



ELECTRICITY MARKET LEGISLATION EXTENSIVELY AMENDED

The Law on Amendments to Certain Laws No. 7554 ("**Law**") published in the Official Gazette No. 32965 dated 24 July 2025, and the Regulation Amending the Electricity Market License Regulation ("**Amending Regulation**") published in the Official Gazette No. 32966 dated 25 July 2025 have entered into force.

I. EXECUTIVE SUMMARY

1. According to the Amending Regulation, indirect changes in the shareholding structure of preliminary license-holding companies with foreign shareholder(s) shall be deemed valid, provided that such changes do not result in a change of control.
2. The Amending Regulation regulates that any direct or indirect changes in the shareholding structure of preliminary license-holding companies occurring during the exercise of pre-emptive rights shall be deemed valid, provided that such changes do not give rise to a change of control.
3. With the Law, amendments to the environmental, energy, and mining legislations have introduced the following measures to facilitate land acquisition for energy investments: (i) the possibility of urgent expropriation, (ii) an extension of the duration for discounts on permit, lease, easement, and usage fees, (iii) centralized execution of zoning and permitting procedures by the Ministry of Energy and Natural Resources ("**Ministry**"), and (iv) the possibility for preliminary license and license holders without a building permit and/or occupancy permit to obtain a Generation Facility Conformity Certificate from the Ministry, which will serve in place of all required documents.
4. The Law sets out the procedures and principles for solar and wind energy investments on forest-designated properties and reduces bureaucratic processes by providing permit exemptions for measurement and drilling activities.
5. Pursuant to the Law, it is no longer required to await the conclusion of the Environmental Impact Assessment (EIA) process prior to submitting applications for permits, licenses, and incentives; such applications may now be submitted subsequent to the commencement of the EIA process.

II. SHARE TRANSFER PROCEDURES FOR LICENSE-HOLDING GENERATION COMPANIES

The Electricity Market License Regulation generally prohibits changes in the shareholding structure of preliminary license-holding companies until a full license is obtained, with certain exceptions. Some of these exceptions are made subject to Energy Market Regulatory Authority ("**EMRA**") approval for direct share transfers and indirect changes in shareholding structures of 10% or more.

The Amending Regulation states:

(i) If a foreign-based shareholder of a preliminary license-holding company undergoes a change in its shareholding structure that does not lead to a change of control¹, such indirect shareholding change remains within exceptions. However, if it leads to a change of control, it becomes prohibited.

(ii) In cases where pre-emptive rights arise for the shareholders of a preliminary license-holding company, any direct and/or indirect changes in share ownership resulting from share transfers among the existing shareholders—depending on whether such shareholders exercise or waive their pre-emptive rights—shall be considered exempt provided that these changes do not result in a change of control; otherwise, they shall fall within the scope of the prohibition.

III. NEW LICENSING AND LAND APPLICATIONS INTRODUCED UNDER THE LAW

1. **Urgent Expropriation in Electricity Investments:** The immovable property need for facilities holding preliminary or production licenses based on renewable energy sources under Electricity Market Law No. 6446 may be met by acquiring privately owned immovables through an urgent expropriation decision, which can be taken until 31 December 2030.

A similar provision had previously been included in the Electricity Market Law; however, it was repealed by Law No. 7226 dated 25 March 2020.

2. **Innovations Facilitating Land Acquisition for Renewable Energy:** With the amendment to Law No. 5346 on the Use of Renewable Energy Resources for the Purpose of Electricity Generation (“RER Law”):

- ***Extension of the Period for Discounts on Permit, Lease, Easement, and Usage Fees:*** For companies covered under the RER Law that commence operations by the end of 2030, an 85% discount will be applied to permit, lease, easement, and usage fees related to access roads and energy transmission lines for a period of 10 years from the license date. This incentive existed prior to the amendment but was limited to the end of 2025. The Law extends this period.
- ***Establishment of Wind or Solar Energy Facilities on Forest-Designated Lands:*** The Law sets forth the fundamental principles of the permitting process for establishing energy facilities on forest-designated lands as follows:
 - Preliminary license holders may be granted an additional period equal to the duration of the preliminary license if necessary procedures cannot be completed by the end of the preliminary license period.
 - Measurement and drilling activities during the project and survey phase will be permitted regardless of whether the energy facility holds a preliminary or production license. If a preliminary license exists, no separate permit is required for measurement and drilling.

¹ According to the Amending Regulation, “control” refers to:

- rights that, individually or jointly, de facto or de jure, provide the ability to exercise a decisive influence over a legal entity;
- rights arising from contracts or other instruments, particularly rights of ownership or the right to use assets of a legal entity, in whole or in part, in a manner that enables operation;
- rights that grant decisive influence over the composition or decisions of a legal entity’s governing bodies; or
- rights arising from contractual arrangements.

- Permit applications must be concluded within a maximum of 60 days from the application date.
- For wind projects located on major bird migration routes and solar projects located at bottlenecks on major bird migration routes, observations for bird habitats are required.
- ***Zoning and Licensing Procedures:*** Subject to detailed regulation by the Ministry, the Ministry is granted decision and approval authority over the following matters for projects within the scope of the RER Law:
 - zoning and parceling plans and their amendments, and
 - building permits, occupancy permits, and workplace opening and operation licenses related to buildings and ancillary facilities.

3. **Generation Facility Conformity Certificate:** For certain licensed generation facilities and their mandatory infrastructure components, a Generation Facility Conformity Certificate will be issued by the Ministry, which will serve in place of the building permit, occupancy permit, and workplace opening and operation license, provided that the following conditions are met:

- The facility was partially or fully operating before 2025, either prior to or following construction, without obtaining a building permit and/or occupancy permit in accordance with zoning legislation,
- It was included in the zoning plans,
- An application is submitted by the production licensed generation company no later than 19 July 2026,
- A report prepared by civil engineers confirming the structural adequacy of the facility and a document indicating that the technical responsibility has been assumed by the relevant engineers are submitted.

A fee corresponding to one per mille (‰1) of the total investment amount, calculated based on the unit investment amount to be determined by EMRA, will be charged for the issuance of the Generation Facility Conformity Certificate.

For companies meeting the conditions to obtain the Generation Facility Conformity Certificate, administrative fines imposed under the Zoning Law will be annulled, demolition orders will not be enforced, ongoing lawsuits will be dismissed. However, fees already collected will not be refunded.

4. **The Relationship Between the EIA Process and Administrative Permits and Incentives:** Pursuant to the Environmental Law No. 2872, it was previously stipulated that no permits, licenses, or incentives could be granted for such projects unless a positive EIA decision had been obtained. In order to expedite the bureaucratic procedures for projects, it is now regulated that applications for these procedures may be submitted prior to the issuance of a positive EIA decision. Accordingly, there is no longer a requirement to wait for the notification of a positive EIA decision before applying for permits, licenses, or incentives.

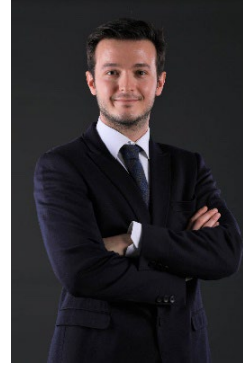
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This newsletter has been prepared as of 30 July 2025 for the purpose of providing information regarding the Law on Amendments to Certain Laws No. 7554 published in the Official Gazette No. 32965 dated 24 July 2025, and the Regulation Amending the Electricity Market License Regulation published in the Official Gazette No. 32966 dated 25 July 2025.

The assessments contained in this newsletter do not constitute legal advice or legal opinion, and no liability whatsoever can be attributed to Aksu Çalışkan Beygo Law Firm due to these assessments. It is recommended that you obtain legal counsel regarding any questions or issues within the scope of this information note.

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