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ENERGY LAW BULLETIN

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DEVELOPMENTS IN
TURKIYE



GLOBAL
DEVELOPMENTS



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BULLETIN OVERVIEW

In August 2026, the energy law agenda was shaped in Türkiye by the establishment of a new regulatory regime for carbon pricing (the Turkish Emissions Trading System) and by the tightening of site-based restrictions under climate and environmental legislation; at the global level, it was shaped by the EU's transition of the Carbon Border Adjustment Mechanism (“**CBAM**”) into its definitive implementation period, as well as developments concerning market surveillance and infrastructure investment. The key headlines are summarized below. This bulletin covers the regulations and sector developments published in Türkiye, as well as the leading announcements and regulatory developments reflecting sector dynamics in the European Union and other jurisdictions at the global level.

TR DEVELOPMENTS IN TURKIYE

In August, the energy sector agenda in Türkiye focused on establishing the legal infrastructure for the carbon market mechanism, clarifying environmental restrictions on energy investments, and giving concrete shape to implementing processes for demand-side participation and the smart meter transformation. In addition, an important step was also taken at the provincial level on the climate change adaptation agenda:

GLOBAL DEVELOPMENTS

In August, the European Union's and the global energy agenda were marked by the concretization of cross-border carbon cost allocation as CBAM moved into its definitive implementation period, by the strengthening of surveillance mechanisms against algorithmic trading and market manipulation in energy markets, and by the announcement of large-scale investment plans for grid infrastructure in China:

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DEVELOPMENTS IN TURKIYE

1 Türkiye Emissions Trading System Regulation Published

PUBLICATION DATE: 27.08.2026



The Türkiye Emissions Trading System Regulation (the “**Regulation**”) was published in the Official Gazette dated 27 August 2026 and numbered 33363 and entered into force on the same date. The Regulation establishes the main framework governing the monitoring, reporting and verification of greenhouse gas emissions, as well as the implementation of the Türkiye Emissions Trading System (“**ETS**”). The pilot phase is expected to commence following the publication of the procedures and principles to be determined by the Carbon Market Board.

For installations covered by the ETS, the measurement, monitoring, reporting and verification of emissions are now directly linked to the carbon market mechanism. Pilot-covered installations are required to submit their initial monitoring methodology plans within two months of the publication of the Regulation.

The Regulation also introduces an administrative sanctions mechanism for non-compliance with the relevant obligations. Failure to fulfil the obligations within the scope of the Regulation may result in administrative fines ranging from TRY 627,450 to TRY 6,270,450. Operating without a greenhouse gas emissions permit may result in administrative fines ranging from TRY 1,254,900 to TRY 12,549,000.

The entry into force of the Türkiye ETS marks an important shift, transforming emissions management from a matter primarily limited to environmental reporting into a market mechanism with direct economic and legal consequences. For energy-intensive companies in particular, the accuracy of emissions data, permitting processes and the reflection of carbon costs in investment and commercial agreements are likely to become key legal considerations in the period ahead.

You can access our information note on the Regulation [here](#).

2 Ban on Power Plants in Drinking and Domestic Water Basins Expanded

PUBLICATION DATE: 04.08.2026



An amendment to the Regulation on the Protection of Drinking and Domestic Water Basins, published on 4 August 2026, revised the restrictions applicable to energy investments within certain protection zones of drinking and domestic water basins. In particular, the amendment expressly provides that solar, wind, hydroelectric, thermal, geothermal, biogas and biomass power plants may not be established on water surfaces or within certain designated protection zones.

The amendment requires site selection for solar, wind and hydroelectric power projects, particularly those at the land development stage, to take into account not only energy potential and grid connection opportunities but also the legal status of water basins and applicable protection zones. Reassessing basin boundaries has therefore become

increasingly important for the investment feasibility of existing and planned projects.

Basin protection plans and their incorporation into zoning plans are also directly relevant to investment processes. Furthermore, the one-year period granted for existing basin protection plans to be brought into compliance with the new Regulation raises the possibility that the legal status of project sites may change over time.

The amendment strengthens the balance between energy investments and the protection of water resources in favour of stricter restrictions on energy investments. Particularly during project development and acquisition processes, it will be important to assess not only the current protection status of a property but also basin protection plans that may become applicable in the future.

The Official Gazette announcement is available [here](#).

3 Ancillary Services Agreement Process for Demand Side Participation Services

ANNOUNCEMENT DATE: 28.08.2026



Türkiye Elektrik İletim Anonim Şirketi ("TEİAŞ") has announced the timetable for the execution of Ancillary Services Agreements for aggregators wishing to participate in the Demand Side Participation Services Procurement Process for the period between December 2026 and February 2027. Accordingly, aggregators wishing to participate in the process, including those that have previously executed such an agreement, must execute the Demand Side Participation Services Ancillary Services Agreement with TEİAŞ by the end of business hours on 12 October 2026.

As part of the application process, aggregators are expected to submit the required documentation to TEİAŞ and complete the

agreement process following the evaluation of their applications. In addition, a TEİAŞ test report demonstrating that the consumption facilities included in the portfolio have the necessary control, measurement, monitoring and verification infrastructure must be incorporated into the agreement by 13 November 2026.



The announcement requires aggregators seeking to operate in the field of demand side participation services to complete their contractual and technical preparations within the prescribed timetable. In particular, the execution of the relevant agreement and demonstration of technical capability through the required test report are key requirements for participation in the relevant procurement process.

The TEİAŞ announcement is available [here](#).

4 EMRA Preparing New Rules on the Safe Operation of Natural Gas Networks

PUBLICATION DATE: 27.08.2026



The draft Procedures and Principles on the Technical Operation Activities of Natural Gas Distribution Companies prepared by Energy Market Regulatory Authority ("EMRA") has been opened for public and stakeholder consultation. The draft aims to introduce minimum requirements for the inspection of stations, pipelines and, where necessary, internal installations during initial commissioning and recommissioning following disasters or damage.

If adopted, the proposed rules are expected to further standardize technical operating practices of natural gas distribution companies across Türkiye. Companies may particularly need to review their operational processes concerning emergency response, leak

detection, recommissioning of networks and personnel competence.

As the draft does not yet constitute a final regulation, it does not currently impose any new binding obligations. Nevertheless, the final regulation may establish new standards regarding the technical operating procedures, emergency plans and internal control mechanisms of distribution licence holders.



The draft indicates a more detailed regulatory approach focusing not only on continuity of supply in natural gas distribution activities but also on the safe operation of gas networks. For distribution companies, the transformation of technical standards into regulatory obligations may increase the importance of compliance and supervisory risks in the coming period.

The EMRA announcement is available [here](#).

5 Target of 3.4 Million PRO-Type Meters under the National Smart Metering System and a New Procurement Model for MASS Purchases

PUBLICATION DATE: 25.08.2026



The transition to smart meters in Türkiye's electricity distribution sector is expected to accelerate under the National Smart Metering

System ("MASS"). As part of the ongoing efforts involving EMRA, TEDAŞ, ELDER, electricity distribution companies and other sector representatives, a total of 3.4 million

PRO-type smart meters are planned to be installed during the 2026–2028 period.

In parallel with this transition, the draft Regulation on the Purchasing and Sales Transactions of Electricity Distribution Companies introduces a specific procurement model for the purchase of meters and modems under MASS. Accordingly, for tenders conducted until the end of 2027, 70% of the procurement quantity for each type of meter and modem is expected to be supplied by the bidder submitting the best offer, while the remaining 30% may be supplied by the second-best bidder at the same price, provided that such bidder agrees.

The expansion of smart metering infrastructure is important for more effective monitoring of distribution networks, more efficient use of consumption data and increased digitalization of network operations. The proposed procurement model for MASS purchases is also noteworthy, particularly in terms of increasing supplier diversity and reducing

dependence on a single manufacturer during large-scale smart meter deployment.

The digitalization of metering infrastructure may further increase the importance of issues relating to the processing of metering data, access to systems and data security. If the draft regulation enters into force, distribution companies may need to review their tender documentation and procurement processes to ensure compliance with the new MASS procurement model.

The planned meter investments under MASS, together with the new procurement model developed in parallel, may be considered an important component of the digital transformation of Türkiye's electricity distribution sector. With the wider deployment of smart meters, technical infrastructure, security of supply and data management are expected to become increasingly important for the sector.

The announcement regarding the draft regulation is available [here](#).

6 Regulation on Local Climate Change Action Plans and Provincial Climate Change Coordination Boards Published

PUBLICATION DATE: 04.08.2026

The Regulation on Local Climate Change Action Plans and Provincial Climate Change Coordination Boards (the “**Regulation**”) was published in the Official Gazette dated 4 August 2026 and numbered 33330, and entered into force on the same date. Under the Regulation, the procedures and principles governing the preparation and implementation of Local Climate Change Action Plans (“**LCCAPs**”) aimed at climate change adaptation and the reduction of greenhouse gas emissions at the provincial level have been established pursuant to Climate Law No. 7552.

Under the Regulation, the LCCAP to be prepared for each province is expected to include climate risk assessments, greenhouse gas inventories, greenhouse gas emission reduction and climate change adaptation targets, as well as the actions and responsible institutions designated to achieve these targets, implementation periods, and budget and financing sources. The plans are required to be updated every five years, while their implementation outcomes must be monitored and reported annually.

In addition, a Provincial Climate Change Coordination Board (the “Provincial CCCB”) is

to be established in each province under the chairmanship of the governor. The Board will be responsible for adopting the LCCAPs, evaluating annual implementation results and making recommendations for subsequent periods. The participation of representatives from the energy, industry, trade and other relevant sectors, in addition to public institutions and local authorities, is also envisaged.

From an energy sector perspective, it is particularly important that provincial greenhouse gas inventories and emission reduction targets are linked to energy investments and infrastructure planning, and that public authorities take actions envisaged under the LCCAPs into account in their planning, investment and implementation processes.

Under the transitional provisions, the Provincial CCCBs must be established by 31 December 2026, while the first LCCAPs, covering the 2028–2032 period, must be prepared and adopted by 31 December 2027.

You can access our information note on the subject [here](#).

7 Green Electricity Corridors on the Agenda of Türkiye–Azerbaijan Energy Cooperation

YAYIM TARİHİ: 03.08.2026



Energy authorities from Türkiye and Azerbaijan met in Istanbul to discuss a proposed electricity transmission interconnection with an approximate capacity of 1 GW between Nakhchivan and Türkiye, green energy transmission and trade between Azerbaijan, Georgia, Türkiye and Bulgaria, and the Caspian–Black Sea–Europe Green Energy Corridor projects. The meeting also addressed issues such as strengthening the contractual and legal framework of these projects and the establishment of joint ventures.

These developments are significant in terms of strengthening Türkiye's role in regional electricity trade and developing new infrastructure investments for the cross-border transmission of electricity generated from renewable energy sources.

Cross-border electricity transmission and trading projects require consideration not only of national energy legislation but also of intergovernmental agreements, interconnection and system-use rules, market access requirements and third-party access regulations. The focus on strengthening the contractual and legal framework of these projects further confirms the importance of addressing these legal considerations comprehensively.

These developments indicate Türkiye's tendency to expand its energy transition beyond domestic generation capacity through regional electricity trade and green energy corridors. If these projects materialize, new contractual and regulatory models for cross-border electricity trading may emerge, potentially creating new areas of commercial activity.

GLOBAL DEVELOPMENTS

1 CBAM Definitive Period Guidance Documents Published

PUBLICATION DATE: 14.08.2026

The European Commission's Directorate-General for Taxation and Customs Union ("**DG TAXUD**") published a total of ten guidance documents on 14 August 2026 concerning the implementation of the definitive period of the Carbon Border Adjustment Mechanism ("**CBAM**"). The package includes four general guidance documents as well as six sector-specific guidance documents covering cement, hydrogen, fertilisers, iron and steel, aluminium and electricity.

Guidance No. 5f, concerning the electricity sector, explains the rules applicable to electricity imports, including generation processes, the value chain, the monitoring and reporting of emissions, and the use of actual emissions data, through practical examples. In addition, under Guidance No. 4, no free allocation adjustment applies to electricity imports, as electricity producers do not receive free allocation under the EU Emissions Trading System ("**EU ETS**").

The conditions for using actual emissions data for electricity imports are particularly

noteworthy. As a general rule, country-specific default emission factors are expected to be used. However, the use of actual emissions data requires the cumulative fulfilment of certain conditions, including the existence of a direct PPA, a direct grid connection or a TSO certificate confirming the absence of congestion in the grid, an emission threshold of 550 g CO₂/kWh, hourly nomination matching, and certification by an accredited verifier.



In this context, given that there is currently no market coupling between the Turkish and EU electricity markets, these stringent conditions for the use of actual emissions data are particularly relevant to electricity exports from Türkiye to the EU. Nevertheless, as a Commission proposal dated 17 December 2025, which has not yet been adopted, may result in changes to these rules, it remains important to closely monitor the relevant legislative process.

You can access the full announcement and the guidance documents [here](#).

2 ACER's 45th REMIT Quarterly Report

PUBLICATION DATE: 14.08.2026

The European Union Agency for the Cooperation of Energy Regulators ("**ACER**") published its 45th REMIT Quarterly Report on 14 August 2026, addressing developments aimed at safeguarding market integrity and transparency in energy markets. The report focuses particularly on the impact of algorithmic trading on market monitoring and the detection of potential market manipulation in electricity and natural gas markets.

According to the report, the number of REMIT breach cases under investigation by ACER had reached 453 by the end of the second quarter of 2026. The report also examines, as a case study in market surveillance, an

administrative fine imposed by a national regulatory authority in connection with manipulative transactions in the natural gas market.



The growing prevalence of algorithmic and high-frequency trading in energy markets requires the further development of monitoring mechanisms aimed at tracking market behaviour and identifying suspicious trading patterns. In this context, the report indicates a strengthening regulatory approach under the REMIT framework towards more effective monitoring of market participants' trading activities and the mitigation of market manipulation risks.

You can access ACER's announcement [here](#).

3 China Published the 15th Five-Year Action Plan for the Construction of a New-Type Power System (2026–2030)

PUBLICATION DATE: 03.08.2026

Çin China's National Development and Reform Commission ("**NDRC**") and National Energy Administration ("**NEA**") have published the 15th Five-Year Action Plan for the Construction of a New-Type Power System, covering the 2026–2030 period. The Plan sets out a comprehensive investment programme aimed at strengthening China's electricity transmission and grid infrastructure.

The Plan envisages the commissioning of approximately 15 new ultra-high-voltage ("**UHV**") direct current transmission lines, increasing west-to-east electricity transmission capacity to more than 420 GW, and expanding the mutual support capacity between power grids by 40 GW. It also provides for the wider deployment of smart grid technologies and the adaptation of the electricity system to accommodate greater levels of renewable energy integration.



Fixed-asset investment under the Plan is expected to exceed RMB 5 trillion, representing an increase of more than 80% compared to the previous five-year planning period. In this respect, the Plan establishes a significant investment framework not only for China's domestic electricity supply security but also for renewable energy integration, long-distance electricity transmission and grid modernisation.

The NEA has also published the 15th Five-Year Action Plan for Electricity Production Safety for the same period. Secondary regulations and annual targets supporting the implementation of both plans are expected to take shape in the coming period.

You can access the relevant plan [here](#).

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