

# LAW ON UTILIZATION OF RENEWABLE ENERGY SOURCES FOR THE PURPOSE OF GENERATING ELECTRICAL ENERGY

**Law No.: 5346** : **5346**  
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## SECTION ONE

### Purpose, Scope, Definitions and Abbreviations

#### Purpose

**Article 1** — The purpose of this law is to expand the utilization of renewable energy sources for generating electric energy, to benefit from these resources in a secure, economic and qualified manner, to increase the diversification of energy resources, to reduce greenhouse gas emissions, to assess waste products, to protect the environment and to develop the related manufacturing industries for realizing these objectives.

#### Scope

**ARTICLE 2-** (1) This law encompasses the procedures and principles of the conservation of renewable energy resource areas, certification of the energy generated from these sources and utilization of these sources.

#### Definitions and Abbreviations

**ARTICLE 3-** (1) As used in this law;

1. "The Ministry" means the Ministry of Energy and Natural Resources,
2. "EMRA" means the Energy Market Regulatory Authority,
3. "DSI" means the General Directorate of State Water Affairs,
4. "EIE" means the General Directorate of Electrical Power Resources Survey and Development Administration
5. "TEİAŞ" means the Turkish Electricity Transmission Company Inc.,
6. "MTA" means the General Directorate of Mineral Exploration and Research,
7. "TETAŞ" means the Turkish Electricity Trading and Contracting Company Inc.,
8. Renewable Energy Resources (RES): <sup>1</sup> (**Amended: 29/12/2010-6094/Art. 1**) Non-fossil energy resources such as hydraulic, wind, solar, geothermal, biomass, biogas (including landfill gas), wave, current and tidal energy,
9. Biomass<sup>2</sup> (**Amended: 29/12/2010-6094/Art. 1**): Resources obtained from agricultural and forestry products including vegetable oil wastes, agricultural harvesting wastes as well as from organic wastes, and from the byproducts formed after their processing.
10. Geothermal resource: The natural water, steam and gases comprising melted substances and gases with temperature permanently higher than the regional atmospheric

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<sup>1</sup> The definition of "Non-fossil energy resources such as hydraulic, wind, solar, geothermal, biomass, biogas, wave, current and tidal energy" is amended as inserted into the text.

<sup>2</sup> The definition of "The fuels in solid, liquid or gaseous phase obtained from organic wastes and from the agricultural and forestry products including the waste products of agricultural harvesting and oil extraction from plants as well as from the byproducts formed after their processing" is amended as inserted into the text.

average due to the natural heat in the earth crust and water as well as vapor and gases obtained from hot dry rocks

11. Renewable Energy Resources within the scope of this Law <sup>1</sup>(**Amended: 29/12/2010-6094/Art. 1**): Renewable Energy Resources within the scope of this Law: The electrical energy generation resources suitable for wind, solar, geothermal, biomass, biogas (including landfill gas), wave, current and tidal energy resources together with hydraulic generation plants either canal or run of river type or with a reservoir area of less than fifteen square kilometers.

12. Turkish average wholesale electricity price: The average of the wholesale prices of electricity calculated by EMRA and applied in the country annually,

13. (**Added with law: 29/12/2010-6094/Art. 1**) Landfill gas: Gas produced to generate energy from wastes including landfill,

14. (**Added with law: 29/12/2010-6094/Art. 1**) RES Support Mechanism: The support mechanism including the principles and procedures concerning the prices and durations that can be utilized by those operating doing production activities based on the Renewable Energy Resources within the scope of this Law and payments to be made to them,

15. (**Added with law: 29/12/2010-6094/Art. 1**) MFRC: Market Financial Reconciliation Center,

16. (**Added with law: 29/12/2010-6094/Art. 1**) RES total amount: the total amount calculated by multiplying the amount of electrical energy given to the transmission or distribution system by each of those who are subject to the RES Support Mechanism with the prices in the RES schedule in Turkish Liras through the Turkish Central Bank's foreign exchange rate on the date the energy is given to the system,

17. (**Added with law: 29/12/2010-6094/Art. 1**) Payment obligation rate: The rate to be used in calculating the amount that the suppliers selling electrical energy to the consumers will be obliged to pay, calculated by dividing the amount of electrical energy sold by each supplier to its consumers into the total electrical energy amount sold by all such suppliers to the consumers.

(2) (**Added with law: 29/12/2010-6094/Art. 1**) Other terms and concepts in this Law which are left undefined shall have the meanings given to them in the Law on the Electrical Market of 20/2/2001 no 4628.

## SECTION TWO

### Identification, Conservation and Utilization of Renewable Energy Resource Areas and Certification of the Electrical Energy Generated from Renewable Energy Resources

#### Identification, conservation and utilization of the resource areas

**ARTICLE 4-** (1) Following the effectiveness of this Law, no development plan affecting the utilization and efficiency of renewable energy resource areas shall be prepared in the public or Treasury territory. <sup>2</sup>**As amended: 29/12/2010-6094/Art. 2**) The procedures and principles for identification, classification, conservation and utilization of renewable resource areas for electrical energy generation shall be specified in regulation after obtaining the opinions of relevant governmental agencies and institutions. Renewable resource areas determined are to be reported to relevant governmental agencies by the Ministry for ex officio marking on the zoning plans.

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<sup>1</sup> The definition of "The electrical energy generation resources suitable for wind, solar, geothermal, biomass, biogas, wave, current and tidal energy resources together with hydraulic generation plants either canal or run of river type or with a reservoir area of less than fifteen square kilometers" is amended as inserted into the text.

<sup>2</sup> The clause of "The procedures and principles for identification and utilization of geothermal resource areas intended for generating electricity shall be stipulated by a regulation" is amended as inserted into the text.

## **Renewable Energy Resource Certificate**

**ARTICLE 5-** (1) The legal entity holding generation license shall be granted by EMRA with a "Renewable Energy Resource Certificate" (RES Certificate) for the purpose of identification and monitoring of the resource type in purchasing and sale of the electrical energy generated from renewable energy resources in the domestic and international markets

(2) The procedures and principles of the RES Certificate shall be stipulated by a regulation.

### **SECTION THREE**

#### **The Implementation of Procedures and Principles in the Electrical Energy Generation from Renewable Energy Resources**

##### **RES Support Mechanism <sup>1</sup> (Amended: 29/12/2010-6094/Art. 3)**

**MADDE 6- <sup>2</sup> ((Amended: 18/4/2007-5627/Art. 17)** (1) Prices in the Schedule I attached hereto shall be applicable for a period of ten years for production licenses subject to

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<sup>1</sup> The former wording below is amended as inserted into the text:

“Principles of Implementation

**Article 6** - Legal entities holding licenses shall be subject to the following principles of implementation with respect to the generation of electrical energy from renewable energy resources within the scope of this Law and trading of the same:

- a) Legal entities holding a retail sale license, shall buy electrical energy from power plants generating electrical energy from renewable energy resources within the scope of this Law, which are holding a YEK certificate and which have not completed 10 years of operation, in accordance with the principles set forth in this Article.
- b) The information relating to the amount of RES-certified electrical energy available for the implementations within the scope of this Law shall be published by the Energy Market Regulatory Authority (“EMRA”) annually. Each of the legal entities holding a retail sale license shall purchase the amount of RES-certified electrical energy in accordance with the proportion of the energy amount they sold within the previous calendar year to the total electrical energy amount they sold in the country
- c) The price to be applicable to the electrical energy to be purchased within the scope of this Law, for each year shall be the electricity average wholesale price in Turkey for the previous year as determined by EMRA. However, such applicable price may not be less than the Turkish Lira equivalent of 5 Euro Cent per kWh and may not exceed the Turkish Lira equivalent of 5,5 Euro Cent per kWh. However, legal entities that hold licenses based on renewable energy resources and which have the opportunity to sell above the limit of 5,5 Euro Cent kWh in the market shall benefit from this opportunity.

The implementations within the scope of this Article shall cover the plants that are put into operation before 31st of December 2011. However, the Council of Ministers may extend the expiration date to 2 years at the most, provided that such extension is published in the Official Gazette until 31 December 2009.

<sup>2</sup> The following clause is amended as inserted into the text: “The legal entities holding licenses to generate and transact electricity from the renewable energy resources in the scope of this Law are subject to the principles of implementation specified hereunder:

- a) The electrical energy generated from the renewable energy resources in the scope of this Law shall be purchased by the legal entities holding retail sale license on the basis of bilateral agreements to be concluded in pursuance with the provisions of paragraphs (b), (c) and (d) of this article.
- b) Within the framework of prepared projection by the Ministry, the relevant information on amount of RES certified electrical energy, which shall utilize the implementations in the scope of this Law, shall be issued by EMRA annually. Each legal entity holding retail sale license shall be entitled to purchase RES certified electrical energy in an amount declared by EMRA considering the proportion of the energy amount he has sold within the previous calendar year to the total electrical energy amount which all legal entities holding retail sale license offered for sale in Turkey.

the RES Support Mechanism that are or will be commissioned as from 18/5/2005 when this Law was enacted until 31/12/2015. However, in line with other developments with the foremost being the supply security, the amount, price and times and resources applicable to this Law, shall be determined by the Council of Ministers, provided that they don't exceed the prices given in the Schedule for RES certified production facilities that will be commissioned after 31/12/2015.

(2) Those wishing to be subjected to the RES Support Mechanism in the next calendar year are obliged to obtain RES Certificates and apply to the EMRA (Energy Market Regulatory Authority) until the 31<sup>st</sup> October

(3) Time periods projected in the RES Support Mechanism shall commence as from the date of commissioning for those facilities under operation, and as from the date they will be commissioned for those facilities that are not yet under operating. Those subject to the RES Support Mechanism cannot leave the practice in the year they are included in the practice.

(4) A list of those subject to the RES Support Mechanism and information on the commissioning dates, annual electrical energy production capacities and annual production programs of their facilities shall be published by the EMRA (Energy Market Regulatory Authority) until the 30<sup>th</sup> of every November, based on the types of resources.

(5) The standards that the equipment in electricity production facilities based on solar power are required to satisfy and the testing methods to be applied during inspections, as well as the principles and procedures concerning the inspection of production amounts based on solar power within the electrical energy produced in such facilities, and in hybrid production facilities shall be determined by a regulation to be issued by the Ministry after referring to the EMRA (Energy Market Regulatory Authority) for their opinion.

(6) The MFRC (Market Financial Reconciliation Center) shall announce the RES total amount for each invoice period and determine the payment obligation rate of each supplier. During the determination of the payment obligation rate, the amount of electrical energy produced from the Renewable Energy Resources within the scope of this Law and sold in the market without being subject to the RES Support Mechanism are not included in calculations within the scope herein. The amount that each supplier supplying the consumers with electrical energy is obliged to pay is calculated and invoiced to the supplier in question and the collections made are paid pro rata to the entities that are subject to the RES Support Mechanism. Principles and procedures concerning applications covered herein including the MFRC (Market Financial Reconciliation Center) shall be regulated with a regulation to be issued by the EMRA (Energy Market Regulatory Authority).

(7) The annual production amount to be affixed on the licenses of facilities producing electrical energy from Renewable Energy Resources is the maximum annual amount that such facilities can produce with their existing installed capacity with their

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In case the total electrical energy amount with RES certificate is sufficient, the legal entities holding retail sale license shall be entitled to purchase RES certified electrical energy not lower than eight per cent of the electrical energy they have sold in the previous calendar year.

c) Until the end of 2011, the applicable price for the electrical energy to be purchased in pursuance with this Law within each calendar year shall be the Turkish average wholesale electricity price in the previous year determined by EMRA. The Council of Ministers is entitled to raise this price up to 20 % at the beginning of each year.

As of the end of 2011, this pricing methodology shall not be applicable for the RES certified electrical energy generation plants which are under operation for more than seven years. The retail sale companies shall purchase the RES certified electrical energy, which they are obliged to purchase on the basis of the provisions of this Law, primarily from those plants which have not yet completed a business period of seven years, in accordance with the pricing methodology laid down in part (c) of this article, and in case the purchased amount of electrical energy is less than the ratio specified in part (b) of this article, they shall buy the remaining amount, until reaching the ratio referred hereof, through bilateral agreements at the price formed in the market without exceeding the Turkish average wholesale electricity price.

resources. And the licenses available on the date this article becomes valid shall be corrected in line with this within three months upon application of concerned parties.

(8) Entities generating electrical energy from Renewable Energy Resources within the scope hereof and not intending to be subjected to the provisions of this article are allowed to make sales in the market within the scope of their licenses.

**Exempted production (Added with law: 29/12/2010-6094/Art. 4)**

**ARTICLE 6/A** – (1) Procedures and principles on application, permission, inspection and technical and financial issues regarding production facilities to be established for production based on Renewable Energy Resources as per paragraph three of article 3 of Law no 4628 shall be regulated in a regulation to be issued by the EMRA (Energy Market Regulatory Authority) after obtaining opinions from the Ministry, Ministry of Interiors and the SHW (State Hydraulic Works). Provided that opinions shall be sought regarding the grant of water utilization rights for hydroelectric production facilities, to the effect that no obstacles exist before the construction of the production facility with the relevant rural organization of the SHW regarding the water regime and that connection may be made to the distribution system from the distribution company where the connection will be made, provincial administrations where the facility will be established shall be entitled.

(2) In the event that real persons and entities generating electrical energy from Renewable Energy Resources within the scope of this article shall export their surplus productions to the distribution system, they can benefit from the prices in Schedule I for a term of ten years. To this end, the electrical energy given to the distribution system must be purchased by the relevant distribution company holding the retail sales license. Electrical energy purchased by relevant companies as per this article shall be deemed to be produced and given to the system by the said distribution companies within the scope of the RES Support Mechanism.

**Use of domestic products (Added with law: 29/12/2010-6094/Art. 4)**

**ARTICLE 6/B** – (1) In the event that the mechanical and/or electro-mechanical equipment used in the production facilities of license holder entities based on the Renewable Energy Resources within the scope hereof and commissioned before 31/12/2015 are manufactured domestically; prices in Schedule I will be added to the prices given in Schedule II, attached hereto, for a term of five years as from the commissioning of the production facility for electrical energy produced and given in such facilities and given to the distribution system.

(2) Principles and procedures relating to the definition, standards, certification and inspection of the scope of domestic production in Schedule II will be regulated by Ministerial regulation to be issued.

(3) Principles and procedures relating to domestic contribution for RES certified production facilities that will be commissioned after 31/12/2015 will be determined and announced by the Council of Ministers upon the Ministry's proposition.

**Other applications (Added with law: 29/12/2010-6094/Art. 4)**

**ARTICLE 6/C** – (1) Entities licensed to produce electrical energy from Renewable Energy Resources within the scope hereof may install additional capacities provided that they do not go beyond the areas specified in their licenses and they do not exceed the installed capacity specified in the licenses of the capacity given to the system during operation.

(2) Within six months as of the validity of this Law, and until 31/12/2015, each year the transformer centers, where the solar power-based production facilities are, may be connected and their connection capacities will be determined and published by the Ministry, after obtaining technical opinions from the EIEI (Electrical Works Survey Administration)

and the TEİAŞ (Turkish Electricity Transmission Company Inc.). Connection capacities and transformer centers for years after 31/12/2015 shall be determined and published each year by the Ministry, with the first being on 1/4/2014.

(3) At the stage of making up an opinion for connectivity during evaluation of license applications by the EMRA (Energy Market Regulatory Authority), production facilities based on Renewable Energy Resources within this scope will be given priority.

(4) A measurement compliant with the relevant standards is a must in license applications based on solar power. In license applications made for the establishment of electricity production facilities based on solar power, no additional applications can be made for the same area in the event that the owner of the facility area applies for licensing. In the event of several applications for the same region and/or transformer center, in order to determine the one to be connected to the system with a capacity equal to that of the announced capacity from among the applications, the TEİAŞ (Turkish Electricity Transmission Company Inc.) shall organize a competition by underbidding of prices projected in Schedule I for application throughout the time periods set in this Law. Principles and procedures regarding the competition shall be organized in the regulation to be issued by the TEİAŞ (Turkish Electricity Transmission Company Inc.) after obtaining the opinions of the Ministry, EMRA (Energy Market Regulatory Authority) and EİEI (Electrical Works Survey Administration).

(5) The total installed capacities of production facilities based on RES Certified solar power to be connected until 31/12/2013 may not be over 600 MW. The Council of Ministers will be entitled to determine the total installed capacities of production facilities based on RES Certified solar power to be connected after 31/12/2013.

(6) Controls and inspections of the licenses of production facilities within the scope hereof and other facilities producing and distributing electricity shall be performed by the EMRA (Energy Market Regulatory Authority) or, when necessary, can be caused to be performed by the EMRA (Energy Market Regulatory Authority) by way of purchasing the services of supervision companies, services the EMRA (Energy Market Regulatory Authority) shall authorize, with the costs payable by relevant parties. Principles and procedures regarding practices concerning inspection companies shall be regulated by a regulation to be issued by the EMRA (Energy Market Regulatory Authority) subject to Ministerial opinion.

## **SECTION FOUR**

### **Principles of Implementation Regarding Investment Period**

#### **Investment Period Implementations**

**ARTICLE 7-** (Real and legal entities establishing an isolated or grid connected power plant with a maximum installed capacity of 1.000 kW for meeting solely their own needs, shall not pay service fees for these projects whose final project planning, master-plan, pre-reviews or first studies have been prepared by DSI or EİE.

(2) Investments, within the framework of the provisions of this Law, in relation to;

- a) Establishing energy generation facilities;
- b) Provision of domestically manufactured electromechanical systems;
- c) Research and development and manufacturing of electricity generation systems by utilizing solar cells and focusing units;
- d) Research and development facilities for the generation of electric energy or fuel by utilizing biomass sources;

shall be eligible for incentives, based on a resolution determined by the Council of Ministers.

(3) As principal, housing units within the borders of administrative districts and municipalities located in regions where geothermal resources are sufficient to meet heating needs shall primarily be heated through geo- and solar-thermal sources.

### **Implementations related to Acquisition of Land**

**ARTICLE 8-** <sup>1</sup>(Amended: 18/4/2007-5627/Art. 18) <sup>2</sup>(Amended: 9/7/2008-5784/Art. 23.) (1) Among the real estate with the nature of forest or under the private ownership of the Treasury or under the disposal of the state in its entirety, those which shall be utilized for the purposes of the facility, roads for transportation and energy transmission lines up to the grid connection point, a permission shall be granted, lease, easement right could be established or a utilization permit could be granted by the Ministry of Environment and Forestry or the Ministry of Finance in exchange of a remuneration.

(2) In the event that the real estate, which shall be utilized for the purposes set forth in the first paragraph of this Article, is pasture, summer pasture (*yaylak*), winter quarters (*kışlak*) and public owned grazing (*otlak*) and grassland (*Çayır*) within the scope of the Pasture Law No. 4342 dated 25/2/1998, such real estate shall, pursuant to the provisions of Pasture Law No. 4342, be registered in the name of the Treasury upon changing the allocation purpose of the same. Leasing shall be conducted or easement shall be established by the Ministry of Finance in exchange of remuneration in relation to such real estate.

(3) <sup>3</sup>(Amended first sentence: 29/12/2010-6094/Art. 5) Permission, lease, easement and usufruct permission fees shall be eighty-five percent discounted during the initial ten years of investment and operation of power transmission lines including those under operation as of the date of publication hereof, for production facilities based on Renewable Energy Resources within the scope hereof that will be commissioned until 31/12/2015, transportation roads and including those to be transferred to the TEİAŞ and distribution companies until the point of connection to the system specified in their licenses. Further the collection of Forest Villagers Development Revenue and Erosion Control Revenue shall not be made.

(4) In relation to the real estate which are under the private ownership of the Treasury and the disposal of the state in its entirety, and situated in the reservoir area of the hydro electricity generation facilities within scope of this Law, a utilization permit shall be granted by the Ministry of Finance without any remuneration.

(5) (Added with law: 29/12/2010-6094/Art. 5) Permission may be granted for the establishment of electrical energy production facilities based on Renewable Energy Resources

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<sup>1</sup> Former clause wording: “In case of utilization of all sorts of property which is under the possession of Forestry or Treasury or under the sovereignty of the State for the purpose of generating electrical energy from the renewable energy resources in the scope of this Law, these territories are permitted on the basis of its sale price, rented, given right of access or usage permission by Ministry of Environment and Forestry or Ministry of Finance. Fifty percent deduction shall be implemented for permission, rent, right of access and usage permission in the investment period. OR-KÖY and forestation special allowance revenue shall not be charged in forested land”.

<sup>2</sup> Former clause wording: “In case of utilization of all sorts of property which is under the possession of Forestry or Treasury or under the sovereignty of the State for the purpose of generating electrical energy from the renewable energy resources in the scope of this Law, these territories which shall be utilized for the purposes of the facility, roads for transportation and energy transmission lines up to the grid connection point, are permitted on the basis of its sale price, rented, given right of access or usage permission by Ministry of Environment and Forestry or Ministry of Finance. An eighty five percent discount over such remuneration applicable to the roads for transportation and energy transmission lines up to the grid connection point regarding fees, lease, easement right and utilization permission shall apply in the first ten years of the investment and operation period with respect to the facilities which shall be commissioned by 31 December 2011. OR-KÖY and forestation special allowance revenue shall not be charged in forested land”.

<sup>3</sup> Former clause wording: “An eighty five percent discount over such remuneration applicable to the roads for transportation and energy transmission lines up to the grid connection point regarding fees, lease, easement right and utilization permission shall apply in the first ten years of the investment and operation period with respect to the facilities which shall be commissioned by 31 December 2012. ”

in national parks, nature parks, nature monumental and nature preservation sites, preservation forests, wildlife promotion sites, and special environmental preservation site provided that an affirmative opinion of the Ministry, or of the regional conservatory board in the case of natural conservation areas, is obtained.

(6) **(Added with law: 29/12/2010-6094/Art. 5)** Provisions of Supplementary Article 2 of the Law on the Amendment of the Law on the Utilization of Real Properties Held by the Treasury and Value Added Tax of 29/6/2001 no 4706 shall not be applicable for electrical energy production facilities based on Renewable Energy Resources within the scope hereof.

## **SECTION FIVE Various Provisions**

### **Coordination of the Implementation**

**ARTICLE 9-** (1) The Ministry shall provide coordination in implementation, steering, monitoring and assessment of the fundamental principles and obligations specified in this law, and in planning the measures to be taken.

### **Sanctions**

**ARTICLE 10-** <sup>1</sup>**(Amended: 29/12/2010-6094/Art. 6)** (1) Provisions of article 11 of Law no 4628 shall apply for those operating in violation of articles 6 and 61A hereof.

### **Regulations**

**ARTICLE 11-** (1) EMRA shall prepare and put into force the regulation related with article 5 of this law and the Ministry shall prepare and put into force the other regulations, within four months from the date when this law comes into effect.

**ARTICLE 12-** **(This Article is regarding the Law on DSI's Organization and Duties, dated 18/12/1953, numbered 6200 and appended to it)**

**ARTICLE 13-** **(This Article is regarding the Law dated 18/12/1953, numbered 4.12.1984 and appended to it)**

**PROVISIONAL ARTICLE 1-** (1) The legal entity that take place among the existing contracts, as defined by Electricity Market Law numbered 4628 and in the scope of the build - operate - transfer model, which is not in operation and which will generate electricity from renewable energy resources under this Law shall utilize the applications in this Law, provided that they should waive their rights arisen from existing contracts. EPDK shall grant generation licenses to such projects.

**PROVISIONAL ARTICLE 2-** (1) Public distribution companies holding a retail sale license shall be exempt from the purchase obligations under article 6 of this Law, up to 01.01.2007, except for the Ministry's and EMRA's existing regulations and applications.

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<sup>1</sup> Former wording: "The legal entities, which breach the provisions of Article 6 of this Law, shall be charged with a fine of TL 250 billion by EMRA and they shall be warned to remedy the breach within sixty days. In the case that such actions requiring a fine are not remedied in spite of warning or that they are repeated, such fines shall be doubled for each case. In the case that the same act requiring a fine is not committed within two years from the date of such a fine, then the previous fine shall not be taken basic for repetition. However, in the case that the same act is committed within two years, the amount of the fine to be increased shall not exceed ten percent of the gross profit of the relevant legal entity in its balance sheet for the previous accounting year. EMRA may cancel the license, if a fine reaches such a level".



However, they shall contract electricity sales agreements with legal entities holding a RES-certified generation license, for purchase obligations, to be effective from 01.01.2007.

**PROVISIONAL ARTICLE 3-** (1) The projection stated in article 6 of this law shall be published by the Ministry within three months after effectiveness of this Law. However, such projection shall cover those projects, whose generation licenses have been granted by EMRA before effectiveness of this Law and those projects, among those existing contracted ones as defined in provisional article 1, whose licenses would be awarded under this law.

**PROVISIONAL ARTICLE 4-** (1) DSI energy contribution shares, shown in US\$ in the contracts of build - operate - transfer model hydroelectric power stations, in operation under their existing contracts and their DSI contribution shares are paid by TETA§ through tariff, shall be paid to DSI, in an amount as shown in the contract, at the foreign exchange rate of the Central Bank on the date of payment, at the end of every operation year.

(2) <sup>1</sup>**(Amended first sentence: 13/2/2011-6111/12 Art. 8)** The installation charges to be taken as basis in the calculation of the energy contribution share to be paid to DSI within the scope of the clauses of water usage agreements for hydraulic plants installed or to be installed under the law numbered 4628, the first estimated value of the plant by the single or multi-purpose plants that forms basis to the tender;

a) the first estimated value of the plant section constructed by DSI, if it does content the power plant;

b) the first estimated value of the common plant, if it does'nt content the power plant, shall not exceed the 30 % of the price updated to the date of the agreement on water use by using Wholesale / Producer Price Index and in case of plants in scope of clause (b), the amaunt payed out by DSI - if any - will be calculated by using Wholesale / Producer Price Index and added to the energy contribution share separately..

**PROVISIONAL ARTICLE 5 – (Added with law: 29/12/2010-6094/Art. 7)** (1) Regulations projected to be issued as per articles 6, 61A, 61B and 61C hereof shall be published within three months as of the enactment of this article. Those intending to be included into the RES Support Mechanism in 2011 must apply to the EMRA (Energy Market Regulatory Authority) in order to obtain a RES Certificate within one month following the publication of regulations projected for issuance in articles 6, 61A, 61B and 61C. A list of those included into the RES Support Mechanism in 2011 shall be published by the EMRA (Energy Market Regulatory Authority) within one month as of the reception of applications.

#### **Effectiveness**

**ARTICLE 14-** (1) This Law shall become valid on the date of its publication.

#### **Enforcement**

**ARTICLE 15-** (1) The provisions of this Law shall be executed by the Council of Ministers.

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<sup>1</sup> Former wording: “The installation charges of the common plant to be taken as basis in the calculation of the energy contribution share to be defined for hydraulic plants installed or to be installed under the law numbered 4628 and to be paid to DSI shall not exceed the 30 % of the first estimated value that forms basis to the tender which is the amount at the date of the agreement on water use updated by using Wholesale Price Index as a deflator.

| <b>Schedule I</b><br><b>(Provision of the law dated 29/12/2010 and numbered 6094)</b> |   |
|---|---|
| Type of Production Facility Based on<br>Renewable Energy Resources                    | Prices Applicable<br>(US Dollar cent/kWh) |
| a. Hydroelectric production facility  | 7,3                                       |
| b. Wind power based production facility   | 7,3                                       |
| c. Geothermal power based production facility   | 10,5                                      |
| d. Biomass based production facility<br>(including landfill gas)                      | 13,3                                      |
| e. Solar power based production facility  | 13,3                                      |

| <b>Schedule II</b><br><b>(Provision of the law dated 29/12/2010 and numbered 6094)</b> |  |   |
|--|--|---|
| Type of Facility   | Domestic Production  | Domestic Contribution<br>(US Dollar cent/kWh) |
| A-Hydroelectric production facility  | 1- Turbine   | 1,3   |
|  | 2- Generator and power electronics   | 1,0   |
| B- Wind power based production facility  | 1- Wing  | 0,8   |
|  | 2- Generator and power electronics   | 1,0   |
|  | 3- Turbine tower   | 0,6   |
|  | 4- All of the mechanical equipment in rotor and nacelle groups (excluding payments made for the wing group and the generator and power electronics.) | 1,3   |
| C- Photovoltaic solar power based production facility                                  | 1- PV panel integration and solar structural mechanics production  | 0,8   |
|  | 2- PV modules  | 1,3   |
|  | 3- Cells forming the PV module   | 3,5   |
|  | 4- Invertor  | 0,6   |
|  | 5- Material focusing the solar rays onto the PV module   | 0,5   |
| D- Intensified solar power based production facility                                   | 1- Radiation collection tube   | 2,4   |
|  | 2- Reflective surface plate  | 0,6   |
|  | 3- Sun chasing system  | 0,6   |
|  | 4- Mechanical accessories of the heat energy storage system  | 1,3   |
|  | 5- Mechanical accessories of steam production system that collects the sun rays on the tower   | 2,4   |
|  | 6- Stirling engine   | 1,3   |
|  | 7- Panel integration and solar panel structural mechanics  | 0,6   |
| E- Biomass power based production facility   | 1- Fluid bed steam tank  | 0,8   |
|  | 2- Liquid or gas fuel steam tank   | 0,4   |
|  | 3- Gasification and gas cleaning group   | 0,6   |
|  | 4- Steam or gas turbine  | 2,0   |
|  | 5- Internal combustion engine or Stirling engine   | 0,9   |
|  | 6- Generator and power electronics   | 0,5   |
|  | 7- Cogeneration system   | 0,4   |
| F- Geothermal power based production facility  | 1- Steam or gas turbine  | 1,3   |
|  | 2- Generator and power electronics   | 0,7   |
|  | 3- Steam injector or vacuum compressor   | 0,7   |