



# NEW LEGAL ARRANGEMENTS IN ELECTRICITY STORAGE

Legal arrangements were made that are expected to serve the purpose of increasing the storage possibilities in the electricity market. For this purpose, important changes in the Electricity Market Law ("Law") numbered 6446 and some other secondary legislations entered into force on 19 November 2022 in Turkey. These amendments are mainly in the direction of encouraging the establishment of electricity storage facilities;

- Wind power plant (WPP) and solar power plant (SPP) investors who have committed to establish a storage facility have been given the opportunity to establish the said power plants without participating in the tender held by transmission system operator (TSO).
- For the WPPs and SPPs that are fully or partially in operation already, it has been possible to increase the capacities as much as the installed capacity of the storage facility that has been committed.

## **Amendments Related to Storage**

- WPPs and SPPs that undertake to establish a storage facility are named as electricity generation facilities with storage. The storage unit and generation facility within these facilities will be evaluated within the scope of a single pre-license or license.
- The ratio of the installed power of WPPs and SPPs to the storage unit capacity will be at most 1 (one).
- Applications must be a made for minimum installed capacity of 20 Mwe for WPPs, and a minimum installed capacity of 10 Mwe for SPPs and must not exceed 250 Mwe for both.
- The storage unit must be within the area of the generation facility subject to the application.
- In WPPs and SPPs with storage, the installed capacity can be commissioned as much as the capacity of the storage unit. Generation capacity cannot be increased until the entire storage unit is commissioned.
- The provision stating that the installed capacity of the storage facility cannot exceed the electrical installed capacity set out in the license has been abolished.
- Expropriation procedures for integrated storage facility and generation facility with storage are carried out by Board Decision. Stand-alone storage facilities are exempt from this rule.

## Amendments Regarding Balancing and Settlement

- The electricity generated in the generation facility with storage must be supplied to the system only through the storage unit.
- In the period when the storage unit in the generation facility with storage is not in operation, the electricity supplied to the system will not be taken into account in the settlement calculations.

## Other Amendments in License Regulation

- In case there are foreign shareholders among the indirect shareholders of the license holding legal entities whose tariffs are subject to regulation, how the said shareholders will be incorporated into the license shall be determined by the Board decision.
- The change of title of license holder legal entities operating with regulated tariffs will be subject to EMRA approval.
- In applications for WPPs and SPPs with storage, pre-license applications can be made to establish WPP and SPP capacity as much as the storage capacity, and no tender procedure will be held for these applications. In these applications, a pre-license will be given up to the connection point capacity, starting with the applicant who completes the application completely the earliest.
- Among the generation facilities that are partially or completely in operation, legal entities holding WPP or SPP generation licenses that undertake to install a storage unit will be allowed to increase their capacity up to the installed capacity of the storage unit they undertake to install.
- In calculating the collateral and minimum capital in license and pre-license applications within the scope of the generation facility with storage, the capacity of the storage unit and the installed capacity of the generation facility will be added up.
- Within the scope of the exemption, the legal entity holding the pre-license will be able to make direct or indirect share changes in a way that does not create a control change in the partnership structure.

## Other Amendments in License Regulation

- Storage facilities can be established in unlicensed generation facilities, which have received an invitation letter and subject to monthly set-off is made for excess energy.

## Amendments in the Scope of YEKDEM

- Capacity increases within the scope of generation facilities with storage will benefit from YEKDEM for the remaining YEKDEM period of the said facility. The capacity increase will not bring an additional time extension.
- The energy supplied to the system after being stored in generation facilities with storage will be considered within the scope of YEKDEM.

## Conclusion

With the legislative amendments made by EMRA, it is aimed to increase the number of storage facilities and to increase the security of supply. In line with this goal, significant conveniences have been brought to market participants who have undertaken to establish a storage facility. Although it is considered that the said changes will be beneficial, how effective these changes will be in practice is eagerly awaited by the market participants.

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