

Amendments to the Electricity Market Licensing Regulation

The Regulation Amending the Electricity Market Licensing Regulation (the “**Amending Regulation**”), which was published in the Official Gazette dated 29 December 2025 and numbered 33122, has entered into force. With the Amending Regulation, various amendments have been introduced to the Electricity Market Licensing Regulation (the “**Regulation**”), particularly with respect to license transfers, pre-license procedures, storage-integrated generation facilities, administrative sanctions, and shareholding structures.

Explanations regarding the amendments are set out below. The full text of the Amending Regulation may be accessed [here].

Transfer of Generation Licenses and Facility Transfer Procedures

With the amendment introduced to Article 5/3(c) of the Regulation concerning the transfer of generation licenses, a new requirement has been imposed whereby the facility subject to the generation license must have partially or fully commenced commercial operation in order to be eligible for transfer. Under the previous framework, license transfers were possible regardless of the actual status of the facility. The new provision aims to prevent the trading of licenses for projects that have not yet commenced construction or entered into operation.

Furthermore, with another amendment to the same provision, it has been stipulated that if the sale, transfer, or lease transaction is not completed within the period determined by the Board—provided that such period shall not be less than six (6) months as of the date of approval—the granted approval shall

become null and void, and the transaction may not proceed without obtaining a new approval of the Board.

Storage-Integrated Generation Facilities and Installed Capacity Regulations

Capacity management relating to storage-integrated generation facilities has been restructured within the framework of the amendments introduced to Article 30 of the Regulation. Under the new arrangement, storage-integrated electricity generation facilities and generation facilities incorporating an integrated electricity storage unit may inject electricity into the system, on a settlement period basis, up to the amount corresponding to the electricity generated by the units that have been accepted based on the primary energy source and their total installed electrical capacity.

In addition, where such facilities draw electricity from the system, the amount of electricity withdrawn from the system and stored shall not be included in the purchase account.

This amendment facilitates adaptation to technological developments and evolving market conditions encountered during the investment process, while also providing a legal basis for revising projects in line with the most up-to-date storage solutions.

New Procedures for Site Changes and Storage Capacity Modifications

With the amendments introduced to Article 24 of the Regulation, the authority of generation license holders with respect to site changes and storage units has been subjected to stricter procedural requirements. Through the provisions added to paragraphs four and

eighteen of the article, any modification to the installed capacity or capacity of integrated storage units incorporated into generation facilities has been made subject to a formal amendment process.

While this regulation ensures that capacity increases are subject to regulatory oversight, it also clarifies the legal pathway that investors must follow for technological upgrades.

Regarding site changes, the amendment made to paragraph nine of the same article has subjected the relocation or expansion of projects to specific technical criteria and force majeure conditions. Accordingly, the reduction or relocation of the facility site shall only be permitted provided that third-party rights are preserved, the connection point/connection region remains unchanged, and favorable opinions are obtained from the relevant authorities (such as DSÍ, EIGM, etc.).

Where the facility is partially or fully operational, site updates that are integrated with the existing site and do not increase the total site area are permitted, thereby taking into account investors' operational needs. On the other hand, expansions of areas that are indispensable for the continuity of the project—such as coal stockyards, ash disposal areas, and geothermal well sites—are exempted from these strict limitations.

Increased Administrative and Financial Obligations

With the amendment made to paragraph seventeen of Article 43 of the Regulation titled "License Fees," it has been stipulated that where the Board's decision approving a merger or division includes specific

obligations, and a period is granted for the fulfillment of such obligations, failure to complete the merger or division within the granted period shall result in the license fee being applied at three (3) times its standard amount.

Accordingly, the sanction applied to companies that fail to notify the Energy Market Regulatory Authority (the "**Authority**") of mergers or divisions within the prescribed period or fail to fulfill the relevant obligations has been increased from one (1) time to three (3) times the license fee, thereby adopting a more deterrent approach. This amendment renders the neglect of notification obligations in corporate restructuring processes a significant financial risk.

In addition, with the phrase "deemed not to have been filed" added to paragraph ten of the same article, applications that are rejected, withdrawn, or deemed not to have been filed have been explicitly included within the scope of applications for which pre-license and license fees shall not be refunded.

Shareholding Structure, Notification Obligations, and Transparency

Notification obligations relating to shareholding structures have also been revised through the amendment made to Article 57 of the Regulation. For license holders whose tariffs are not subject to regulation, it is mandatory to notify the Authority of any changes in the shareholding structure within six (6) months. The new wording explicitly clarifies that this obligation covers all types of changes in the shareholding structure.

The requirement that such notifications be submitted through the EMRA Application System aims to enhance traceability and transparency. In contrast, for companies whose tariffs are subject to regulation, the requirement to obtain Board approval for transactions such as share transfers, changes in trade name, and changes in control continues to be strictly applied.

Transitional Provisions and Pending Applications

Pursuant to Provisional Article 45 added to the Regulation, all pre-license amendment applications that were pending before the Authority and had not yet been finalized as of 29 December 2025, the effective date of the Amending Regulation, shall be resolved in accordance with the new regulatory framework.

This provision demonstrates that ongoing application processes will be subject to the new rules in line with the principle of immediate application, thereby requiring investors to revise their existing application files in compliance with the updated legislative criteria.

Furthermore, Provisional Article 46 grants a transition period to legal entities holding

aggregator licenses to ensure technical and administrative compliance. Existing aggregators are required to rectify any non-compliant situations arising under the new obligations introduced by paragraph five of Article 33 or paragraph nine of Article 34 of the Regulation by 31 March 2026. Companies failing to complete the compliance process within this period may face significant financial risks, including the increased license fees introduced under the new framework.

General Assessment

When evaluated as a whole, the amendments aim to prevent electricity market licenses in Türkiye from being used as speculative investment instruments and to ensure the actual realization of licensed projects. While the regulations concerning storage-integrated and hybrid generation facilities support technological transformation, the tightening of administrative sanctions and notification obligations clearly reflects the Authority's emphasis on discipline and transparency.

Within this framework, the establishment of a more predictable and institutionalized electricity market structure is envisaged.

For more information and support, you can contact us.



Berkay Erkilic
Avukat
b.erkilic@lbfpartners.com