collateral nature of the relevant assets, such assets shall not be taken into account in the total collateral account of the relevant market participant.

General principles of initial margin control

ARTICLE 9^{40, 41} – (1) The initial margin required to be provided by the market participants shall be determined by the Market Operator within the framework of the Collateral Calculation Method.

³⁰ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

³¹ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

³² Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

³³ Repealed pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

³⁴ Amended pursuant to the Regulation published in the Official Gazette dated 17 November 2018 and numbered 30598.

³⁵ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

³⁶ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

³⁷ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

³⁸ Inserted pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

³⁹ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

⁴⁰ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁴¹ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

(2)⁴² In case of a change in the installed power of a market participant that is operational, the initial margin required to be provided by the relevant market participant shall be recalculated by the Market Operator according to the latest installed power amount. The Market Operator shall inform the relevant market participant about the required initial margin due to this variation via the MMS until 16:00 at the latest on the business day following the approval date of the variation due to the power increase via the MMS.

(3)⁴³

(4) The legal entity registration applications of market participant candidates who have not provided their initial margin shall not be approved through the MMS.

General principles of collateral control in the day-ahead market and the intraday market

ARTICLE 10 - (1)⁴⁴ In order for the Market Operator to be able to accept offers submitted by a day-ahead market and/or intraday market participant with respect to its market activities, the collateral amount submitted by the relevant market participant for that day must be greater than or equal to the total collateral amount required from that market participant.

General principles of total collateral control⁴⁵

ARTICLE 11 – (1)⁴⁶ Following the publication of settlement notifications, the collateral amount calculated in relation to the imbalance amounts resulting from monthly settlement notifications shall be notified by the Market Operator via the MMS. The notified collateral amount shall be used in the total collateral calculations to be made as of the third business day after the invoice notification date.

(2)⁴⁷ In the event it is determined as a result of relevant risk assessment activities that the total risk of a market participant arising from its activities anticipated to be reflected in the settlement account has changed for billing periods preceding the invoice due date, the participant shall be informed via the MMS in accordance with the Collateral Calculation Method. The notified collateral amount shall be used in the total collateral calculations to be made on the notification date, which shall be a business day.

(3)⁴⁸ The collateral amount informed in accordance with the provisions of the first and/or second paragraph shall be used in the total collateral calculation of the market participant for the relevant day.

(4)^{49, 50} In the event that the collateral levels of market participants do not meet their required total collateral amount in the collateral control carried out at 11:00 for three

⁴² Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁴³ Repealed pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁴⁴ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁴⁵ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁴⁶ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁴⁷ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁴⁸ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁴⁹ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁵⁰ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

consecutive business days, the following process shall be followed with respect to the participants:

a)^{51, 52} With the exception:

1) Eligible consumers,
2) Standalone electric storage facilities that are not owned by the legal entity of the market participant,

3) Eligible consumers and non-eligible consumers within the scope of last resort supply to whom the relevant incumbent supply company provides energy within the portfolio of the market participant, and

4) Licensed electricity generation plants in the aggregator's portfolio, with respect to all market settlement-based draw/supply units in the portfolio, relevant distribution company, the organized industrial zone (OSB) holding a distribution license, and TEİAŞ are notified to disconnect the relevant participant's system connection depending on the connection status to the system. For settlement-based draw/supply units related to electricity import/export and unlicensed electricity generation facilities, system disconnection shall not be applied.

b)^{53, 54, 55} The records of all eligible consumers registered in the MMS in the name of the market participant shall be deleted effective from the the second day following the third business day when the collateral level of the participant does not meet the total collateral amount required to be provided by 11:00 o'clock. TEİAŞ, the relevant distribution license holder OIZ or the relevant distribution company shall be informed by the Market Operator, who in turn shall inform the relevant assigned supply company and the market participant supplying energy to the relevant distribution license holder OIZ holding a distribution license on the same day, and the eligible consumers within two business days. The market participant shall not be permitted to register any eligible consumers to its portfolio for a period of three billing cycles following the fulfillment of all its financial obligations to the market operator.

c)^{56, 57, 58} .

c)^{59, 60} In the event that the market participant is the balancing responsible party of a balancing responsible group, the balancing responsible group shall be distributed in a manner that will be valid from the billing period in which the participant's total collateral amount is calculated for the first business day when the collateral level fails to meet the total collateral amount required to be provided by 11:00 o'clock. The additional collateral amount shall be calculated according to the new circumstances for the market participants in the distributed balancing responsible group and the balancing responsible party, and this amount shall be used in the first total collateral calculation to be made after the calculation. For the relevant balancing responsible party, the higher of the additional collateral amount calculated according to the new

⁵¹ Repealed pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁵² Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁵³ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁵⁴ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491

⁵⁵ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁵⁶ Amended pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁵⁷ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491.

⁵⁸ Repealed pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁵⁹ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁶⁰ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

circumstances and the additional collateral amount that the balancing responsible group should have had at 11:00 on the day of its distribution shall be used in the total collateral calculation. The comparison of the additional collateral amounts shall continue until the business day following the invoice due date of the settlement notification based on the first invoice to be published.

ç)⁶¹ Any eligible consumer requests submitted by the market participant for billing periods in which the eligible consumer lists have not yet been finalized shall be cancelled. For as long as the collateral level remains below the required collateral amount, the market participant shall not be permitted to submit any eligible consumer requests.

d)⁶²

e)^{63, 64}

d)^{65, 66} All market participants shall be informed via the MMS about the market participant to whom the relevant processes are applied within the scope of this paragraph.

e)^{67, 68} Net position increasing transactions in the power futures market shall not be permitted.

f)⁶⁹ In the event that the market participant is an aggregator, starting from the second day following the third business day on which the total collateral level required to be provided by 11:00 is not met, the following measures shall apply to the facilities in its portfolio:

1. Licensed electricity generation facilities and standalone electricity storage facilities shall be registered in the portfolio of the market participants holding the license for the relevant facilities.
2. Notification shall be made to the relevant meter-reading institution and the incumbent supply company operating in the relevant region for the transfer of unlicensed electricity generation facilities to the incumbent supply company.
3. The participation in the balancing power market of the eligible consumers in its portfolio that participate in the balancing power market shall be terminated.
4. In order to ensure that the demand-side participation service is not interrupted, the System Operator shall be informed regarding the aggregator that has eligible consumers in its portfolio within the scope of demand-side participation.
5. In the event that it is a market participant providing the demand-side participation service together with the supply service, the registration of the relevant aggregator shall be updated as an aggregator providing the demand-side participation service independently of energy supply. For a period of three billing cycles following the fulfillment of all its financial obligations to the market operator, such market participant shall not be allowed to register licensed and unlicensed electricity generation facilities and standalone electricity storage facilities into its portfolio.

⁶¹ Inserted pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁶² Repealed pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁶³ Inserted pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁶⁴ Repealed pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁶⁵ Inserted pursuant to the Regulation published in the Official Gazette dated 28 April 2017 and numbered 30051.

⁶⁶ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁶⁷ Inserted pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁶⁸ Amended pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁶⁹ Inserted pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

(g) With respect to the electricity generation facilities and standalone electricity storage facilities in the portfolio of any aggregator, the procedures within the scope of this paragraph shall be applied. The collateral account for the relevant market participant shall be recalculated within the scope of this Procedure and Principles. The relevant market participants shall be informed regarding these procedures.

(ğ) For as long as the collateral level remains below the total collateral amount that must be provided, the market participant shall not be allowed to include electricity generation facilities and standalone electricity storage facilities in the portfolio of an aggregator.

(5) In the event that any market participant is included in a balancing responsible group, the balancing responsible party, which has undertaken the balancing responsibility on behalf of the balancing responsible group shall undertake the collateral obligations regarding the imbalances of the relevant market participant.

(6)⁷⁰ In case of a change in the risk coefficient value included in the Collateral Calculation Method, the Market Operator shall publish the new risk coefficient via the MMS one month prior to the validity date of this coefficient at the latest.

(7)⁷¹ If the amounts calculated daily are not taken into account in the additional collateral item pertaining to the relevant billing period after 16:40 on the invoice payment due date, the relevant collateral item shall be recalculated for the market participants whose additional collateral amount will decrease. The relevant market participants and the central settlement institution (on a participant basis) shall be informed until 17:00 regarding the total collateral amounts required to be submitted by the market participants whose additional collateral is updated.

(8)⁷² If there are market participants who do have not made all or a part of their advance payments, the deficit in advance payment amounts shall be deducted from the additional collateral required to be submitted by the market participants who have not receive their advance receivables in full. When calculating the advance payment amounts to be deducted from the collateral amounts, unpaid and/or deferred advance debts, if any, shall be offset and taken into account in the calculations to be made until the invoice due date of the billing period to which they relate.

(9)⁷³ In the event that, its existing collateral falls below the total collateral amount that must be provided due to the partial or full payment of the market participant's invoice from its existing collateral, the provision of paragraph four shall apply to market participants who, in the collateral control conducted at 11:00 do not meet the total collateral amount that must be provided for three consecutive business days.

General principles of collateral control

⁷⁰ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁷¹ Inserted pursuant to the Regulation published in the Official Gazette dated 17 June 2022 and numbered 31869.

⁷² Inserted pursuant to the Regulation published in the Official Gazette dated 03 March 2023 and numbered 32121.

⁷³ Inserted pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

ARTICLE 12⁷⁴ – (1) The collateral amount a market participant is obliged to provide for the day-ahead market and the intraday market transactions, the initial margin amount and the collateral amounts calculated in relation to the amounts anticipated to be reflected to its invoice shall be borne by the relevant market participant, and the collateral amounts required to be provided by a market participant regarding the settlement of imbalances shall be borne by the relevant balancing responsible party.

(2)⁷⁵ In the event that it is determined that the total collateral offered by a market participant is not sufficient to meet the total risk of the participant regarding all the activities carried out within the scope of the market, the Market Operator may request the amount of collateral to be provided by the relevant participant to be increased in line with the principles set forth in the Collateral Calculation Method.

(3)⁷⁶ In the event that it is determined that the total collateral offered by a market participant exceeds the total risk of the participant regarding all the activities it carries out within the scope of the market, the Market Operator may allow the reduction of the collateral amount provided by the relevant participant in line with the principles set forth in the Collateral Calculation Method.

(4)⁷⁷ For market participants whose market activities are suspended due to the expiration or cancellation of all their licenses issued pursuant to the Electricity Market Law No. 6446 or upon their own request or their failure to fulfill their payment obligations, the total collateral amount that should be kept in custody by the Market Operator shall continue to be calculated until the end of the objection period specified under the fifth paragraph of Article 133 of the Electricity Market Balancing and Settlement Regulation.

(5)⁷⁸ The days when the central settlement institution does not provide clearing and collateral management services for the electricity market shall be deemed as holidays.

(5)⁷⁹ No additional collateral shall be calculated for the electricity generation company obligated to supply electricity and for the System Operator within the scope of the ninth, eleventh, and twelfth paragraphs of Article 26 of the Electricity Market Law No. 6446 dated 14 March 2013.

Return of the collaterals

ARTICLE 13⁸⁰ – (1) In the event that the total collateral amount submitted by a market participant is greater than the total collateral amount that the market participant is required to provide, the excess collateral amount shall be returned to the market participant by the central settlement institution and/or the Market Operator at the request of the market participant, provided that the collateral in question is eligible for partial refund.

⁷⁴ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁷⁵ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁷⁶ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁷⁷ Inserted pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

⁷⁸ Inserted pursuant to the Regulation published in the Official Gazette dated 28 April 2017 numbered 30051.

⁷⁹ Inserted pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁸⁰ Amended pursuant to the Regulation published in the Official Gazette dated 06 May 2021 and numbered 31476.

(2)⁸¹ The market participant may make cash collateral withdrawals between 15:05 and 15:40 on any business day, and non-cash collateral withdrawals between 15:05 and 16:40. If the collateral information required to be kept in custody by the Market Operator is notified to the central settlement institution after 15:05 due to any malfunctions, withdrawals of cash collaterals can be made until 15:40, and withdrawals of non-cash collaterals can be made until 16:40 following the notification.

(3)⁸² Upon request, the excess portion of the collateral amount exceeding all outstanding debts shall be returned to the market participant, whose status as a market participant has terminated for any reason, as of the end of the objection period specified in the fifth paragraph of Article 133 of the Balancing and Settlement Regulation.

Risk coefficient

PROVISIONAL ARTICLE 1 - (1) The initial value of the risk coefficient is 1.5.

Electronic letter of guarantee transition process⁸³

PROVISIONAL ARTICLE 2 – (1) Existing letters of guarantee must be converted into electronic letters of guarantee by 1 January 2025. Letters of guarantee that are not converted will not be taken into account in collateral calculations.

Enforcement

ARTICLE 14 - (1) These Procedures and Principles shall enter into force on 1/6/2016.

Execution

ARTICLE 15 - (1) The provisions of these Procedures and Principles shall be executed by the President of the Energy Market Regulatory Authority.

⁸¹ Amended pursuant to the Regulation published in the Official Gazette dated 17 June 2022 and numbered 31869.

⁸² Inserted pursuant to the Board Decision published in the Official Gazette dated 20 February 2025 and numbered 32819.

⁸³ Amended pursuant to the Board Decision published in the Official Gazette dated 14 April 2024 and numbered 32491