

Turkish regulation on electric vehicle charging station services

Dr. Umut Kolcuoglu,
Managing Partner
ukolcuoglu@kolcuoglu.av.tr

Hay Erarslan
Associate
ierarslan@kolcuoglu.av.tr

Kolcuoglu Demirkan
Kocakli Attorneys at Law

IN THE PAST YEARS, with the electric vehicles' active introduction into people's daily lives, the awareness of electric vehicles' usage and the increase in electric vehicle charging stations made available a new ground to be regulated. The lack of regulation in this area caused many uncertainties and complications, especially in the charging stations' pricing, operation, and technical qualities. To fill this void of unregulated ground, in April 2022, the Regulation on Charging Services (the "Regulation") was introduced. The Regulation mainly addresses the issues such as the installation and operation of the charging stations required for charging electric vehicles.

The Regulation requires the charging network operators, meaning those who wish to provide charging services to electric vehicles with multiple charging stations and those who wish to establish and manage a charging network, to obtain a "charging network operator license". As per the Regulation, joint stock companies or limited companies having a total share capital equal to or more than the minimum share capital threshold determined by the Energy Market Regulatory Authority ("EMRA") for the relevant year can apply to EMRA to obtain the charging network operator license. EMRA has determined the minimum share capital amount required for the charging network operator as 4,500,000 Turkish Liras for 2022 and has not updated such minimum share capital amount for 2023. In addition, the applicants must pay a license fee (i.e., 668,790 Turkish Liras for 2023) to EMRA to obtain a charging network operator license. Applications are made through EMRA's website by uploading the receipt of the relevant payment and filling

out the required application forms. EMRA issues the relevant licenses with a maximum validity period of 49 years, but this period can be extended upon the licensee's request. Obtaining a license to establish and operate a workplace is also a prerequisite to operating a charging station.

The Regulation requires the charging network operator's network to include at least 50 charging units within six months following the issuance of the respective license, and that the charging stations be located in at least five different districts. Furthermore, the charging network operators must each time make an application to EMRA through its website, to establish a new charging station. As per the Regulation, the existing network operators (which had started operating prior to the enforcement of the Regulation) had to ensure their compliance with the Regulation within just four months following the enforcement of the Regulation. However, with the amendment made on 31 December 2022, the existing network operators now have time until 30 June 2023 to fulfill their obligations to comply with the Regulation.

The charging stations which are physically accessible to all users are defined as "public charging stations" in the Regulation and as per the Regulation, it is obligatory to provide continuous and uninterrupted charging services at public charging stations. In this regard, justifiable reasons and force majeure events that are not caused by the licensee's negligence are excluded from this 24/7 operation requirement. As for the charging stations located at the parking lots of hotels, restaurants, shopping centers, and other workplaces, it is sought to provide uninterrupted service during

the working hours of the relevant business.

Determining the pricing of the charging service stands out as an important issue that concerns both licensees and service areas. It can be said that the Regulation handles the pricing issue somewhat contradictorily. The Regulation, first states that the charging service price will be determined freely, and then in the following sentences of the related article, requires the investment costs, operating costs, depreciation, tax, and similar costs related to the establishment of charging stations and the creation of a charging network to be considered in the determination of such price. It further states that a separate fee, such as an equipment usage fee, cannot be demanded in or separate from the pricing.

According to the Turkish Electric and Hybrid Vehicles Association's data published in September 2022, a total of 42 companies obtained charging network operator licenses after the Regulation came into force. It can be argued that the Regulation enabled EMRA to make it difficult to enter this new market by restricting the license period and stipulating certain criteria, especially in determining the pricing of the service, and that these restrictions negatively affected the number of license applications. Despite all this, the obstacles to enter into the electric vehicle charging market can be reduced to some extent by creating incentive programs, such as the Ministry of Industry and Technology's grant program last year, which was worth 300,000,000 Turkish liras for the installation of 1560 charging stations in 81 provinces and by conducting similar activities to turn this newly emerged market into a competitive environment.

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