



WEC TALKS - 4

TURKEY'S RENEWABLE INVESTMENT OUTLOOK: RENEWABLE ENERGY AND NEW TECHNOLOGIES

On December 19th, the Atlantic Council IN TURKEY and the World Energy Council Turkey convened a high-level event on the outlook for renewable energy investment in Turkey.

The half-day event, which featured a diverse set of international experts and energy sector leaders, was focused on taking stock of Turkey's experience to-date in deploying renewable energy, the efficacy and future evolution of policy frameworks, as well as new technologies and energy sector paradigms that are emerging around the world and how Turkey can best harness them to accelerate its energy transition.

The event was opened by Defne Arslan, Atlantic Council Turkey Representative, who highlighted Turkey's strategic and economic imperative for developing renewable resources. Arslan's remarks were followed by keynote remarks from Alparslan Bayraktar, Deputy Minister of Energy and Natural Resources (MENR) and Chair of World Energy Council Turkey. Bayraktar highlighted a series of mega-trends reshaping the energy sector, and outlined steps that Turkey is taking to ensure a successful energy transition. He noted that Turkey had initially responded to the changing global energy landscape by initiating an "energy transition 1.0" beginning in 2002, which was primarily focused on opening up the Turkish energy market, increasing competition, and driving new investment to meet burgeoning demand. This is now being followed, he said, by a new phase - "energy transition 2.0" - starting in 2017 with the National Energy and Mining Policy (NEMP), which builds on earlier efforts but places energy regulations and goals within a broader macroeconomic framework by incorporating elements such as security of supply, localization of value creation, and policy stability and predictability with a focus on renewable energy resources, energy efficiency and storage technologies.

The first panel, comprised of leading investors, project developers, and financial institution leaders working in the Turkish renewable energy sector, took stock of Turkey's successes and challenges to date in attracting renewable energy investment, and identified priorities for future work by the public and private sector in the years ahead. Turkey has indeed been successful in jump-starting an impressive rate of renewable energy deployment from virtually nothing in only a few years, including via annual tenders for large-scale solar and wind projects (1 gigawatt each) under the so-called renewable energy resource zone ("YEKA") system. However, a number of panelists highlighted that further work was needed to drive investment in small-scale, "unlicensed" renewable projects, to better balance ambitious local content requirements with a need to ensure international interest and competition in Turkey's energy sector,



and to drive innovation in financing mechanisms so that project finance does not bear the entire burden of supporting renewable investment in Turkey.

The second panel, comprised of international energy technology and policy experts, highlighted global energy trends, technologies, and perspectives that can help inform Turkey's "energy transition 2.0". These included lessons from Iceland in catalyzing broader economic development around geothermal resources parks, insights into the global financial community's increasing attention to climate change in investment decisions, the latest developments in various energy storage technologies, and a discussion of how to manage the growth of electric vehicles in a way that creates synergies with the energy sector. All panelists agreed that Turkey's prolific and diverse resource base puts it in a unique position to exercise leadership in the global energy transition, but that sustained political will, shrewd policymaking, and engagement with international best practices and experiences will be critical in realizing this potential.