

Thursday, December 30, 2010
ISTANBUL – Daily News with wires

Turkey's Parliament approved a law Wednesday on regulating the renewable energy resources market in Turkey, Anatolia news agency reported.

The new law limits the volume of energy that the state is allowed to buy and determines the long-term prices for electricity purchases.

It calls for the preparation of a regulation to define and evaluate the regions to be used as resource fields in cooperation with the related state institutions.

“We have enacted a law that will create jobs and encourage industrialists in new sectors,” said Turkish Energy and Natural Resources Minister Taner Yıldız in a speech to Parliament thanking deputies for approving the bill.

The climate and the political sustainability in Turkey are encouraging for new energy investments, the minister said.

However, Tanay Sidki Uyar, a professor at Marmara University and head of the Turkey branch of European Association for Renewables, or Eurosolar, thinks the new law will present obstacles for renewable energy investors.

“A law which is enacted during a period in which United Nations' regulations [instruct] countries to use more renewable energy should have been much more encouraging,” he told the Hürriyet Daily News & Economic Review.

“While Germany is seeking to get 100 percent of its energy from renewables by 2050 and England aims to reduce carbon emissions to zero, Turkey's law – a country which has great wind and solar energy potential – should have promoted [renewables] far more. Instead of support, the law brings limitations to renewable energy production,” he said.

The law limits the total production of licensed solar energy companies to 600 MW annually until Dec. 31, 2013, and authorizes the Cabinet to determine the limits afterwards.

On average 1 MW of power can supply electricity to as many as 300 households per year.

The law guarantees a price of 7.3 U.S. cents per kilowatt-hour for wind and hydroelectric power and wind energy, 10.5 U.S. cents for geothermal energy and 13.3 U.S cents for energy from waste products and solar energy.

These prices will cover energy firms that are established between May 13, 2005, and Dec. 31, 2015.

For energy purchases from companies founded later than Dec. 31, 2015, new prices defined by the Cabinet will be implemented. The prices for the new companies will not exceed the current figures, the law said.

“No one should say these prices are not convincing for the industry and that we should have given a few more cents,” said minister said. “I am sure that our investors will do business at these prices.”

The state-run Market Fiscal Reconciling Center, or PMUM, will carry on in the decisive role of billing the parties, Yıldız said.

In the event that operators use local equipment and technology in renewable energy facilities, an additional support of 0.4 cents to \$2.4 per kilowatt will be provided for a five-year term to companies that started producing energy before the end of 2015.

Noting that this support is too low to support the usage of local equipment, Uyar raised concerns that some old and unproductive equipment could be imported. “This low support may force electricity producers to import old technology from the United States or China,” he said.

The appointments for building renewable energy plants will be defined by a regulation to be prepared by the Energy Market Regulatory Authority, or EPDK, in coordination with the Energy Ministry, Interior Ministry and the State Waterworks Authority, or DSİ.

“Considering how slow bureaucracy moves in Turkey, we may foresee that the preparation of the regulation will consume time,” Uyar said. “We have already lost time. The first wind map of the country was drawn 21 years ago.”

Source: Hürriyet Daily News

<http://www.hurriyetdailynews.com/n.php?n=turkish-parliament-renews-renewables-law-2010-12-30>