

# Recent Resolutions of the Turkish Energy Market Regulatory Authority

4 December 2013

On 29 November 2013, the Turkish Energy Market Regulatory Authority (“**EMRA**”) issued new Board Resolutions, which shed light on the implementation of the new Electricity Market Licensing Regulation dated 2 November 2013.

The main features of the Board Resolutions are as follows:

- EMRA adopted a list of requested documents for preliminary license applications, license applications and other transactions such as share transfer approval applications to EMRA. For any of these applications, applicants are no longer required to submit their trade registry records, or articles of associations, or criminal records of their shareholders.
- Reference pre-construction periods (now preliminary license period) for coal-fired plants and reservoir-type hydroelectric plants have been increased from 30 months to 36 months. For the remaining types of power plants, the former standard reference period of 22 months has been changed varying between 24-36 months depending on the installed capacity of the plant.
- The existing license issuance fees shall apply as preliminary license issuance fees. For the facilities which use domestic natural resources and renewable energy resources, only 10% of the preliminary license issuance fee and preliminary license amendment fee shall be charged.
- Total unit investment amounts have been increased for coal, hydro and wind power plant projects and decreased for solar power plant projects. The revised amounts will have an impact on the costs of these projects as the performance bond amount and minimum capital requirement for a particular project are calculated based on the total unit investment amount.
- The method of calculation of the performance bonds remains unchanged. However, the upper limit of the first performance bond which must be submitted to EMRA during the licensing process (which is now required to be submitted during the preliminary license application) has been increased from TL 1 million to TL 5 million.

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