

## client alert

PROJECTS (FINANCE & INFRASTRUCTURE) | TURKEY

SEPTEMBER 2014

### TURKISH RENEWABLE ENERGY RESOURCES SUPPORT MECHANISM (YEKDEM): 2015 APPLICATION PROCESS

All energy generation companies established in Turkey willing to benefit from **YEKDEM**, the Renewable Energy Resources Support Mechanism (the "**Mechanism**") for 2015 must complete their application by 31 October 2014.

#### WHAT IS THE MECHANISM?

Law No. 5346 on the Utilization of Renewable Energy Resources for The Purpose of Generating Electrical Energy (the "**Law**") offers several advantages and a variety of incentives to those companies using renewable energy resources to generate electrical energy. These advantages include, among others, the allocation of land and the granting of additional financial incentives for the use of domestic resources.

Companies eligible to benefit from the Mechanism will enjoy a purchase guarantee for the electricity they generate, at a price ranging between USD 0.073 and 0.133 per kWh, depending on the type of renewable energy resource used.

#### WHO CAN BENEFIT FROM THE MECHANISM?

To be eligible for the Mechanism, companies must have set up operations on or after 18 May 2005, and must:

- hold a generation licence; and
- generate electricity using renewable energy resources.

All energy companies that fulfil the above requirements can apply to benefit from the Mechanism and gain the advantage of selling the licensed energy they have generated. Hybrid facilities may also benefit from the Mechanism, but only on the basis of the amount of energy generated using renewable energy resources.

The maximum period for benefitting from the Mechanism is 10 years as from the registration date or the date of reaching full operational capacity. Once a company has been approved under the Mechanism, the amount of energy generated will be fully committed for the relevant application year.

## WHAT IS THE APPLICATION PROCEDURE?

To register for 2015, companies must send their applications in writing to the Energy Market Regulatory Authority ("**EMRA**") by 31 October 2014.

Applications shall consist of a cover letter<sup>1</sup> and a form providing some corporate, licence and generation information, together with the necessary supporting documents, as indicated by the EMRA every year.

If you have not yet submitted your application or need further information on the benefits your company may enjoy, please do not hesitate to contact our Istanbul Office.

<sup>1</sup> As provided in Appendix 1 of the Regulation on Support and Licensing of Renewable Energy Resources

*In compliance with Turkish bar regulations, opinions relating to Turkish law matters which are included in this client alert have been issued by Özdirekcan Dündar Avukatlık Ortaklığı, a Turkish law firm acting as correspondent firm of Gide Loyrette Nouel in Turkey.*

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