

Abstract

Renewable Energy Resources (RER) are on the world agenda either because of security of energy supply or due to environmental reasons. However, share of RER is very low in the current world energy supply mix due to relatively high cost of RER technologies compared to conventional energy resources such as oil, coal or natural gas. Therefore, many countries try to promote use of RER in the primary energy supply mix either by using direct support policies such as Feed-in Tariffs (FIT) and Renewable Portfolio Standards (RPS) and financial incentives such as taxes, subsidies, or through indirect support mechanisms, namely environmental policy instruments i.e. carbon taxes and carbon permits. Generally, countries use mixture of these policy instruments simultaneously. Turkey has adopted FIT model to promote electricity generation from RER since 2005. The RER support system of the country was changed fundamentally in 2010. The evidences show that old version of the support system was not successful in promoting RER based electricity generation. However, the new support system of the country involves very innovative elements and is expected to increase share of RER based electricity generation in the future. This study concentrates on analysis of RER support system of the country. Before this main objective, existing RER support policies on the world, electricity market structure of Turkey and significance of RER and RER potential of the country are discussed briefly. Analysis of current RER incentive mechanism of the country is based on interviews made with energy experts in the country. Based on these interviews it can be claimed that, though it bears some deficiencies, the current RER incentive system seems to have potential to increase use of RER at Turkish electricity market.

Keywords: Renewable Energy Resources (RER), FIT, RPS, electricity market, Turkey