Energy and Renewables

The purpose of this document is to inform and alert the Dutch companies, industries and other interested that deal with renewable energy on the current development and opportunities in the Turkish renewable energy sector.

As the 17th largest economy in the world and 6th largest in Europe, Turkey is experiencing an increase in its energy demand. Turkey has become one of the fastest growing energy markets among the OECD countries in the world, in parallel to its economic growth registered over the last ten years. Also, Turkey has been second largest economy on demand for electricity and natural gas after China. Projections performed by Ministry of Energy and Natural Resources confirm that this situation will continue to be valid for medium and long term.

Turkey's energy policies and strategies are based on energy supply security, alternative energy resources, diversity of energy resources, utilization of domestic energy resources to create additional value to economy, liberalization of energy markets, and energy efficiency. Due to this perspective, special emphasis has been made to maximum utilization of local and renewable energy resources as highest priority.

The rapid pace of urbanization, the positive demographic trends, the economic expansion and rising per capita income are the main drivers of the energy demand. The energy demand is estimated to increase around 4 - 6 percent per annum until 2023.

The Turkish government has made it a priority to increase the share of renewable sources in the country's total installed power to 30 percent by 2023.

Renewable energy has been one of the important topics on Turkey's energy agenda. The Turkish government has made the last decade significant energy reforms. The significant progress that has been made in the field of renewable energy started after the enactment of the Law on Utilization of Renewable Energy Resources for the Purpose of Generating Electrical Energy (Renewable Energy Law, REL) in 2005. After 2005, the Turkish government kept producing, updating and implementing several laws and regulations. Due to this, Turkey's energy sector turned it into one of the most attractive investment destinations in the world. In line with the implementation of investor-friendly regulations and the high increase in demand, the Turkish energy sector is becoming more vibrant and attracts the attention of more investors for each component of the value chain in all the energy sub-sectors.

According to the Ministry of Energy and Natural Recourses, the total amount of investments required to meet the energy demand in Turkey by 2023 is estimated to be around USD 110 billion, more than double the total amount invested in the last decade.

Turkey's ambitious vision for 2023, envisages especially interesting targets for the renewable part of the energy sector. These targets include:

* 34,000 MW capacity of hydro power plants;
* 20,000 MW capacity of wind power plants;
* Minimum 5000 MW of solar power plants;
* Minimum 1000 MWe geothermal energy; and
* 1000 MWe installed capacity for Biomass energy.

The developments and current situation

On May 2009, the Electricity Energy Market and Supply Security Strategy Paper was prepared and executed. Turkey's primary target was even then to increase share of renewable energy resources for electricity generation at least to 30 percent by year 2023.

After that, Turkey launched a Strategic Plan 2010-2014 for the energy sector, where the Ministry has set 11 strategic goals and 32 strategic objectives under 5 strategic themes and created performance indicators regarding these goals and objectives and performed monitoring and evaluation activities.

And on the 9th of February of this year, the Turkish government announced the National Renewable Energy Plan, which has characteristics of a roadmap plan for a strict planning and efficient development of renewable energy until year 2023.1 The National Renewable Energy Plan was prepared in accordance with 2009/28/EC European Parliament Directive Dated 23 April 2009 and has a focus on supporting energy generation and consumption exploding renewable energy resources. The National Renewable Energy Plan is open to public and an international document which describes Turkey's planned development and essential measures taken to sustain planned development in a transparent way.