

New renewable energy feed-in tariffs

February 2021



Dear Clients, Colleagues and Friends,

Presidential Decree no. 3453 dated 29 January 2021, which sets forth the details of the new support mechanism for renewable energy power plants (*YEKDEM*), has been published in Official Gazette no. 31380 on 30 January 2021 (“**Presidential Decree**”). New *YEKDEM* will be based on TRY, indexed to both inflation and FX rates and subject to a hard cap in USD. New mechanism will continue supporting local content with a premium in TRY.

As per the Presidential Decree;

- New feed-in tariffs and local content premium will be in TRY with adjustments each year in January, April, July and October based on the formula in Annex 2 of the Presidential Decree. The adjustment will be based on a basket comprising of changes in USD/TRY (24%); EUR/TRY (24%); consumer price index (26%) and producers price index (26%);
- New mechanism caps the feed-in tariffs in USD for each renewable energy source after the adjustment;
- As in the previous mechanism, new feed-in tariffs vary for each type of energy source, as shown in the chart below:

Type of Power Plant	Feed-in Tariff (TRY kurus/kWh)	Cap for adjustment of Feed-in Tariff (USD cent/kWh)	Local Content Premium (TRY kurus/kWh)
Hydroelectric	40.00	6.40	8.00
Wind	32.00	5.10	8.00
Geothermal	54.00	8.60	8.00
Biomass	Landfill Gas/Waste Tyres	32.00	5.10
	Biomethanisation	54.00	8.60
	Thermal Disposal	50.00	8.00
Solar	32.00	5.10	8.00

- New mechanism will be applicable to the renewable energy power plants that will be commissioned between 1 July 2021 and 31 December 2025 for 10 years;
- Local content premium which currently is TRY 0.08/kWh will be applied for 5 years in addition to the feed-in tariff for each type of energy source; and
- Principles and procedures relating to the implementation of local content premium will be determined in a regulation to be issued by the Ministry of Energy and Natural Resources, and a draft version of main principles has already been published on its website.

Please do not hesitate to contact us for any further information on this briefing.



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