



This project is funded by the European Union

Annual Action Programme for Turkey for
the Year 2015 under the Instrument for
Pre-accession Assistance (IPA II)

Technical Assistance for Improvement of Performance-Based Tariff Regulation of EMRA for Turkish Energy Markets through Introducing an Enhanced Monitoring System

Project Identification No: EuropeAid /139125/IH/SER/TR

Contract No: TR2015/EN/07/A3-01/001

Task 5.1 Workshops Electricity and Natural gas 09 September 2020





This project is funded by the European Union



Project Title : Technical Assistance for Improvement of Performance-Based Tariff Regulation of EMRA for Turkish Energy Markets through Introducing an Enhanced Monitoring System

Contract Number : TR2015/EN/07/A3-01/001
Project Value : 1,800,300.00 Euros
Starting Date : 24/04/2019
End Date / Duration : 23/10/2020 / 18 months

Contracting Authority: Republic of Turkey Ministry of Treasury and Finance
Central Finance And Contracts Unit

CFCU Contract Manager : Beyhan Şayakdiken

Address : T.C. Hazine ve Maliye Bakanlığı Kampüsü E Blok İnönü Bulvarı No:36
06510 Emek / ANKARA

Telephone : +90 312 295 49 00

Fax : +90 312 286 70 72

e-mail : Beyhan.SAYAKDIKEN@cfcu.gov.

Beneficiary : Republic of Turkey Energy Market Regulatory Authority

Address : Mustafa Kemal Mahallesi 2078. Sokak No:4 06510 Çankaya/ ANKARA

Telephone : +90 312 201 40 00 - 201 40 01 - 201 40 02

Fax : +90 312 201 40 50

Consultant : Hulla & Co Human Dynamics KG

Project Director : Mr Valter Anacleto

Address : Lothringer Strasse 16, A-1030 Wien, Austria

Telephone : +43 1 402 50 20 133

Fax : +43 1 402 50 20 20

e-mail : valter.anacleto@dai.org

Project Team Leader : Mr Wietze Lise

Address (Project Office) : Mustafa Kemal Mahallesi, 2138 Sokak No 5/10, 06520, Çankaya,
Ankara, Türkiye

Telephone/Fax : +90 312 219 4108

e-mail : wietze.lise@mrc-tr.com

Reporting Period : 9th of September 2020

Date of Report : 10th September

Compiled By : Naz Yazıcıoğlu

Checked By :





This project is funded by the European Union



Table of Contents

Table of Contents 1

Abbreviations 2

1 Introduction 3

2 The purpose of the meeting 3

3 Structure of the workshop 4

 3.1 Workshop on Electricity and Natural Gas 4

4 Discussion & Recommendations: 4

 4.1 Remarks on Natural Gas 4

 4.2 Remarks on Electricity 6

5 Conclusion: 8

6 Agenda 8





This project is funded by the European Union



Abbreviations

AMS	Advanced Metering Systems
ARC	Assigned / Incumbent Retail Company
CAPEX	Capital Expenditures
CAPM	Capital Asset Pricing Model
CENS	Cost of Energy not Supplied
CI	Customer Interruptions
CML	Customer Minutes Lost
DEA	Data Envelopment Analysis
DGM	Dividend Growth Model
DNO	Distribution Network Operators
DSO	Distribution System Operator
EML	Electricity Market Law
EMRA	Energy Market Regulatory Authority
EU	European Union
ICPs	Independent Connection Providers
IDNOs	Independent Distribution Network Operators
IQI	Information Quality Incentive
IIS	Interruptions Incentive System
MAR	Market to Asset Ratios
MENR	Ministry of Energy and Natural Resources
NPAM	Network Performance Assessment Model
NRA	National Regulatory Authority
OPEX	Operational Expenditures
R&D	Research and Development
RAB	Regulatory Asset Base
RAV	Regulatory Asset Value
RIIO	Revenue = Incentive + Innovation + Output
RoC	Rate of Change
RoR	Rate of Return
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SoLR	Supplier of Last Resort
TEIAS	Turkish Electricity Transmission Co.
TIM	TOTEX Incentive Mechanism
TSO	Transmission System Operator
TTC	Time to Connect





This project is funded by the European Union



TTQ	Time to Quote
VoLL	Value of Loss Load
WACC	Weighted Average Cost of Capital
YEKDEM	Renewable Energy Support Mechanism (FIT)

1 Introduction

In accordance with the Terms of Reference a one-day workshop was held for the ‘Preparation of Vulnerable Consumers Action Plan and Social Tariff Methodology in Electricity and Natural Gas Market’ for both electricity and natural gas sectors. The workshop of Activity 5.1 was organized on via ZOOM online meeting platform on 09 September 2020 with the first half being natural gas and the second half being on electricity.

The one day workshop was attended by 107 people, namely 17 staff from EMRA, 13 representatives from BOTAŞ and 6 from TEİİAŞ, 6 representatives from MENR, 4 from EUAS, 2 from Enerco, 6 from TUİK, 3 from GAMA Energy, 8 from AKFEL, 3 from Ege Gaz, 3 from Petform, , 2 from Eren Holding, 2 from Sanko energy, 2 from Şişecam, 1 participant from ETD, Aygaz, Limak, Sepaş, Akenergy, RWE, Sauretim, Ayen, Elder, Borusan, Socar, Shell, Natural Gaz, İçtaş Energy, Kibarenergy, Avrasya gaz, Yesil Yurt energy, and 12 representatives from the TAT where the issues regarding electricity and natural gas subjects were discussed.

2 The purpose of the meeting

Overall Project Objective is to improve the functioning of electricity and gas markets in line with EU requirements.

Project Purpose is to improve the capacity of EMRA by the development of a new performance-based tariff calculation mechanism, including a social tariff.

The project aims at three main **results**:

1. Methodology for performance-based tariff calculation is developed.
2. Energy market monitoring system of EMRA is improved.
3. EMRA’s capacity to regulate market through the use of performance-based tariffs is enhanced.

This workshop is the first activity under Task 5: “Preparation of Vulnerable Consumers Action Plan and Social Tariff Methodology in Electricity and Natural Gas Market”.

The objectives of the workshop could be summarized as:

- Gathering information on current implementation regarding vulnerable consumers
- Analysis and evaluation of current vulnerable consumer groups and social tariffs implementations of Turkish tariff system
- Receiving the expectations and insights of stakeholders about the progress of vulnerable consumer action plan and social tariff methodology in electricity and natural gas market of Turkey
- Sharing the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in electricity and natural gas market conducted prior to workshop
- Discussion of the questionnaire results with participants and gathering additional comments





This project is funded by the European Union



This This one-day workshop with the participation of EMRA, consumer organizations, distribution companies, retail companies and other related stakeholders such as Ministry of Family and Social Policies in order to gather information on current implementation regarding vulnerable consumers and to analyse and evaluate current vulnerable consumer groups and social tariff implementations of Turkish tariff system.

The Contractor will conduct the training via the ZOOM platform to facilitate interaction. There will be audio-based Turkish-English simultaneous interpretation available during the training.

Participants from EMRA, MENR, BOTAS, TEIAS, etc. are herewith invited to attend this workshop and to benefit from the ongoing work in the Tariff project for EMRA. The online workshop will be split into different sub-sessions with respect to the number of participants to manage the attendance effectively, totally limited with one-day.

3 Structure of the workshop

3.1 Workshop on Electricity and Natural Gas

Activity 5.1 one day workshop was about 'Preparation of Vulnerable Consumers Action Plan and Social Tariff Methodology in Electricity and Natural Gas Market' started with Mr. Lise's(TL) welcome speech to the participants and continued with the presentation of Mr. Özdil's section on sharing and discussing the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in Natural Gas market conducted prior to workshop; gathering insights of Stakeholders about future expectations for vulnerable consumer action plan and social tariff methodology in Natural Gas market. The questions and answers in the questionnaire were evaluated with the participants.

Afternoon session of the workshop continued with Mr. Durukan. Sharing and discussion of the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in Electricity market conducted prior to workshop; Gathering insights of Stakeholders about future expectations for vulnerable consumer action plan and social tariff methodology in Electricity market; and the survey questions with the answers given were evaluated in the Q&A.

4 Discussion & Recommendations

At the end of the presentations, according to the agenda of the meetings, participants were encouraged to express their views on the Natural Gas and Electricity sectors. The summary of the discussion topics is presented below.

4.1 Remarks on Natural Gas

4.2 Remarks on Electricity





This project is funded by the European Union



5 Conclusion

The workshop was organized as natural gas in the first half of the day and as an electricity sector in the second half. The workshop provided a forum for questions and answers after each presentation. Participants expressed their satisfaction with the workshop content. It was stated at the end of the workshop that all presentations will be shared with the participants.





This project is funded by the European Union



6 Agenda

Detailed Agenda for Electricity and Natural Gas

Session - 1 & 5: Opening and Task summary

- Topics that are planned covered in this task
- Definitions and taxonomy (draft) for the study
- Task implementation approach

Session - 2: Sharing and discussion of the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in Natural Gas market conducted prior to workshop

- Summarizing the questionnaire axes and main theme
- Sharing the responses of Stakeholders on digital questionnaire conducted prior to the workshop per each question
- Reporting and visualizing the general tendency and response of Stakeholders on each question
- Discussing the questionnaire results and gathering additional comments if any

Session - 3 & 4: Gathering insights of Stakeholders about future expectations for vulnerable consumer action plan and social tariff methodology in Natural Gas market &

Wrap-up and Q&A

- Discussing the as-is status of consumer action plan and social tariff methodology with Stakeholders and gathering future expectations
- Handling additional comments and questions about Stakeholder inputs and Turkey case analysis if any

Session - 6: Sharing and discussion of the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in Electricity market conducted prior to workshop

- Summarizing the questionnaire axes and main theme
- Sharing the responses of Stakeholders on digital questionnaire conducted prior to the workshop per each question
- Reporting and visualizing the general tendency and response of Stakeholders on each question
- Discussing the questionnaire results and gathering additional comments if any

Session - 7 & 8: Gathering insights of Stakeholders about future expectations for vulnerable consumer action plan and social tariff methodology in Electricity market &

Wrap-up and Q&A

- Discussing the as-is status of consumer action plan and social tariff methodology with Stakeholders and gathering future expectations
- Handling additional comments and questions about Stakeholder inputs and Turkey case analysis if any





This project is funded by the European Union



AGENDA – 5.1 WORKSHOP		
Time	Agenda item	Presenter/Moderator
10:00 - 10:15	Opening and Task summary	Wietze Lise, Team Leader Eser Özdil, senior NKE
10:15 - 11:00	Sharing and discussion of the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in Natural Gas market conducted prior to workshop	Eser Özdil, senior NKE
11:00 - 11:30	Gathering insights of Stakeholders about future expectations for vulnerable consumer action plan and social tariff methodology in Natural Gas market	Eser Özdil, senior NKE
11:30 - 12:00	Wrap-up and Q&A	Eser Özdil, senior NKE
12:00 – 14:00	Lunch break	
14:00 – 14:15	Opening and Task summary	Wietze Lise, Team Leader Melih Durukan, senior NKE
14:15 – 15:00	Sharing and discussion of the digital questionnaire results on vulnerable consumer action plan and social tariff methodology in Electricity market conducted prior to workshop	Melih Durukan, senior NKE
15:00 - 15:30	Gathering insights of Stakeholders about future expectations for vulnerable consumer action plan and social tariff methodology in Electricity market	Melih Durukan, senior NKE
15:30 – 16:00	Wrap-up and Q&A	Melih Durukan, senior NKE



