

# Development Bank of Turkey

## Geothermal Experience in Turkey

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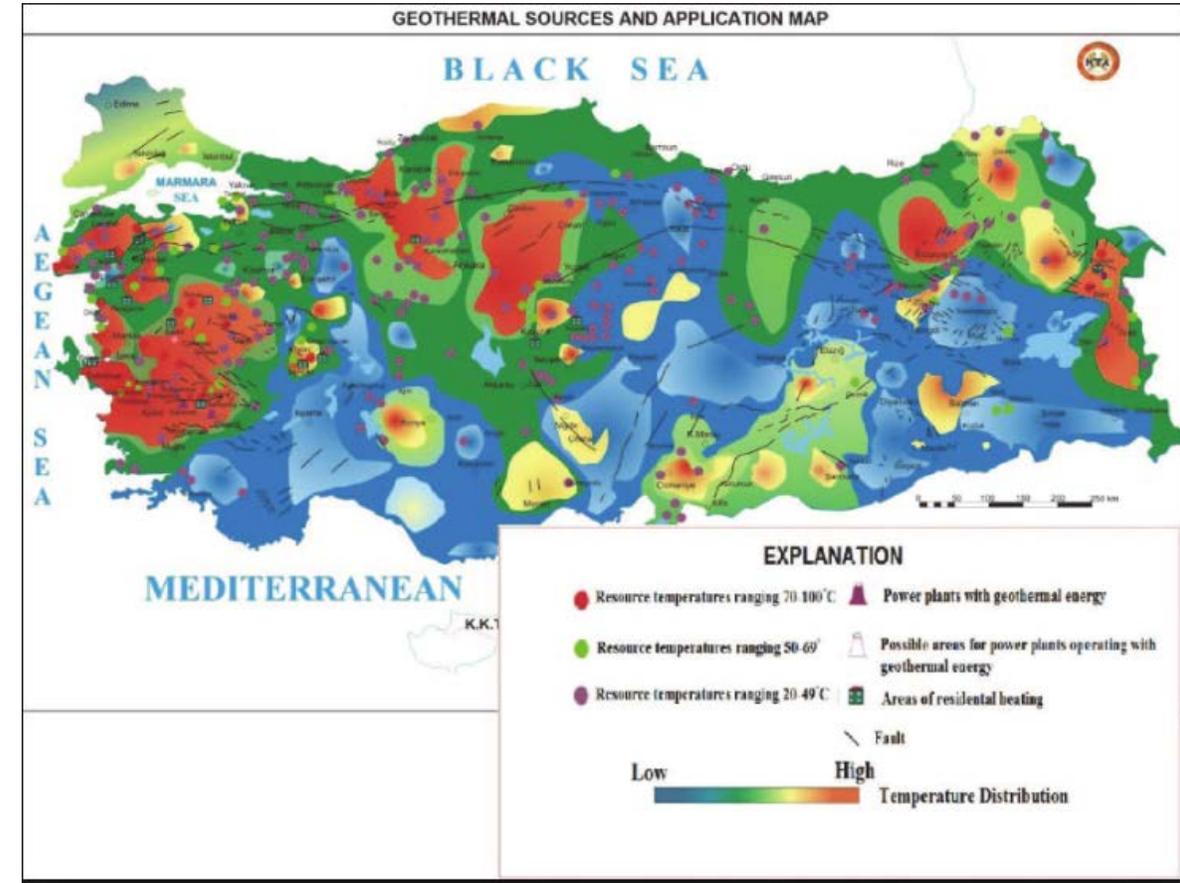


# GEOTHERMAL HISTORY IN BRIEF

The geothermal exploration & investigations in Turkey started by (Mineral Research & Exploration General Directorate) MTA in 1962

No. 5686 "Law on Geothermal Resources and Mineral Waters" was enacted in 2006 and by this law, geothermal fields, discovered by the MTA (Mineral Research & Exploration General Directorate), are transferred to investors through a tender process.

In theory, the geothermal potential of country is 31.500 MW.



## ***GEOHERMAL CAPACITY –***

**The Government recently announcement that it was revising the target to 4,000 MW by 2030**

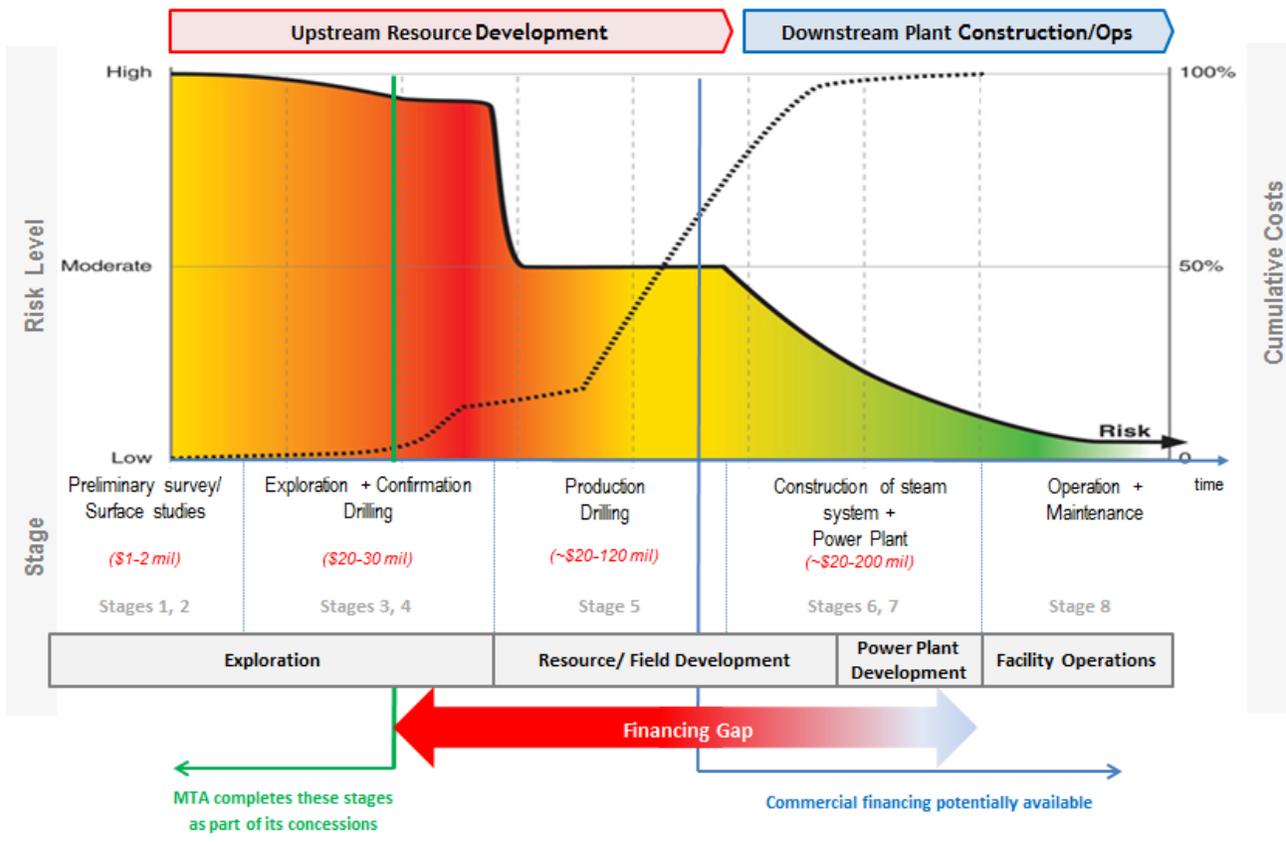
**With an installed capacity of 1,155 MW in geothermal power generation capacity, Turkey is part of only four countries that have more than 1 GW installed capacity.**

**Despite the critical role played by the MTA in development of the sector, It is now difficult to have the resources and mandate to undertake extensive geothermal exploration drilling, which leads to a significant slowdown in exploration activities.**



# RISK AND BANKABILITY PROFILE OF A GEOTHERMAL POWER PROJECT

# RISK SHARING MECHANISM – Development Objectives



Source: Modified from the Energy Sector Management Assistance Program (ESMAP), 2012, *Geothermal Handbook*, Technical Report 002/12, Washington.



## RISK SHARING MECHANISM – Development Objectives

- Production-size, medium-size and slim wells are eligible
- Success criteria based on geoscientific information, and consistent with the accompanying business plan

38,0  
Mio USD

18 months  
exploration  
licence private  
sector  
investments

Maximum  
5 wells

Success fee  
for first, second  
and third wells  
%10  
for fourth and  
fifth wells %25)

Maximum  
4.000.000 USD  
each investor  
5 years period  
(60 months)

## TIMELINE of PROJECT ACTIVATION

PIU ESTABLISHMENT

PROCUREMENT SPECIALIST

SELECTION OF RSM CONSULTANT

EXPRESSION OF INTEREST

APPLICATION WORKSHOP (Late June in İzmir)

ACCEPTANCE OF APPLICATIONS

APPROVAL OF LIST OF SELECTED BENEFICIARIES

## RSM EXPERIENCE

1) **Targeting potential beneficiaries and key stakeholders:** Identification of the potential applicants and key stakeholders in the market

2) **Marketing strategy and activity action plan:** understanding of the implementation of RSM, project origination through identified stakeholders, focal provinces.

3) **Marketing tools and events:** Program branding, Website, Media coverage, marketing material (sectorial leaflets, brochure, etc.)

**Effective promotion of the Program in the country**



# Thank you

**DEVELOPMENT BANK OF TURKEY**

**Risk Sharing Mechanism Unit**

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