



EMRA INTRODUCES REGULATION ON AGGREGATION ACTIVITY IN THE ELECTRICITY MARKET

Energy Market Regulatory Authority (“**EMRA**”) introduced the Regulation on Aggregation Activity in the Electricity Market (“**Regulation**”) on 17 December 2024.

Aggregation activity was introduced in the electricity market in 2022, as part of an omnibus law. According to the legislation on aggregation activities, aggregation activity is combination and operation of the consumption and/or generation of one or more grid users.

The Regulation aims to formally recognise aggregators as participants in the electricity market and establish the legal and operational framework for the efficient management of energy production, consumption, and storage activities within a unified portfolio. Additionally, the Regulation defines the role of aggregators in the organized wholesale electricity market and bilateral agreement activities, as well as the duties, authorities, and responsibilities of the parties involved in transactions carried out within the scope of aggregation activities in the electricity market. The introduction of the aggregation concept has also necessitated amendments to existing regulations to further align the legislative framework with aggregation activities.

The Definition of Aggregator

Under the Regulation, an aggregator is defined as a legal entity holding either an aggregator license or a supply license with aggregator activities incorporated into it, which has entered into agreements with one or more grid users (e.g. producers, consumers, storage facilities) to perform market activities by consolidating and managing the production and/or consumption of those grid users on their behalf and participating in the supply process of ancillary services.

Core Activities of Aggregators

The aggregators will play a crucial role in the electricity market by enabling small to mid-size producers, consumers, and storage operators to participate in the market collectively. Their primary activities include facilitating energy trading in organized wholesale markets, such as day-ahead and intraday markets, by pooling smaller energy resources. They also support grid stability through balancing market operations and by providing essential ancillary services, including frequency control, demand-side response control, and reactive power support.

The aggregators must enter into detailed service agreements with network users, including energy producers, consumers, and storage facilities. These agreements shall define the roles and responsibilities of each party, including obligations related to energy balancing, financial settlements, and compliance with regulatory standards. Such agreements are aimed to provide a clear framework for operational and financial accountability.

Legal entities holding a supply license, with aggregator activity registered under that license, cannot enter into a service agreement with grid users in their portfolio who are already under contract for electricity supply.

Balancing Regions and Portfolio Management

At the core of aggregation activities are the balancing regions determined by the transmission system operator, Türkiye Elektrik İletim Anonim Şirketi. These regions represent localised grid areas and enable aggregators to manage the production-consumption balance more effectively. Within these zones, aggregators optimize their portfolios to fulfil critical responsibilities, including load balancing, frequency control, minimizing energy imbalances, and ensuring compliance with grid standards.

The aggregators may manage portfolios that include licensed and unlicensed electricity production facilities, consumption units, and energy storage systems. Effective management requires integrating these components to maximize efficiency and meet market demands.

The portfolios are subject to capacity limits to maintain balance within the market. Aggregators may include facilities with a combined total installed capacity of up to 2,000 MW. Of this, unlicensed production facilities are restricted to a maximum of 500 MW. In cases where these limits are exceeded, aggregators must promptly adjust their portfolios by removing excess facilities to restore compliance.

Control and Measurement Systems

The aggregators must adhere to specific technical and operational standards to ensure effective portfolio management.

Real-Time Monitoring and Control

Aggregators are required to establish advanced metering systems equipped with the capability for real-time monitoring and remote control. These systems must enable continuous oversight of energy production, consumption, and storage across their portfolios. To achieve this, aggregators must implement robust communication infrastructures that facilitate seamless data transfer between facilities and the grid operator. This ensures operational efficiency and compliance with grid requirements.

Accurate Data Reporting

To support grid stability and ensure transparent market operations, aggregators must provide precise and timely data on energy consumption, production, and storage. This includes the use of advanced monitoring tools like SCADA systems or equivalent technologies, which enable the collection and communication of real-time data to market operators and grid authorities. Accurate reporting is fundamental for effective market forecasting and operational synchronization.

Amendments to the Ancillary Legislation

As previously noted, certain ancillary legislation has been amended to align with the specifications outlined in the Regulation. The most notable amendments include but are not limited to the following:

- **Electricity Market Balancing and Settlement Regulation:** Aggregators are integrated into balancing regions to coordinate energy activities, participate in balancing markets, and manage imbalances under settlement frameworks, improving grid stability and market access for smaller energy players.
- **Electricity Market License Regulation:** A new aggregator license category is introduced, allowing entities to manage energy portfolios and participate in markets. Existing supply licenses can be amended, and licensing applications open on 1 January 2025, with financial adequacy and procedural requirements established.
- **Electricity Market Ancillary Services Regulation:** The aggregators are enabled to provide grid support services like demand-side response and frequency control, with emphasis on compliance with technical standards and validation.
- **Electricity Grid Regulation:** The aggregators' roles in grid operations and demand-side services are formalized, requiring adherence to technical standards for effective participation in grid stability and flexibility.
- **Regulation on Unlicensed Electricity Generation in the Electricity Market:** Unlicensed producers can join aggregator portfolios, monetizing surplus energy beyond their 10-year guarantee period, expanding renewable energy market participation.

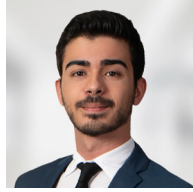
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