



Turkey: At the energy crossroads of Europe and Asia

Interview with Taner Yıldız,
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Turkey's aspiration to be a regional energy hub has been widely discussed in the context of natural gas. How do recent developments – on the pipeline side, the rise of unconventional, the 'Arab Spring' and the situation vis-a-vis Iran – affect this agenda?

There is no doubt that recent events between Iran and EU countries affect the gas supply and security situation for everybody. Iran has issued threats that it could close the Strait of Hormuz, reminding the world that it could cause oil prices to spike if the US or Israel attacks. In the light of this, the outlook is uncertain for both exporting and importing countries. But from our point of view, we are determined to be a regional energy hub by virtue of our strategic and geopolitical position. We will continue to expand our endeavours in respect of the transportation of Caspian, Middle Eastern and Central Asian energy resources to Europe and world markets. Turkey will make every effort to develop new projects through bilateral cooperation to increase prosperity and enhance peace in the region.

The country's ambitions have been less widely discussed in the context of renewables, in particular Central Asia's tremendous wind potential. What are Turkey's plans with regard to becoming a renewable energy hub?

Turkey is rich in terms of renewable resources. In geothermal energy resources, for instance, Turkey ranks first in Europe and seventh in the world. As for wind energy, a rapid increase in terms of installed capacity – from 20 MW in 2002 to 1800 MW today – has taken place. With our ongoing projects and those in the pipeline, Turkey's wind energy capacity will most likely demonstrate further rapid and sharp increases. With a 132 per cent increase from 2008 to 2009 in installed wind capacity, Turkey is ranked second after Mexico according to the World Wind Industry Association. We believe that renewable energy resources will ultimately be the most important resources for all countries which is why we plan to increase the share of renewables in our energy mix to 30 per cent by the time of the 100th anniversary of the establishment of the Republic of Turkey, in 2023.

How has the Fukushima disaster, and its political ramifications in countries such as Germany, affected Turkey's nuclear plans?

Making use of safe, low-cost and environmentally-friendly energy resources remains the focus of our development strategy. Turkey's first nuclear power plant will be built by the Russians at Akkuyu, near the southern port city of Mersin. The second nuclear plant, slated for the Sinop region on Turkey's Black Sea coast, is still up for grabs. Turkey has launched an ambitious nuclear programme. We aim to meet the country's energy needs sustainably. We will take all precautions needed in the light of the Fukushima disaster but will continue to show our determination to develop nuclear power. In this context we intend to set up two nuclear plants, which will meet ten per cent of Turkey's energy demand until 2023.

How does the present economic uncertainty – in particular the eurozone situation – affect financing for clean energy infrastructure? What is Turkey doing in terms of its policy framework to ensure its attractiveness to investors?

Our aim is for Turkey to become a key destination for clean energy investments in the future. The Turkish government is ready to take on the challenge of climate change, and to take the necessary steps to promote the development of clean energy. Turkey has enacted its first renewable energy

Only 40 per cent of Turkey's hydraulic potential has so far been developed



law and revised it during our present government period. In this way, we support investors in hydroelectric power, wind, solar and other forms of clean energy.

What would be the preferred model to finance nuclear energy in Turkey?

Nuclear power plant constitutes one of our biggest investments, amounting to 20 billion dollars. In the past, many alternative investment models and methods of tendering have been tried but none has been successful. In the case of Akkuyu, we undertook negotiations with those countries that have the capability to build Nuclear facilities, and as a result we signed an intergovernmental Nuclear power plant agreement with Russia. We are planning to apply the 'build, own and operate' system. This is the first such model to be applied anywhere in the world. Our second plant is now in progress and we are in discussions with a number of countries in this regard.

Turkey's geothermal capacity is the largest in Europe



How important is the Istanbul World Energy Leaders Summit for Turkey and what do you hope it will achieve?

I very much appreciate the organisation of the World Energy Leaders Summit (WELS) in Turkey, enabling as it does an ongoing high-level dialogue on critical issues affecting the energy world. I believe that the Summit will be beneficial for all participants. Everybody will discuss the problems facing the energy sector and try to find solutions, at both a regional and international level.

How would you describe the relationship between the Ministry and the WEC Member Committee in Turkey? How useful has WEC's global network and information/research capability been in shaping the country's energy policy?

We have a good relationship with the WEC committee here in Turkey. As a government, we have adopted an open dialogue mechanism with all parts of the energy sector and listen to the suggestions and recommendations which they voice. In this sense, we follow the activities of the Turkish WEC Committee and are supportive of its activities.

How is Turkey supporting the UN's International Year of Sustainable Energy for All?

We must all change the way we use energy. Increasing the energy efficiency of our economies is an absolute necessity. We must also move rapidly towards a more diverse, sustainable set of energy resources. This move depends on the aggressive development and deployment of more sustainable energy sources.

For this reason, the UN's Sustainable Energy Year is a good motivation for us all. We have a responsibility to make energy more efficient, accessible and sustainable in order to reduce poverty all over the world. We support for UN's endeavour in this respect.

What are the most successful investment models for energy currently operating in Turkey?

There are many international energy projects operating successfully in Turkey, such as the Baku-Tbilisi-Ceyhan (BTC) and Iraq-Turkey pipeline projects. We encourage investors in renewables and local energy resources, such as hydroelectric power, wind, solar and geothermal energy. In this way, we have successfully fostered projects which assist in reducing the country's current account deficit. □