

# Certain Amendments are made under YEKA SPP 4 Tender Announcement

*March 2022*



On 14 July 2021, the Republic of Turkey Ministry of Energy and Natural Resources (“**Ministry**”) announced a tender for the allocation of 15 Renewable Energy Resource Zones based on solar power (“**YEKA SPP 4**” or each zone a “**YEKA**”) (“**YEKA SPP 4 Tender Announcement**”). The terms and conditions relating to the Tender Announcement are published in the Official Gazette dated 14 July 2021, numbered 31541.

Subsequently, an amendment regarding the specifications and draft agreement in relation to the Tender Announcement was published by the Ministry on 12 March 2022. The amendments are published in the Official Gazette dated 15 March 2022 and numbered 31779.

As per the amendments in relation to the Tender Announcement;

- (i) the letter of guarantee amounts to be provided to the administration in relation to the Bor-1, Bor-2 and Bor-3 YEKAs are as follows; (a) TL 500,000 per MWh for participating in the tender, and (b) in case of winning the tender, TL 1,400,000 per MWh (initial letter of guarantee will be returned);
- (ii) initial ceiling price for each tender is increased from TL 0.4 per kWh to TL 0.95 per kWh;
- (iii) weight of foreign currency included in the escalation formula that shall apply to the electricity purchase prices which will be determined by the tender is increased from 48% to 60%;
- (iv) capped price of USD 0.054 per kWh that was originally applicable to the purchase price is revoked;

- (v) as to investment term, the pre-licence period is decreased from 24 months to 22 months, and the construction term is decreased from 36 months to 18 months; and
- (vi) for the electricity purchase term; in addition to the expiry date occurring upon providing 23 GWh of electricity following the commissioning date of the solar power plant, in case of exercising the right to sell to the market, the expiry date would occur upon providing 23 GWh electricity following the end of 42<sup>nd</sup> month following the contract date.

With these amendments, material changes have been introduced in favour of the investors regarding the pricing of the electricity to be generated in order to attract more investors to tender. Further, increase in the weight of foreign currency in the escalation formula aims to prevent investors from the adverse effects of the foreign currency fluctuations.

Tender date for Bor-1, Bor-2 and Bor-3 YEKA projects within the YEKA SPP 4 is determined as 30 March 2022, and the tender date for other projects within the YEKA SPP 4 will be announced at a later date. Interest and participation of investors to the first tender on 30 March 2022 would have a significant impact on the dates and conditions of future tenders.



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