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TSKB Economic Research

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In 2024, renewable energy technologies provided employment for 16.6 million people

The International Renewable Energy Agency's (IRENA) new report, "Renewable Energy and Jobs: Annual Review 2025" notes that renewable energy technologies employed 16.6 million people in 2024, representing a 2.3% increase over the previous year. While the annual data reflects a continued expansion of renewable energy capacity, the pace of employment growth in the sector slowed in 2024, comparing with the average 26.5% employment growth between 2022 and 2023.

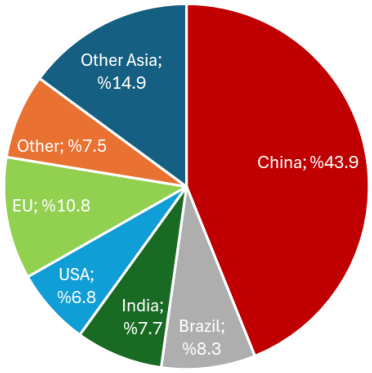
IRENA attributes this deceleration to automation and other technological advances, excess equipment capacity and grid bottlenecks which constrain electricity generation.

Looking at a breakdown of the employment by technology, the photovoltaic (PV) sector stands out, accounting for roughly 44% of all jobs, followed by biofuels, hydroelectric power and wind power.

The report also highlights pronounced regional disparities in renewable energy employment. In 2024, China alone represented 44% of jobs in the sector, with the European Union (EU) trailing at 10.8%. Brazil and India accounted for 8.3% and 7.7% of employment, respectively.

Finally, the report underscores the need for fairness and inclusion in sectoral employment and stresses that a people-centric approach must be at the core of the energy transition.

Regional Distribution of Renewable Energy Employment in 2024



Source: IRENA, TSKB Economic Research

32.1 TWh	2,894.9 TL/MWh
January Gross Generation	Average MCP

1.4%

Daily average licensed electricity generation increased by 1.4% MoM and by 3.9% YoY in January.

Click for details.

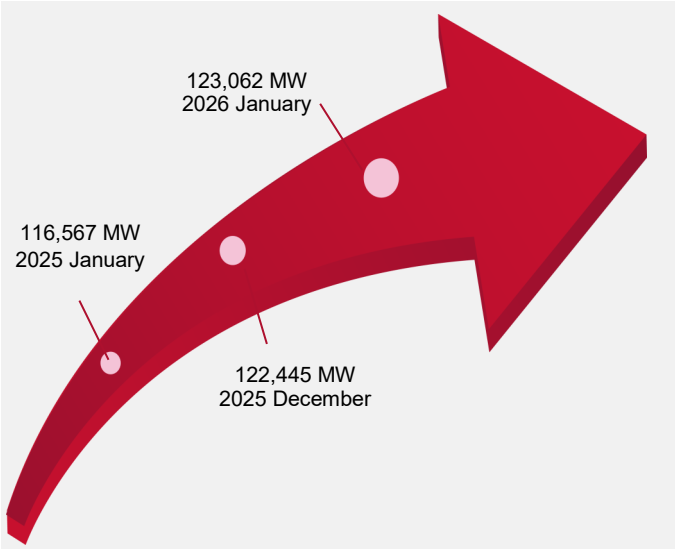
2.6%

Market Clearing Price (MCP) decreased by 2.6% MoM and increased by 21.5% YoY in January.

Click for details.

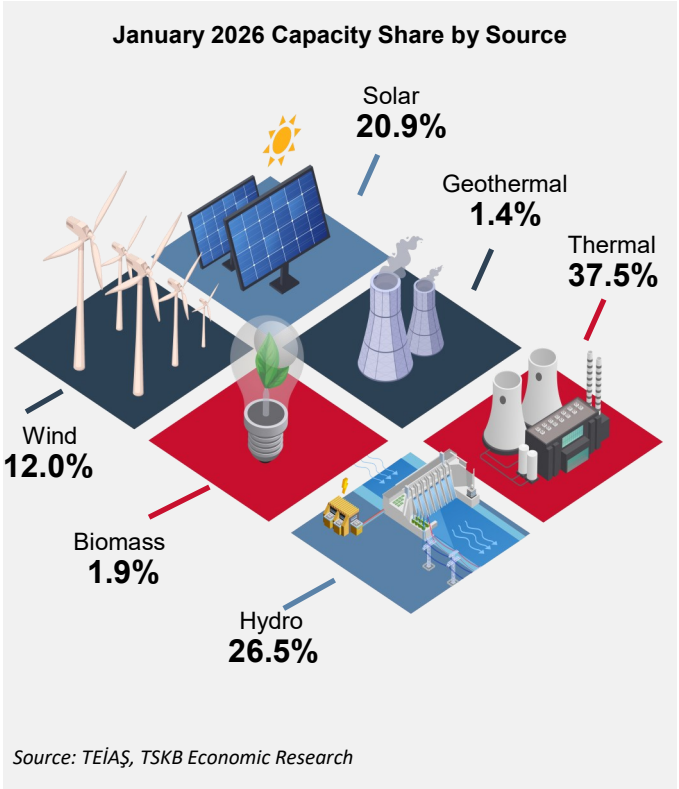
Installed Capacity Analysis

Türkiye's total installed capacity stood at 122,445 MW at the end of December 2025, rising to 123,062 MW in January 2026. A net additional 617 MW of capacity was commissioned in January with solar power plants accounting for 609.1 MW of the newly commissioned capacity, with the installed capacity of natural gas and multifuel plants increasing by 15.2 MW. Wind power capacity grew by 4.2 MW and geothermal capacity by 1.5 MW. Conversely, the installed capacity of plants using renewable waste and domestic coal fell by 7.2 MW and 5.7 MW, respectively.



Source: TEİAŞ, TSKB Economic Research

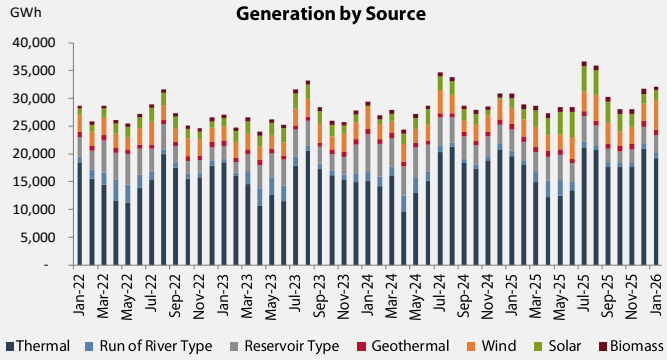
In January, renewable energy power plants accounted for 62.5% of the capacity in operation. Hydraulic power has 26.2% of Türkiye's total installed electricity generation capacity, with wind and solar power plants together accounting for a larger share (32.9%) than hydraulic power.

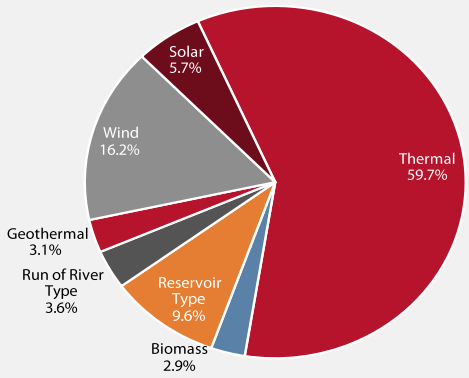


Source: TEİAŞ, TSKB Economic Research

Generation-Consumption Analysis

Total electricity generation stood at roughly 31.7 terawatthours (TWh) in December 2025, rising to 32.1 TWh in January 2026. January's average daily generation increased by 1.4% when compared to the preceding month and by 3.9% compared with the same month of the previous year.

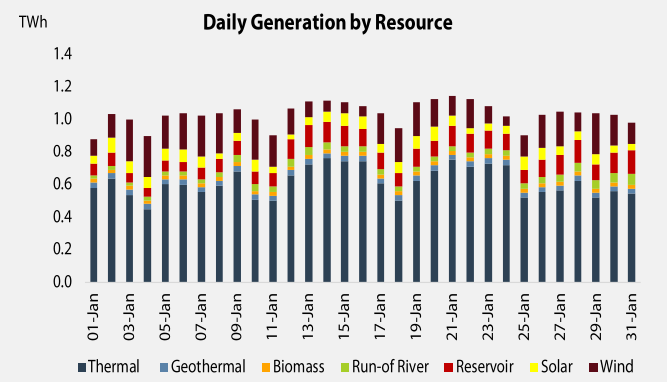




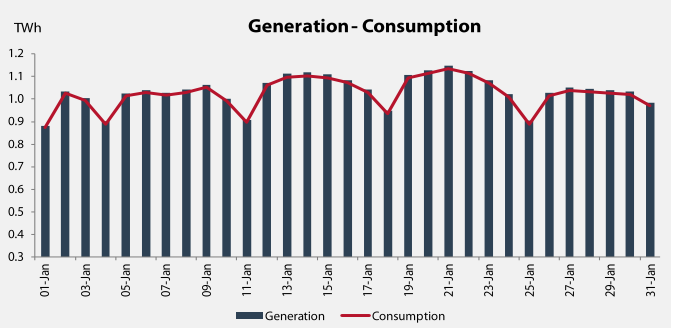
Source: TEİAŞ, YTBS Daily Reports, TSKB Economic Research

In December, thermal power plants supplied 66% of the electricity generated, with this proportion standing at 59.7% in January. A breakdown of this generation mix by source finds that hydroelectric power plants - which accounted for a 12.6% share in the previous month generated 13.2% of the total electricity in January. During the same period, solar plants contributed 5.7% of generation, with geothermal power plants providing 3.1% of total electricity output.

The share of renewable energy plants in electricity generation increased from 31.1% in December 2025 to 38.2% in January 2026. In that period, reservoir type hydraulic power plants contributed 9.6% of total generation while wind farms accounted for 16.2% of total generation, making them the largest renewable source while the combined contribution of wind and solar plants amounted to 21.9% of total electricity generation.



Source: TEİAŞ, YTBS Daily Reports, TSKB Economic Research



Source: TEİAŞ, YTBS Daily Reports, TSKB Economic Research

Daily electricity generation averaged 1.03 TWh in January. The highest daily generation in the month was recorded on Wednesday, 21 January, reaching 1.14 TWh, with the lowest daily generation on Thursday, 1 January, at 0.88 TWh.

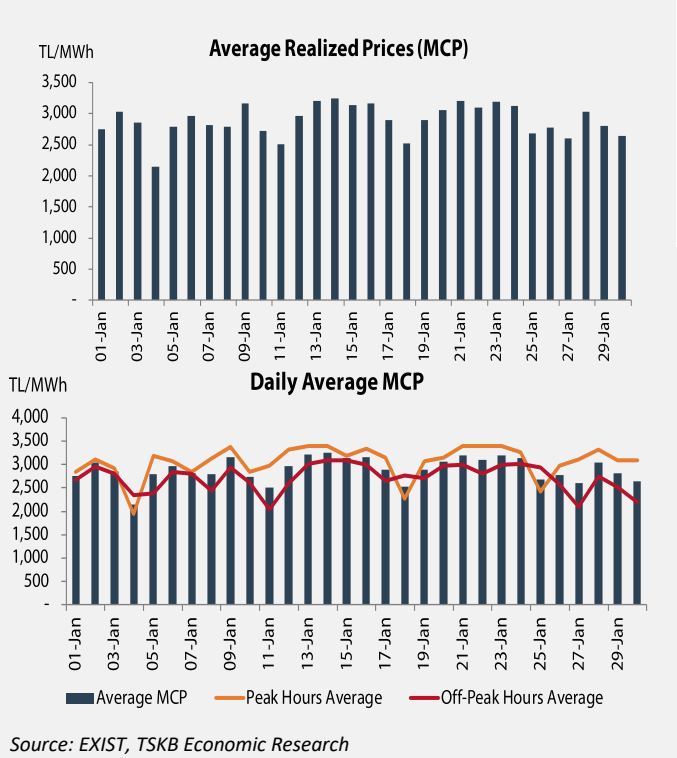
During the same period, daily electricity consumption averaged 1.02 TWh with the highest daily consumption, of 1.13 TWh, recorded on Wednesday, 21 January and the lowest on Thursday, 1 January, at 0.87 TWh.

Electricity Price Analysis

During January, the daily average market clearing price (MCP) ranged between TL 2,146.5/MWh and TL 3,248.1 / MWh. The overall average daily MCP for the month was TL 2,894.9 /MWh with the highest daily average MCP value of TL 3,248.1 /MWh recorded on Wednesday, 14 January and the lowest daily average MCP value of TL 2,146.5 /MWh on Sunday, 4 January.

Looking at the hourly data, the MCP reached its maximum price cap of TL 3,400 /MWh for a total of 219 hours during January. The lowest hourly price observed in the month was TL 755.1 /MWh, recorded for a single hour.

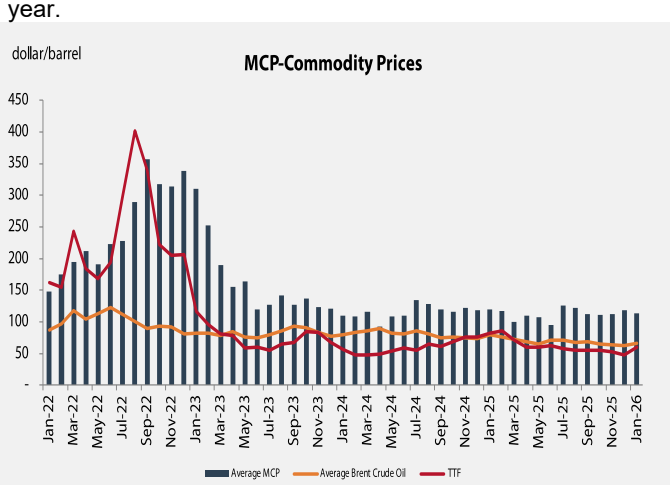
An analysis of the daily MCP for January finds that the peak hour average (8AM-8PM) was 5.8% higher than the average for all hours, at TL 3,063.8/MWh. The maximum limit price of TL 3,400 /MWh was observed 184 times during peak hours, while the lowest peak hour price of TL 715 /MWh was recorded for one hour.



Source: EXIST, TSKB Economic Research

During the same period, the off peak average (8PM-8AM) was TL 2,726 /MWh with the maximum limit price of TL 3,400 /MWh recorded for 35 off peak hours, and the lowest off peak price of TL 1,400 MWh recorded once.

The average MCP fell from USD 69.7 /MWh in December to USD 67 /MWh in January, with a decline of 5.1% in dollar terms when compared with the same month of the previous year.



Source: EPİAŞ, TCMB, EIA, TSKB Economic Research

Average Commodity Prices

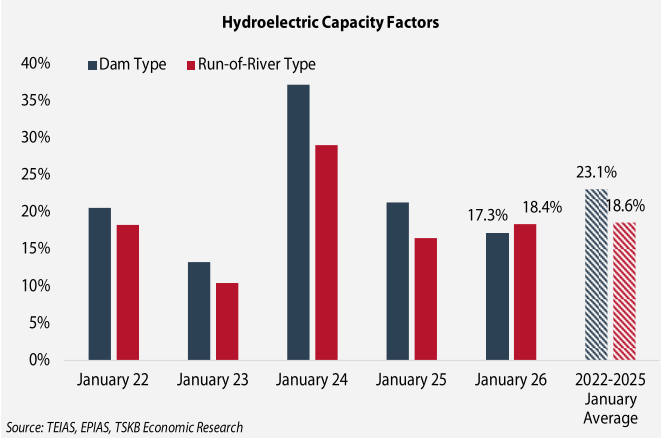
Brent crude oil prices rose by 4.8% from an average of USD 62.5 per barrel in December to USD 65.5 per barrel in January, with the average price being 17.3% lower than the same period of the previous year.

The average TTF natural gas contract price in December was USD 47 per MWh, increasing by 27.2% month-on-month to USD 59.9 per MWh in January. When compared with the same period of the previous year, the TTF price fell by 27.1%.

Hydroelectric Capacity Factors

The capacity factors of reservoir (dam-type) and run of river hydroelectric power plants stood at 17.3% and 18.4%, respectively. There was a decline of 4.1 percentage points the capacity factors for dam-type power plants fell when compared with January 2025, but an increase of 1.8 percentage points for run-of-river plants.

Comparing the months of January over the last five years, the highest capacity factor for dam-type plants was recorded in January 2024, at 37.3%, with the highest for run of river plants, of 29.1%, also recorded in January 2024.



Source: TEIAS, EPIAS, TSKB Economic Research

Investment Trends in the Energy Transition in 2025

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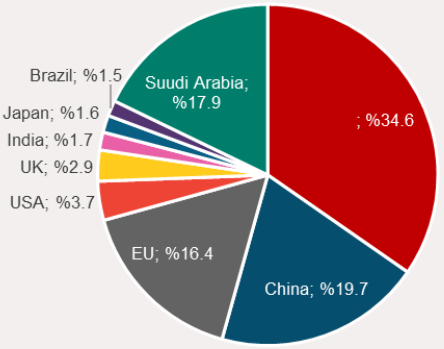
Bloomberg New Energy Finance (BNEF) published the "Global Energy Transition Investment Trends" report for 2025. According to the report, global energy transition investments grew by 8 % in 2025, to reach USD 2.3 trillion.

The largest share of these investments – USD 893 billion – was allocated to electrified transport in 2025. In the 2020 period, investments in electrified transport had amounted to USD 164.6 billion. The report includes electric vehicles and charging infrastructure under electrified transport.

Electrified transport was followed by renewable energy, with USD 690 billion of investment and grid investments (USD 483 billion). Together, these three items accounted for 90% of the total investment of roughly USD 2 trillion.

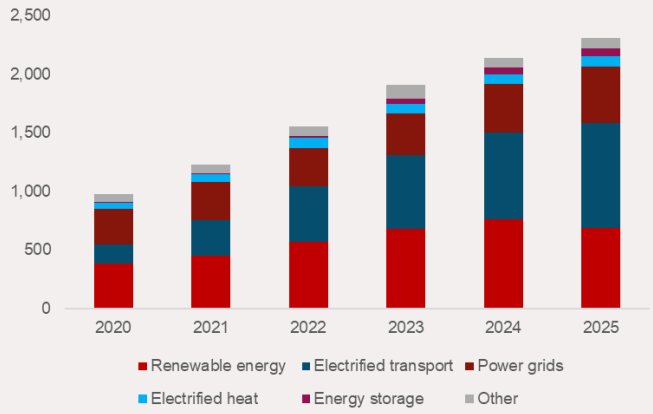
Among other global investments, electrified heating and energy storage stood out, with investment in energy storage rising from USD 4.9 billion in 2020 to USD 71 billion in 2025.

Global Distribution of Global Energy Transition Investment in 2025



Source: BNEF, TSKB Economic Research

Global Energy Transition Investment (billion dollar)



Source: BNEF, TSKB Economic Research
Other include nuclear power, clean industries, hydrogen, CCS, and clean transportation.

Although there is a decline in China in the regional distribution of global investments for the first time since 2013, the country remains the leader with USD 800 billion of investment, representing 34 % of global spending. BNEF attributes the slowdown of China's energy transition investments to regulatory changes affecting energy trade and the market risk created by those changes.

In the EU, investments increased by 18 % to USD 455 billion, giving the EU a 19.7 % share of global spending. BNEF notes that, despite the contradictory actions by the Donald Trump administration, the United States recorded a 3.5 % increase in energy transition investments, totalling USD 378 billion. With this amount, the United States holds a 16.4 % share, ranking third globally.

According to BNEF's Net Zero Scenario, global energy transition investments would need to reach USD 5.2 trillion per year between 2026 and 2030. In this vein, the report highlights the need for investment in electrified transport and underscores the necessity of increased spending on carbon capture and storage technologies.

Türkiye's investments in the energy transition are also centred around similar technologies. Accordingly, the Ministry of Energy and Natural Resources (ETKB) has identified "Net Zero Carbon Focused Energy Transformation" as one of the main objectives in its 2024-2028 Strategic Plan[1]. Under this heading, sub targets include increasing the share of clean energy electricity in total generation, reducing the carbon intensity of energy and building robust infrastructure to support electric vehicle adoption. Moreover, the "Renewable Energy 2035 Roadmap[2]" released by the Ministry of Energy and Natural Resources outlines investment plans of USD 80 billion in Renewable Energy Source Areas (YEKA), hybrid capacity, and offshore wind projects, and USD 28 billion for grid modernization.

The year 2025 is viewed as the year when the implementation of these targets began to materialize, with notable achievements such as the completion of YEKA tenders by the Ministry of Energy and Natural Resources and TEİAŞ's agreements with the World Bank on grid capacity expansion and digitalization.

The 31st Conference of the Parties (COP31), to be held in Antalya in cooperation with Australia, signals that energy transition investments will continue to remain on Türkiye's agenda.

[1]https://enerji.gov.tr/Media/Dizin/SGB/tr/Kurumsal_Politikalar/ETKB_2024-2028_Stratejik_Plani.pdf

[2]https://enerji.gov.tr/Media/Dizin/BHIM/tr/Duyurular/Yenilenebilir%20Enerjide%202035%20Yol%20Haritas%C4%B1%20Lansman%20Sunumu_202410221014.pdf

Sector News

Local News

- Turkish Electricity Transmission Corporation (TEİAŞ) announces capacity mechanism payment list for November. Accordingly, TEİAŞ will issue capacity payments totalling TL 1.05 billion to 32 power generation plants for November. Under the capacity mechanism, the highest payment for November, of TL 134.8 million, will be allocated to the Soma Kolin Thermal Power Plant. There are no domestic coal fired plants among the plants benefiting from the capacity mechanism announced for 2026, with 16 imported natural gas plants receiving support, bringing an end to the capacity mechanism subsidies that domestic coal plants have been receiving since 2018. The Minister for Energy and Natural Resources, Alparslan Bayraktar, announced in November that the support model for plants generating electricity from domestic coal, which will be valid until 2030, have been put in place. Accordingly, ÇATES Electricity Generation Inc. announced on the Public Disclosure Platform (KAP) that it had signed a contract with The Electricity Generation Corporation (EÜAŞ) covering the 2026-2029 period, based on a purchase guarantee of USD 75 per MWh.

- Energy Market Regulatory Authority (EPDK) determines unit costs for the Renewable Energy Support Mechanism (YEKDEM) projected for 2026. According to the EPDK decision published in the Official Gazette, the YEKDEM unit costs for the January–December period are expected to range from TL 201.41 to TL 617.89 per MWh. The YEKDEM unit cost represents the per unit cost of the incentives paid to YEKDEM covered plants and is taken into account in the determination of electricity tariffs. Changes in the unit cost can be attributed to market conditions, production expectations at renewable energy plants, weather conditions, electricity demand and shifts in the geographical distribution of YEKDEM plants.

- New agreement to supply 33 billion cubic meters (bcm) of natural gas concluded with Azerbaijan. The Energy and Natural Resources Minister, Alparslan Bayraktar, announced that the supply agreement will start in 2029 and continue for 15 years.

- Research protocol signed between the Turkish Coal Corporation (TTK) and the Turkish Energy, Nuclear and Mineral Research Institute (TENMAK) for obtaining rare earth elements from coal. The protocol aims to carry out R&D activities to extract rare earth elements from unprocessed coal, processed coal products and washing residues.

- Memorandum of Understanding (MOU) signed between Turkish Petroleum (TPAO) and ExxonMobil's company ESSO Exploration International Limited concerning the oil and natural gas sector. The MOU covers new exploration areas in the Black Sea and Mediterranean regions as well as other potential international areas to be determined.

- EPDK publishes "Electricity Market Sector Report" and the "Natural Gas Market Sector Report" for November. According to these reports, electricity consumption in November decreased by 1.3 % compared with the same month of the previous year, falling from 27.3 TWh in October to 27.6 TWh in November. However, billed electricity consumption in November increased by 0.9 % YoY, to 22.5 TWh. The Natural Gas Market Sector Report indicates that total natural gas consumption in November fell by 10.3 % YoY to 4.3 bcm, with 30.2 % of the gas used by the conversion sector. Natural gas imports decreased by 13.2 % compared with November 2024, falling to 5.0 bcm.

- Industrial Development Bank of Türkiye (TSKB) provides USD 75 million of financing to Mutlucan Şeker in connection with the acquisition of RHG Enertürk Enerji. The financing, which will be structured with a total maturity of six years, is intended to contribute to Turkey's long term energy transition.

- EPDK amends "Electricity Market Connection and System Use Regulation." According to the amendment published in the Official Gazette, electricity connection applications will be moved to an entirely digital platform, while the connection rules for unlicensed electricity generation have been redefined. The new rules set limits on connection distances for unlicensed generation facilities while also allowing the establishment of shared lines and transformers.

- 3,500 MW in new capacity to be allocated for electricity generation intended for self consumption in 2026. According to the Minister of Energy and Natural Resources, Alparslan Bayraktar, priority will be given to public institutions such as municipalities and sectors with strategic importance and export potential when allocating capacity.

Foreign News

- Organization of the Petroleum Exporting Countries and Allies (OPEC+) confirms decision to keep oil production on hold in the first quarter of 2026. The decision had been taken in November by eight OPEC members: Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria and Oman. Accordingly, the countries announced that they would halt any production increases in January, February and March 2026 due to seasonal effects, and that the voluntary daily cut of 1.65 million barrels could be gradually phased out, depending on market conditions.

- US President Donald Trump asking for procurement that would have the country's largest electric grid operator cover the AI infrastructure costs of technology companies. It is reported that President Trump, together with the governors of several states including Pennsylvania, Ohio and Virginia, seek an energy tender in which operators of largescale data centers may submit bids for 15 year contracts to build new power plants. In a social media post early in the week, President Trump stated that he did not want households to pay higher electricity bills because of data centers, and that he was working on the issue with American technology firms.

- International Energy Agency (IEA) expects global oil demand to grow by 930,000 barrels per day (bpd) in 2026. The projection, set out in the IEA's monthly oil report, exceeds increase of 850 000 bpd estimated for 2025. While noting a surplus in oil supply, the IEA states that supply will outpace demand in 2026 if current conditions persist.

- Libya signs 25 year investment agreement worth more than USD 20 billion with TotalEnergies and ConocoPhillips. Under the deal, Libya aims to raise its oil output by 850 000 bpd, modernize its energy infrastructure and expand its share of the global market.

- EU gives final approval to phased ban on Russian natural gas. With the vote, 27 EU member states formally adopted a regulation that will gradually end both pipeline and liquefied natural gas (LNG) imports from Russia. The regulation stipulates that a total ban on LNG imports will enter effect at the beginning of 2027, while the ban on pipeline gas will start in the autumn of 2027; noncompliance will be penalized financially. The European Commission requires all EU countries to draft national plans for diversifying natural gas supplies by 1 March 2026. Moreover, the regulation allows a temporary suspension of the import ban for up to four weeks if an emergency is declared and energy security risks become serious in one or more EU states. The next step for the ban is the publication of the implementing regulation in the EU Official Journal, after which it will enter into force.

Europe's total electricity generated from the sun and wind overtakes generation from fossil fuels for the first time

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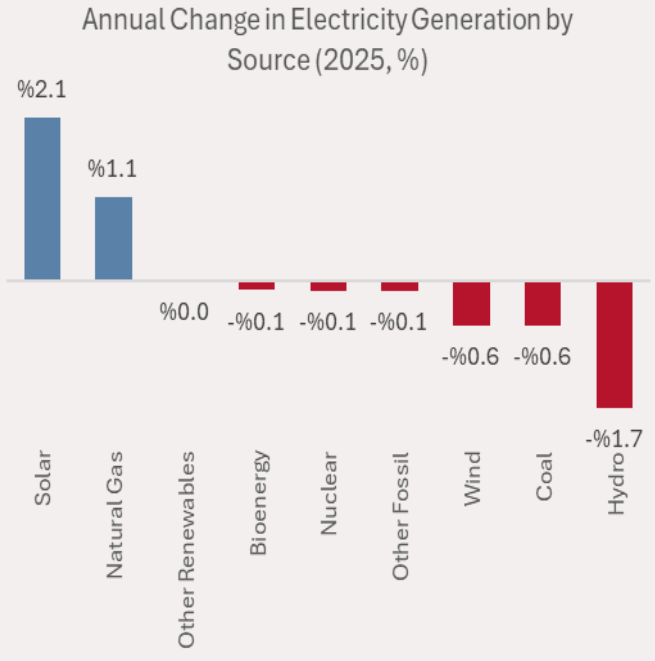
Data on electricity generation in Europe for 2025, together with the "European Electricity Review 2026" report published by Ember Energy, highlight the rise in total electricity generated from solar and wind energy. According to the 2025 figures, total electricity generated from solar and wind energy increased by 6.3 % YoY to 842 TWh, while electricity generated from fossil fuels grew by 2.1 % YoY to reach 809 TWh. Thus, in 2025 the total amount electricity generated from solar and wind energy surpassed the amount of electricity generated from fossil fuels for the first time.

Examining the data by source, nuclear power remains the second largest source of electricity generation after fossil fuels in the EU member states, as in 2024. Nuclear is followed by wind power. Nuclear's share fell slightly from 23.5 % in 2024 to 23.3 % in 2025, while the share of wind energy in the total declined from 17.5 % in 2024 to 16.9 % in 2025.

Natural gas, a fossil fuel source, was one of the two sources to increase its share in total generation, by 1.1 percentage points from 15.6 % in 2024 to 16.7 % in 2025. The report attributes this increase mainly to a 1.7 percentage point fall in the amount of electricity generated by hydroelectric plants. The other source to record a notable increase, of 2.1 percentage points, was solar energy, with its share growing from 11.1 % in 2024 to 13.2 % in 2025.



Source: Ember Energy, TSKB Economic Research

Coal, which provided 9.8 % of total electricity in 2024, continued to lose share, falling to 9.2 % in 2025. According to the report, the share of coal was either zero or below 5 % in nine countries with just two countries – Germany and Poland. Moreover – accounting for 74 % of the electricity generated from coal.

In this context, despite climate related fluctuations, solar and wind continued to increase their overall share of electricity generation, while insufficient snow and rainfall reduced hydroelectric output and boosted natural gas generation. The use of coal, meanwhile, continued to decline.

Besides the developments in European electricity generation in 2025, it is noted that even at the beginning of 2026, the European Commission had not yet given its final approval for the phased ban on Russian natural gas that is to start in 2027. Accordingly, renewable sources of energy will continue to play a crucial role for the region's energy security.

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