

"Reasonable efforts have been made in order to provide accurate translations. Translations are provided to users of EPIAŞ website, "as is." No warranty of any kind, either expressed or implied, is made as to the accuracy, reliability, or correctness of any translations made from Turkish into English."

Official Gazette 21/06/2015, numbered 29393

From the Energy Market Regulatory Authority:

BOARD DECISION

Decision No : 5629-16

Decision Date: 11/06/2015

It was decided in the Energy Market Regulatory Board meeting dated 11 June 2015 to approve the attached "Procedures and Principles for the Determination of the Minimum and Maximum Price Limits in the Day-Ahead Market and the Balancing Power Market" and to publish these Procedures and Principles in the Official Gazette.

**PROCEDURES AND PRINCIPLES FOR THE DETERMINATION OF THE
MINIMUM AND MAXIMUM PRICE LIMITS IN THE DAY-AHEAD MARKET AND
THE BALANCING POWER MARKET**

Purpose

ARTICLE 1 - (1) The purpose of these Procedures and Principles is to set forth the procedures for the designation of the minimum and maximum price limits for purchase and sale offers to be made by market participants in the day-ahead market and the balancing power market, within the framework of the principles of prevention of abuse of dominant position and establishment of a competitive environment in free market conditions.

Scope

ARTICLE 2 – (1) These Procedures and Principles cover the procedures regarding designation of the applicable price limits in the day-ahead market and the balancing power market.

Legal basis

ARTICLE 3 - (1) These Procedures and Principles have been prepared on the basis of the Articles 54, 70 and 135 of the Electricity Market Balancing and Settlement Regulation.

Application principles

ARTICLE 4 - (1) EPIAŞ shall submit to the Authority its study in relation to the designation of the maximum price limits pursuant to the method based on the principle of peak power plants required by the market meeting their fixed costs. In addition to this study, EPIAŞ shall also calculate the cost of the electricity (VoLL) not allocated for Turkey. The relevant study and the VoLL value shall be assessed by the Board and approved, if deemed appropriate. If the Board

deems it necessary, it can also make variations to the relevant price limit and the VoLL value prior to their approval.

(2) When the day-ahead market prices reach the set maximum price for 20 hours within a calendar month, the maximum price shall be reduced by 20%. This process shall continue until the final maximum price reaches 12.5% of the VoLL value. In the event that such reductions are made, the maximum price will be re-equalized to the value approved by the Board on April 1 and October 1.

(3) The Board may update the set value of 20 hours and ratios of 20% and 12.5% in accordance with the principle of meeting the fixed costs of the peak power plants required by the market within the scope of the study submitted by EPIAŞ, or if the Board deems necessary at its discretion.

(4) Minimum price limits shall be designated as 0 TL/MWh or less within the framework of the market conditions. EPIAŞ shall submit to the Authority its study forming the basis for its request for the designation of the minimum price limit. The relevant study shall be assessed by the Board and approved if deemed appropriate. If the Board deems it necessary, it can also make variations to the relevant price limit prior to its approval.

(5) Price limits and other parameters shall be effective from the beginning of the first calendar month following their approval, unless their validity dates are specifically set out in the relevant Board decision.

Anti-competitive actions and transactions

ARTICLE 5 - (1) The maximum price limits of balancing units determined to be involved in anti-competitive actions and transactions within the scope of the balancing power market by the Competition Authority shall be designated as equal to their marginal costs by the Board. The market participant shall be obliged to submit a detailed study on its marginal costs on a balancing unit basis to the Authority within 15 working days following the relevant determination. The relevant study shall be assessed by the Board and approved if deemed appropriate. If the Board deems it necessary, it can also make variations to the relevant price limit prior to its approval.

(2) Within the scope of the day-ahead market, the market participants determined by the Competition Authority to be involved in anti-competitive actions and transactions shall be obliged to submit to the Authority a data set and explanations, including all price, cost and volume information pertaining to their portfolio within 15 days. The amount and structure of the applicable maximum price limit for the said market participant shall be designated through a Board decision following a study to be conducted by the Authority.

(3) In the event that the market participant fails to submit the information set out in this Article to the Authority on time and/or submits misleading information and documents, sanctions shall be imposed on the relevant legal entity pursuant to the Article 16 of the Law.

Revision of Price Limits

ARTICLE 6 - (1) The minimum and maximum price limits may be revised if requested by EPIAŞ and approved by the Board.

Principles for the initial application

PROVISIONAL ARTICLE 1 - (1) EPIAŞ shall submit the studies specified in these Procedures and Principles to the Authority until 1/1/2016 at the latest.

(2) Until the minimum and maximum price limits are designated within the framework of these Procedures and Principles, the applicable minimum price limits shall be 0 TL/MWh and the applicable maximum price limits shall be 2000 TL/MWh in the relevant markets.

(3)¹ Between 06/01/2017 and 01/03/2017, the applicable minimum price limit shall be 0 TL/MWh and the applicable maximum price limits shall be 500 TL/MWh in the relevant markets. The provisions of the second paragraph of the Article 4 of these Procedures and Principles shall not be applicable between the specified dates.

(4)² Between 01/01/2020 and 31/03/2020, the applicable minimum price limit shall be 0 TL/MWh and the applicable maximum price limits shall be 600 TL/MWh in the relevant markets. The provisions of the second paragraph of the Article 4 of these Procedures and Principles shall not be applicable between the specified dates.

(5)³ From the effective date of this paragraph, and until a new decision is adopted by the Board, the applicable minimum price limits shall be 0 TL/MWh in the relevant markets and the applicable maximum price limits shall be twice the retrospective 12-month MCP weighted averages from the calendar month two months prior to the current calendar month. As long as this practice continues, the provisions of the second paragraph of the Article 4 of these Procedures and Principles shall not be applicable.

Enforcement

ARTICLE 7 - (1) These Procedures and Principles shall enter into force on 01/07/2015.

Execution

ARTICLE 8 - (1) The provisions of these Procedures and Principles shall be executed by the President of the Energy Market Regulatory Authority.

¹ Inserted pursuant to the EMRA Decision published in the Official Gazette dated 6 January 2017 and numbered 29940.

² Inserted pursuant to the EMRA Decision published in the Official Gazette dated 28 December 2019 and numbered 30992.

³ Inserted pursuant to the EMRA Decision published in the Official Gazette dated 6 October 2020 and numbered 31266.