

***Framework to assess potential RES
cooperation models from the
viewpoint of an exporter country***

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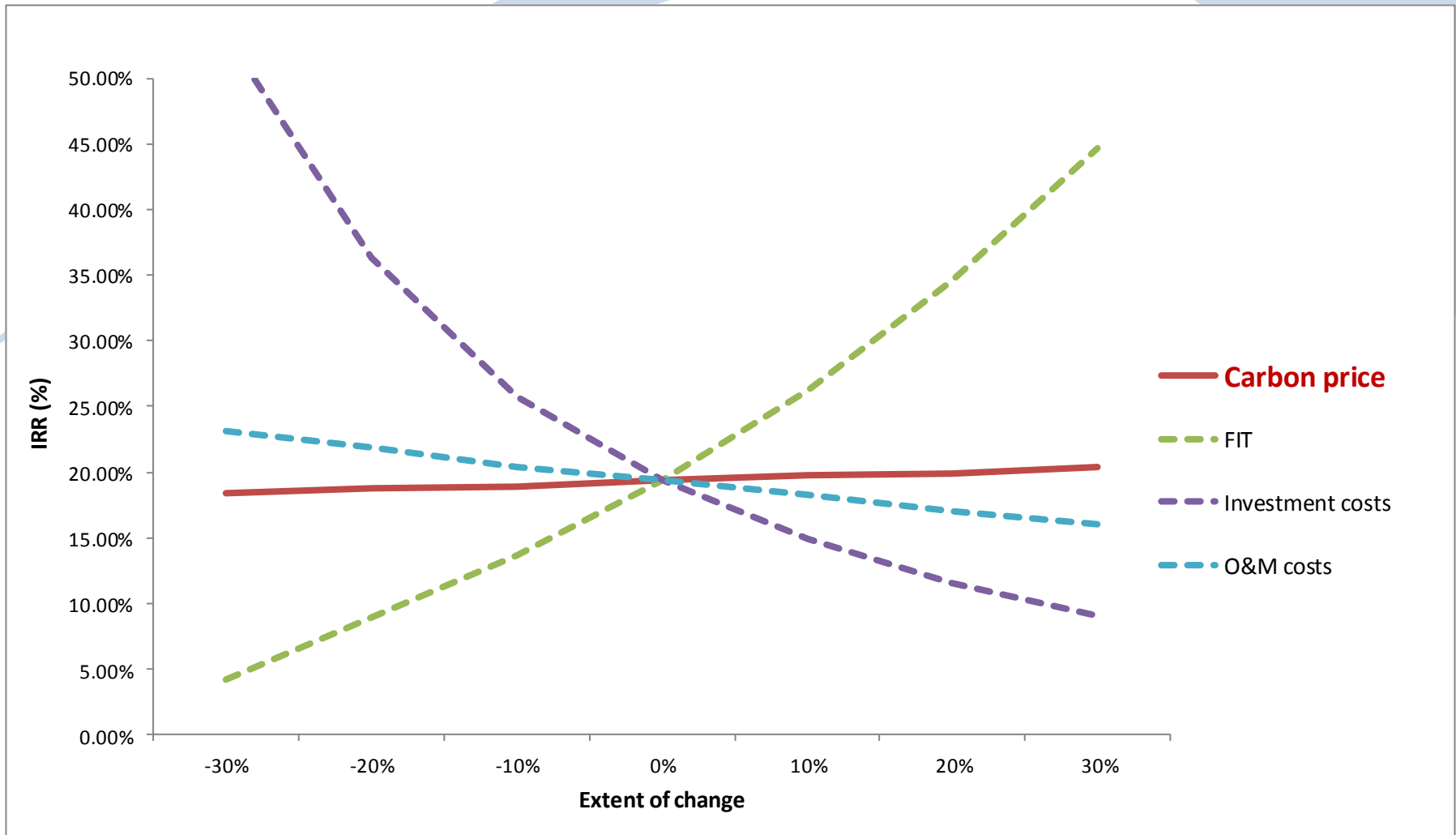
Options to finance RES in Turkey - current model



- Feed in tariffs
- Voluntary Carbon Markets
 - Gold Standard guarantees high socioeconomic benefits of the projects; it is used very often in Turkish RES projects.
 - Gold Standard wind projects mainly originate from Turkey.
 - Prices are falling
- low interest loans by IFIs



The role of Carbon Finance for wind in Turkey



Can electricity exports under the cooperation mechanisms create new business models?



- Additional revenues from electricity exports to the EU (under Joint Projects, Art.9)
- Option to expanding the higher cost potentials with export models
- Potential trigger for export infrastructure (grids, lines)
- Full capacity producing for Turkey after export period

Can electricity exports under the cooperation mechanisms create new business models?



Share of exports subject to agreement between Turkey and buyer country



- **Part of the electricity under Joint Projects can stay in Turkey and count to the Turkish target**
 - Combination with Carbon finance still possible
 - No use of domestic feed-in for RES share consumed in Turkey

Strategic questions



- How much to export to create business cases for RES?



- Over which timeframe to export?



- Is sufficient grid capacity available?



- Which potentials dedicate to export?

Examples from the West Balkans -exporting to Italy



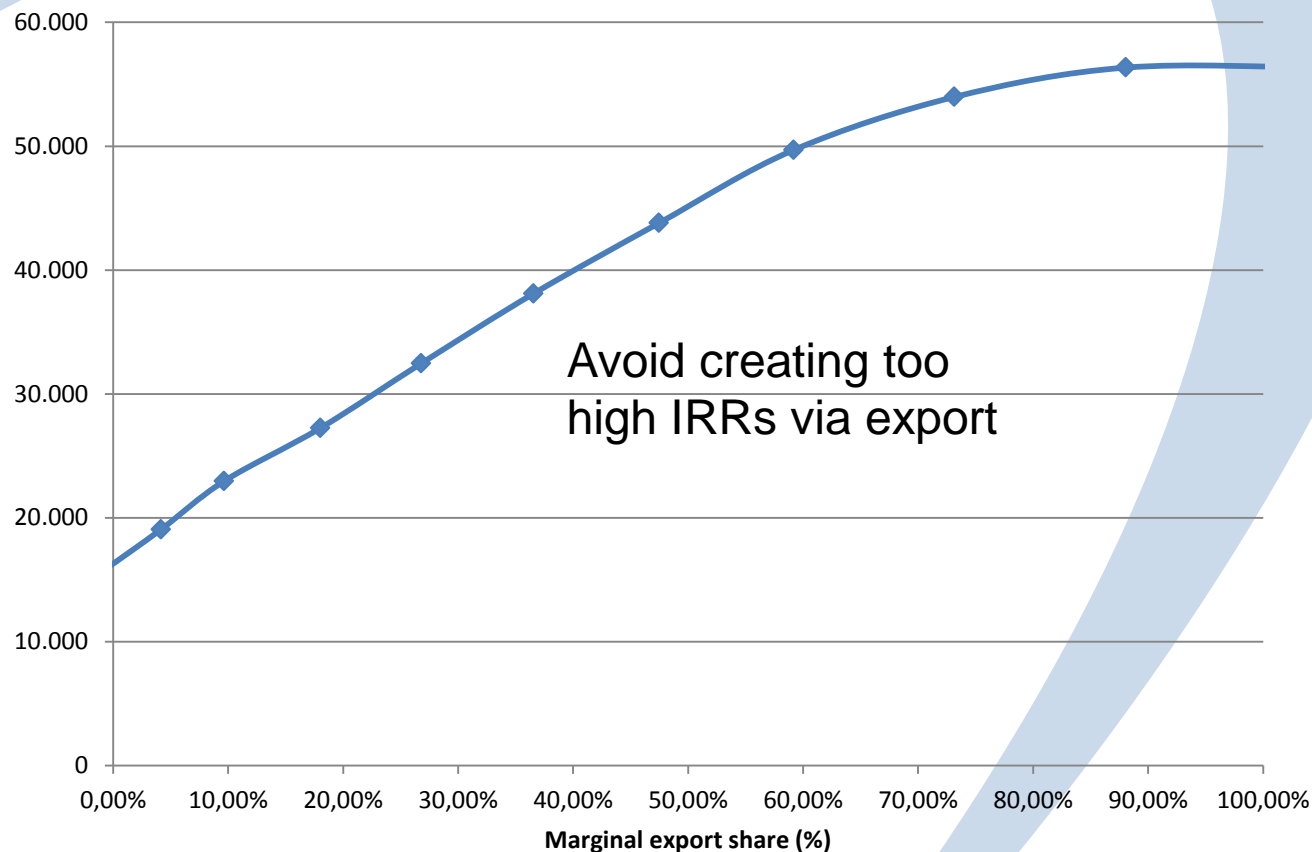
- Planned Joint Projects between Serbia/Bosnia and Italy regarding hydro power plants
 - 100% of the electricity is exported to Italy
 - Italy pays a high feed-in (155€/MWh)
 - High price potentials in host countries are dedicated to export
- After 15 years electricity is sold in Serbia/Bosnia and counts towards the host country's targets
- Transbalkan East-West Electricity corridor planned

Optimizing the export share for wind for Turkey

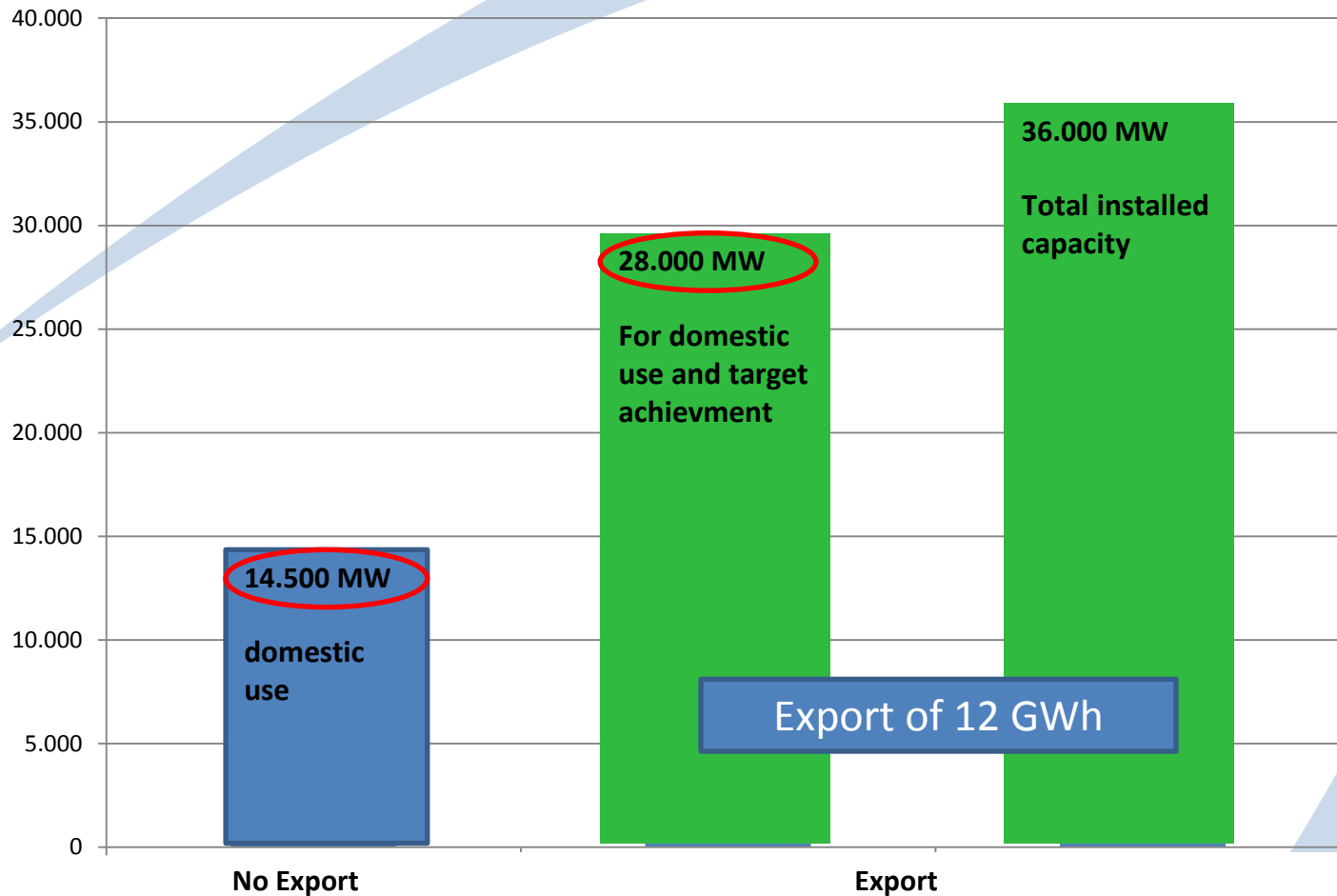


Capacity for domestic production based on optimized marginal export share (IRR threshold of 10%)

Total capacity producing for domestic consumption (MW)



Capacity increase in Turkey without export and with 30% export share, export period of 20 years



Conclusions



- Cooperation with the EU may be an option to create additional revenues and thus business models while increasing renewable energy use in Turkey
- The possible use of the cooperation mechanisms for Turkey, **however highly depends on the future ambition of EU renewables targets (demand for green electricity) and grid availability**



Thank you for your attention!

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