

Monthly Energy Bulletin

TSKB Economic Research

June 2026 #96

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One of the main headings of the COP31 Action Agenda is “electrification”

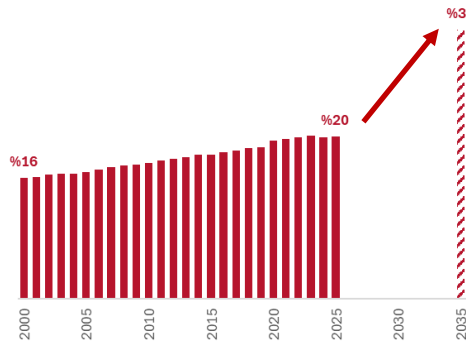
The “Global Implementation Targets” have been announced within the COP31 Action Agenda. According to the statement issued by the Minister of the Environment, Urbanization and Climate Change and COP31 President Murat Kurum at the Bonn Climate Conference, the targets include zero waste and methane reduction, climate resilient cities and buildings, green industrialization, climate awareness in all sectors, and a climate implementation bridge, while the “flagship initiative” of the COP31 Action Agenda was identified as electrification.

In this regard, the aim is to raise the share of electricity in global final energy demand from its current level of 20% to 35% by 2035. The COP31 Presidency has tasked International Energy Agency (IEA) with preparing roadmaps for electrification and analyzing its benefits. In addition, Mr. Kurum called for a substantial acceleration of the shift from direct fossil fuel use to clean electricity in buildings, transport and industry.

During London Climate Action Week, “Electricity Now” was launched, a global platform called aimed at speeding up clean electrification. Centered on the COP31 Presidency’s 2035 electrification target, the platform brings together countries, the IEA, International Renewable Energy Agency (IRENA) and industry leaders.

The platform seeks to strengthen implementation plans, address investment barriers and support the steps that developing economies will take toward clean electrification. The leading countries in the platform are Türkiye, Australia, Brazil, Ethiopia, Canada, the Philippines, South Korea and the United Kingdom. Signatory nations and institutions are inviting all governments to cooperate with Electricity Now.

Share of Electricity in Global Final Energy Demand



Source: IEA, COP31 Presidency, TSKB Economic Research

29.9
TWh

June Gross
Generation

1.240.1
TL/MWh

Average
MCP

13.7%

Daily average licensed electricity generation increased by 13.7% MoM and by 5.2% YoY in June.

[Click](#) for details.

109.9%

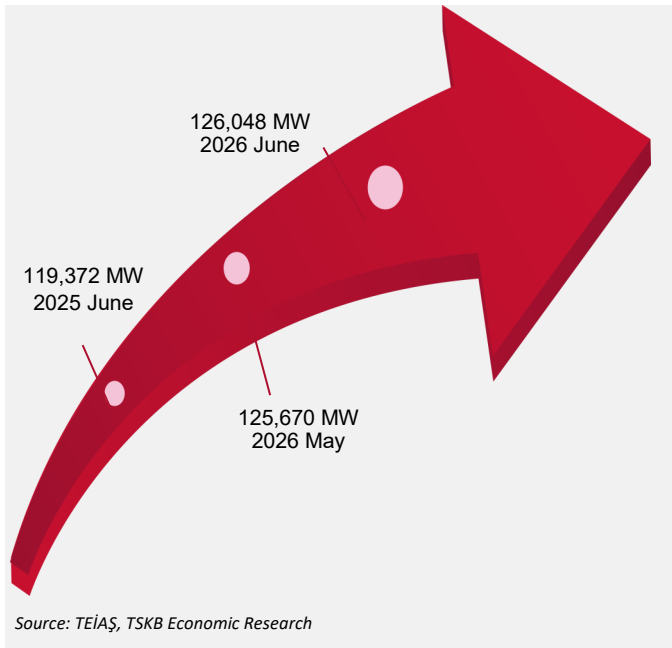
Market Clearing Price (MCP) increased by 109.9% MoM and decreased by 43.7% YoY in June.

[Click](#) for details.

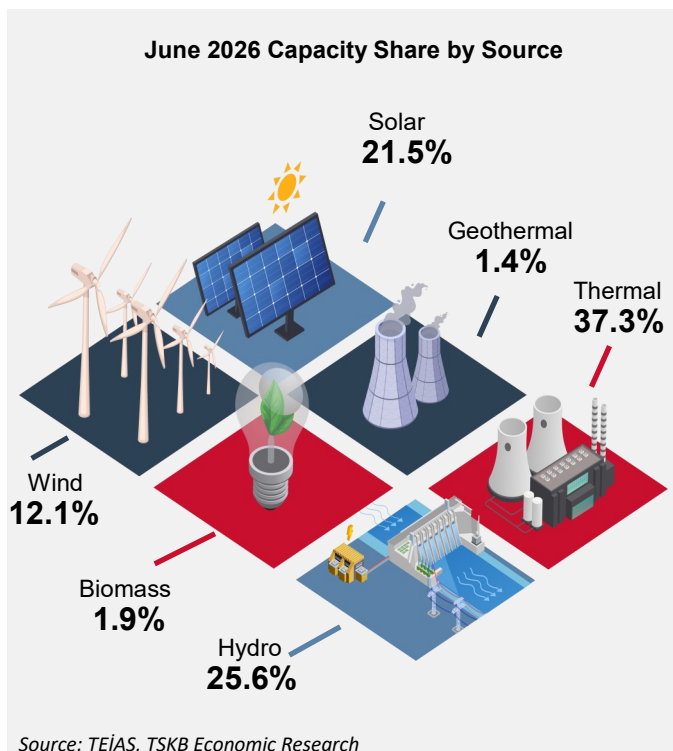


Installed Capacity Analysis

At the end of May 2026, Türkiye's total installed capacity stood at 125,670 megawatts (MW); by the end of June, it had risen to 126,048 MW. A net additional 378 MW of capacity was brought online in June when compared to May. Of the newly commissioned plants, 173.7 MW were solar power plants, and 159.7 MW were wind farms. There was an increase of 30 MW in the capacity of plants using renewable waste, with an increase of 9.9 MW in plants running on imported coal and a rise of 4.6 MW for natural gas fired power plants. There was an addition of 0.2 MW of capacity in hydro-electric plants.

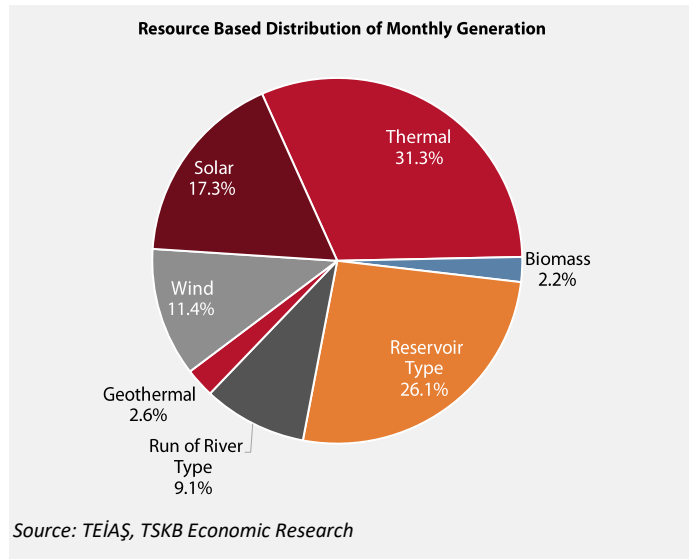


In June, plants generating electricity from renewable sources accounted for 62.7% of the total operating capacity. Hydroelectric power plants represent 25.6% of Türkiye's total installed capacity, while solar power plants hold a 21.5% share of the total installed capacity, continuing to close in on the hydro share.

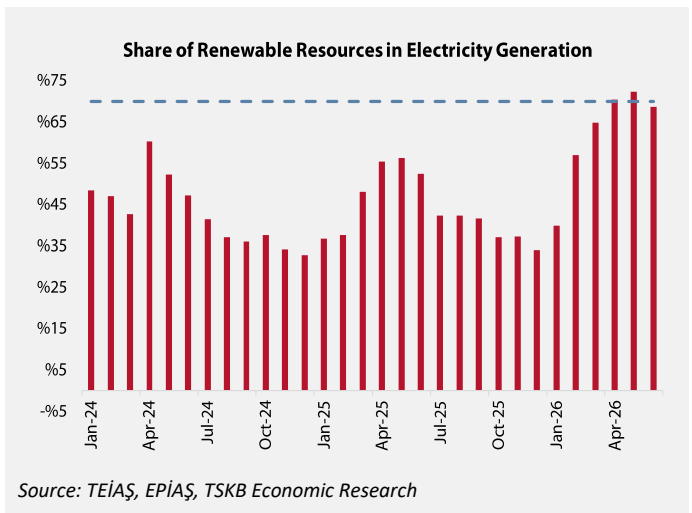


Generation-Consumption Analysis

Total electricity generation rose from 27.1 terawatt-hours (TWh) in May 2026 to 29.9 TWh in June 2026. Accordingly, the average daily electricity generation in June increased 13.7% compared with the previous month and by 5.2% compared with the same period last year.



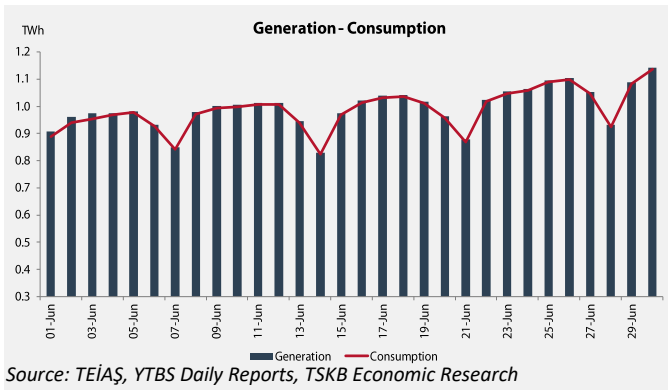
In a breakdown of electricity generation by source, hydroelectric power plants, which accounted for 43.1% of total generation in the previous month, generated 35.2% of total electricity generation in June. In the same period, river-type hydroelectric power plants contributed 9.1% to the total electricity generation, followed by wind (11.4%) and geothermal power plants (2.6%).



Dam-type hydroelectric power plants supplied 26.1% of total generation, while solar power plants covered 17.3%, placing solar energy as the second largest renewable source of electricity.

The share of renewable energy plants in total electricity generation fell from 72.3% in May 2026 to 68.7% in June 2026, dropping below 70% in a reversal of the trend seen in the previous two months.

Thermal power plants, which provided 27.7% of electricity generation in May 2026, accounted for 31.3% of total electricity generated in June 2026.



Average daily electricity generation stood at 0.99 TWh in June 2026, with the highest generation was recorded on Wednesday 30 June at 1.14 TWh and the lowest generation on Sunday 21 June at 0.87 TWh.

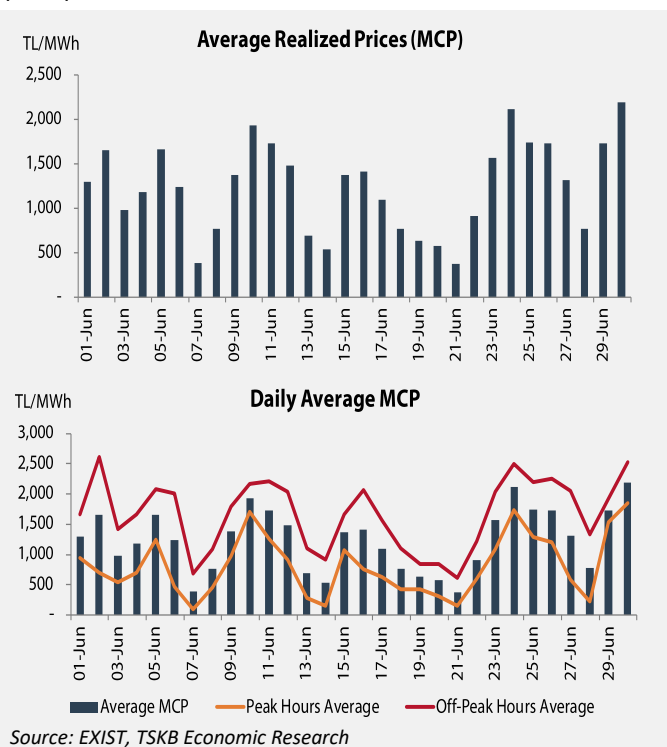
During the same month, daily electricity consumption averaged 0.98 TWh with peak consumption of 1.13 TWh on Wednesday 30 June and the minimum consumption of 0.82 TWh on Sunday 14 June.

Electricity Price Analysis

In June 2026, the daily average market clearing price (MCP) ranged from TL 378 /MWh to TL 2,189 /MWh. The daily average MCP for June 2026 was TL 1,240.20 /MWh. The highest daily average MCP value of TL 2,189 /MWh was recorded on Wednesday 30 June 2026 while the lowest daily average MCP of TL 378 /MWh occurred on Sunday 21 June.

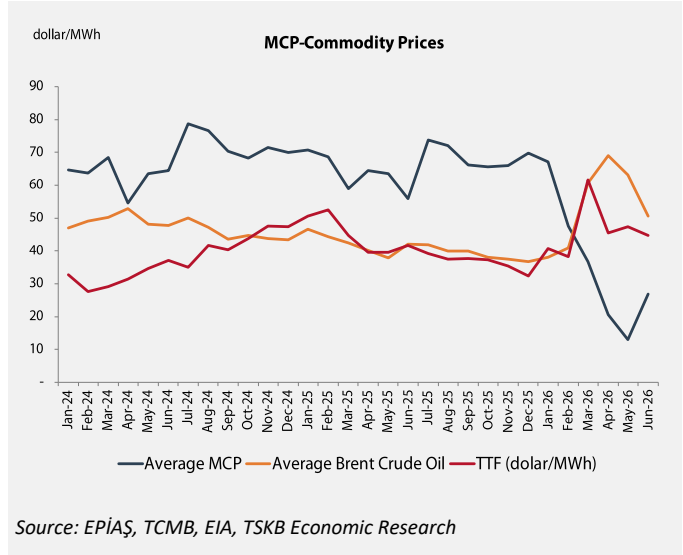
Examining the hourly data, we note that the MCP hit the maximum price cap of TL 4,500 /MWh for two hours during June 2026 while the hourly minimum price of TL 0 /MWh was recorded for 40 hours.

In a daily MCP analysis for June 2026, the daytime average (8AM-8PM) MCP was 34.9% lower than the overall hourly average, at TL 807 /MWh. The maximum limit price of TL 4,500 /MWh was not reached during peak hours, while the minimum price of TL 0 /MWh occurred for 38 hours during peak periods.



The nighttime average (8PM-8AM) MCP was TL 1,673.3 /MWh with the TL 4,500 /MWh cap reached for two hours in off-peak periods, with the price never falling to the TL 0 /MWh minimum in off-peak hours.

The average MCP more than doubled from USD 13 /MWh in May 2026 to USD 26.8 /MWh in June 2026. Despite that, when compared with the same period last year, the dollar based MCP was 52% lower.



Average Commodity Prices

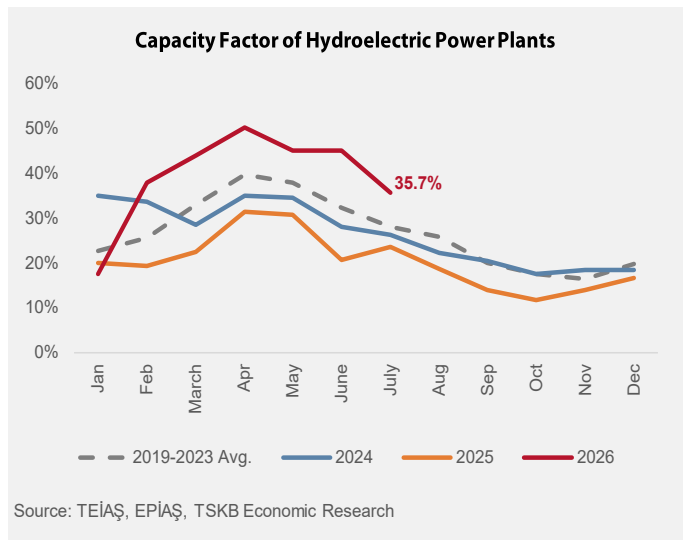
The Brent oil price, which averaged of USD 63 /MWh in May 2026, fell by 19.6% on a monthly basis in June 2026 to USD 50.6 /MWh. This average price was 20.5% higher than the same period last year.

The TTF natural gas contract price, which averaged USD 47.3 /MWh in May 2026, decreased by 5.6% on a monthly basis to USD 44.6 /MWh in June 2026 – which was 7.2% higher than in the same period of last year.

Hydroelectric Capacity Factors

Due to the high levels of hydroelectric power generation observed since February 2026, the capacity factors of hydroelectric power plants stood at 45.2% in June 2026.

This figure shows that the capacity factors are well above the 2019-2023 averages and higher than in the same period of 2024 and especially 2025, which was a drier year.



OPEC's Outlook for 2050

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The Organization of the Petroleum Exporting Countries (OPEC) has released its “Global Oil Outlook 2050” report. The report forecasts that global primary energy demand will rise by 22.5% between 2025 and 2050, reaching 383 million barrels of oil equivalent per day (mboe/d) in 2050. Over the 2025-2050 period, the net increase in energy demand will total 70.4 mboe/d, of which 51.3 mboe/d will be supplied by renewable energy sources.

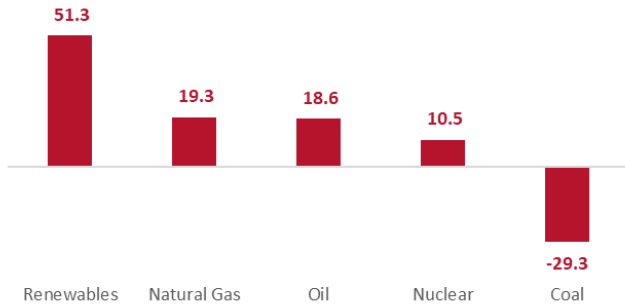
The growth in demand for renewables will be followed by natural gas and oil, which are projected to increase by 19.3 mboe/d and 18.6 mboe/d, respectively. OPEC also expects an increase of +10.5 mboe/d in primary energy demand for nuclear power over the same period, with demand for coal projected to fall by 29.3 mboe/d.

The report highlights that declining production costs and supportive policies are driving the surge in demand for renewables, but it also warns of potential challenges arising from grid capacity constraints.

The regional distribution of the rise in global primary energy demand indicates that almost all of the growth will come from developing nations and regions with Asia in particular, led by India, along with the Middle East, Africa and Latin America expected to be the main contributors.

Accordingly, OPEC projects that 28.6% of global primary energy demand will be sourced from OECD countries by 2050, with China accounting for 20.9% of the demand. India's share will reach 11.9%, up from 7.3% in 2025.

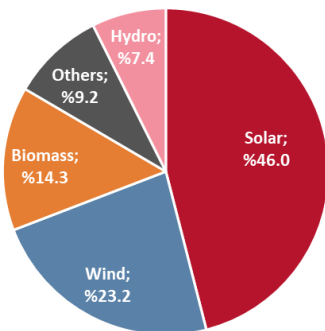
Change in Global Primary Energy Demand Between 2025-2050 (mboe/d)



Source: OPEC, TSKB Economic Research

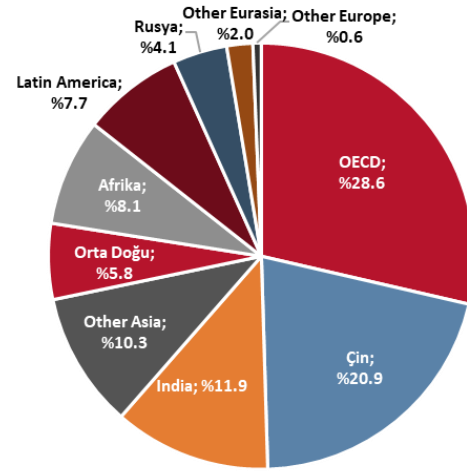
A breakdown of the renewable energy mix is broken down by source points to solar power as the dominant contributor, accounting for 46% of the total primary demand increase between 2025 and 2050. This is followed by wind (23.2%) and biomass (14.3%). The “other” category, which includes geothermal, tidal and wave energy, comprises the remaining 9.2% of the demand growth.

Share of Resources in Changes in Renewable Energy Demand Between 2025-2050



Source: OPEC, TSKB Economic Research

Regional Distribution of Global Primary Energy Demand in 2050



Source: OPEC, TSKB Economic Research

OPEC also foresees that global oil demand will continue to grow strongly in the medium and long term. Demand is expected to reach 113.3 million barrels per day (mb/d) by 2030 and 124.1 mb/d by 2050, corresponding to a cumulative increase of about 19 mb/d over the entire forecast horizon. OPEC stressed the pivotal role of Asian countries, especially India, together with the Middle East, Africa and Latin America in driving long term oil demand growth. On a sector by sector basis, road transport, aviation and the petrochemicals industry are expected to the increase until 2050, with electricity generation is the only sector anticipated to see a decline in oil demand over the long run.



Sector News

Local News

- **Türkiye mobilized a USD 7.6 billion investment for energy efficiency in 2024 and 2025.** At the “High Level Energy Dialogue Meeting” organized within the Zero Waste Forum, Energy and Natural Resources Minister Alparslan Bayraktar said that the investment would cut carbon emissions by 14.3 million tonnes. Mr. Bayraktar emphasized that as the world moves toward COP31, energy efficiency must be at the heart of global climate and development debates. He also noted that under Türkiye’s 2030 Energy Efficiency Strategy and the Second National Energy Efficiency Action Plan, the country aimed to raise total energy efficiency investment to more than USD 20 billion and to avoid 100 million tonnes of CO₂ emissions.

- **USD 80 billion in investment required for a more resilient and reliable transmission and distribution grid.** In a presentation delivered during the London Climate Action Week, Mr. Bayraktar stressed that electrification was at the heart of Türkiye’s energy strategy and that a stronger grid was essential for that transition. He underlined that USD 80 billion would be needed for grid infrastructure and added that a total of USD 200 billion of investment would be required by 2035 for all current and soon to be announced projects.

- **First reactor of Akkuyu Nuclear Power Plant targeted to start generating electricity by the end of 2026.** According to Mr. Bayraktar, the structural integrity tests carried out at the plant have cleared a key milestone in the commissioning schedule. He also announced that besides the new plants planned for Sinop and Trakya, small modular reactors (SMRs) would be added to the production portfolio. Türkiye’s long term goal is to reach a nuclear generation capacity of 20 GW by 2050.

- **Ministry of Energy and Natural Resources (MENR) launches the “Energy and Carbon Reduction Support Program”.** The program aims to stimulate improvements in energy efficiency and cuts in carbon emissions. Industrial facilities and enterprises that achieve the greatest reductions in energy intensity, specific energy consumption or carbon

emission intensity will be eligible for grant support equal to 30% of their electricity bills. For the COP31 year (2026), the “carbon emission intensity” criterion will be prioritized, and the 20 applicants that achieve the highest emission reductions will receive grants this year.

- **MENR issues a call for the offshore-wind Renewable Energy Resource Area (YEKA DÜRES-2026).** The draft tender specifications present the procedures and conditions for the development of a 1 GW offshore wind farm. According to the draft, the ceiling price for power purchase is set at USD 110 /MWh and the floor price at USD 70 /MWh. Comments on the draft are to be collected until 17 August 2026.

- **Twenty four new YEKA sites announced.** The candidate YEKA locations, which will be used for solar energy projects, are situated in the provinces of Ankara, Batman, Bingöl, Çorum, Denizli, Edirne, Konya, Malatya, Sivas, Tokat, Uşak and Yozgat.

- **Energy Market Regulatory Authority (EMRA) publishes the April 2026 “Electricity Market Sector Report” and “Natural Gas Market Sector Report”.** In April, billed electricity consumption rose 6.2% year-on-year to 23.2 TWh (March’s figure was 23.3 TWh). Natural gas consumption increased 11.5% YoY to 5.8 billion m³, of which 55.2% was used by households. Gas imports rose by 16.5% YoY to 4.7 bcm (April 2025 baseline).

- **EMRA introduces new regulation for unlicensed power generation facilities that use renewable energy.** According to the regulation published in the Official Gazette, unlicensed plants whose 10 year licence free period ends this year and that are located at a different metering point from the consumption facility will be allowed to sell the entire surplus electricity they generate.

- **Unlicensed generators completing ten years under the Renewable Energy Resources Support Mechanism (YEKDEM) will sell all surplus electricity to the Assigned Supply Companies.**

- **Ceiling price for this electricity to be set at 90% of the current licensed YEKDEM price according to President's Decree published in Official Gazette.** Plants generating the same metering point as the consumption facility may sell 100% of their output; those at a different point may sell only the surplus, with the sale limit to be determined by EMRA.

- **Electricity overtakes natural gas and coal in final energy consumption.** According to the 2024 Energy Accounts released by TÜİK, final consumption of energy products rose 4.7% YoY to 5.73 million terajoules (up from 5.47 million TJ). Electricity's share increased by 0.3 percentage points to 22.4% (from 22.1% in 2023). Petroleum products maintained the highest share at 41.9%, followed by electricity at 22.0% and natural gas and coal, both with a 7.7% share. By sector, households accounted for 32.7% of final energy use, with a 31.1% share for manufacturing and trade, services and transport together accounting for 23.5%.

- **Petroleum Pipeline Company (BOTAS) signs 15 year natural gas supply agreement with SOCAR, TotalEnergies and ADNOC.** Starting in 2029, the partners will deliver a total of 33 bcm of gas to Türkiye over fifteen years, originating from new production investments in the Absheron field. The deal was signed during Baku Energy Week in Azerbaijan. Mr. Bayraktar stressed the importance of better utilization of existing infrastructure and announced a forthcoming green electricity transmission and trade project linking Türkiye, Azerbaijan, Georgia and Bulgaria.

- **Türkiye reportedly planning to connect Çorlu gas pipeline system to the Mersin-İncirlik line as part of NATO's USD 28 billion infrastructure expansion project.** According to the article, the NATO fuel security project could be approved at a summit in Ankara on 7-8 July.

- **Türkiye reported to be seeking new terms for extending the Kerkuk-Ceyhan pipeline agreement with Iraq.** Türkiye wants the agreement—set to expire on 27 July 2026—to be renewed for an additional 5-10 years, with the pipeline (capacity 1.5 million barrel per day –mb/d) operated at full capacity. If the line is not used, the Turkish side would seek a usage fee payment. It also requests that the extension be for a longer term (5-10 years).

- **European Investment Bank (EIB) signs two EUR 100 million agreements with Türkiye Development and Investment Bank (TKYB) and Export Credit Bank of Türkiye (Eximbank) for clean energy and energy efficiency projects.** The total EUR 200 million will support renewable energy and energy efficiency investments by SMEs and mid-size companies. After an eight year pause (excluding earthquake region projects), the EIB will again provide financing aligned with Türkiye's development priorities.

- **Asian Development Bank (ADB) approves about USD 220 million to finance municipal renewable energy projects.** Of this, USD 175.5 million will be granted as loans to the Provincial Development Fund, complemented by USD 43 million of co-financing from the same fund. The financing will be used under the "Municipal Renewable Energy Transition Program".

- **MİA Technology signs strategic partnership with a foreign company for SMR projects.** According to the filing on the Public Disclosure Platform (KAP), the agreement targets the development of 100 MW in SMRs, with domestic technology and production to cover more than 50 % of the value chain along with the creation of a sustainable technology production ecosystem.

- **Sabancı Holding secures USD 533 million financing for solar projects in Texas, USA.** The financing was provided to Sabancı Renewables Inc., a subsidiary of Sabancı Holding. The funds will enable the construction of solar plants with a total installed capacity of 286 MW, scheduled to be commissioned in the third quarter of 2027.

International News

- **U.S. President Donald Trump announces USD 700 million investment program for the coal sector.** The program will support 14 coal fired power plants and 42 coal mines. Among the planned actions are the commissioning of a new coal export terminal in California, the re-activation of an existing facility in Maryland and the construction of two new coal power plants in Alaska and West Virginia.

- **U.S. Department of Energy to provide USD 17.5 billion in conditional loan guarantees to rebuild the national nuclear supply chain.** The loans will finance five qualifying projects backed by utilities and public service entities, with the goal of accelerating the commercial operation of ten large scale nuclear reactors by up to three years.

- **OPEC+ agree on production quota increase for July.** Seven OPEC+ members (Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria and Oman) announced a combined output rise of 188,000 barrels per day, effective from July. Saudi Arabia and Russia will each increase output by 62,000 barrels per day, in the largest individual increments.

- **IEA forecasts decline of 1.1 mb/d in global oil demand for 2026.** The June oil market outlook indicates a 1.1 mb/d reduction compared with the previous forecast, which had projected a drop of 0.7 mb/d. IEA expects demand to rebound with a rise of 2 mb/d in 2027, driven by normalizing trade flows, lower oil prices and an improving economic outlook.

- **Middle East conflicts have disrupted the global production and trade of hydrogen based products.** IEA's "Global Hydrogen Outlook 2026" reports that the Middle East accounts for roughly one-sixth of worldwide hydrogen output, much of which is allocated to chemicals, fertilizers and refined oil products. Supply interruptions, halted trade and damage to hydrogen plants have delayed a return to normal operations. IEA notes a slowdown in hydrogen plant projects in 2025 and highlights insufficient investment in clean hydrogen production. Policy recommendations include revisiting the 2030 targets, creating demand for low-emission hydrogen fuels, developing scalable ready made projects, expanding hydrogen infrastructure and building a low emission value chain.

The Changing Composition of Energy Demand

Can Hakyemez



The Energy Institute has published its “World Energy Statistical Review 2026” report. The report highlights data centers and AI as the new driving forces behind the rise in electricity demand, while indicating the increasing role of renewable energy sources in meeting this growth.

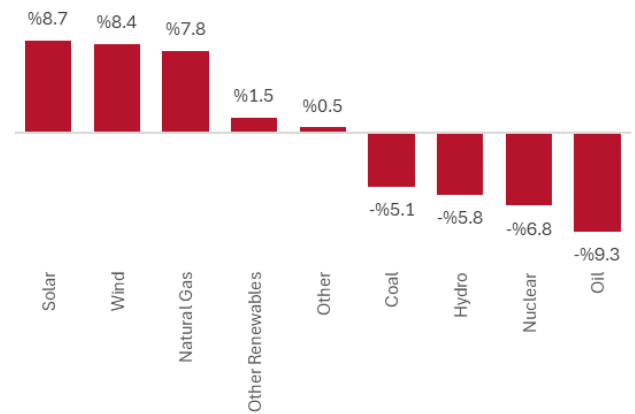
Between 1986 and 2025, global energy demand rose in every year except for two years (2009 and 2020). To satisfy this growth, the use of low carbon resources such as nuclear, hydro and renewables (solar, wind, geothermal and biofuels) has gained prominence alongside traditional fossil fuels (oil, natural gas and coal).

Over time, the shift in the composition of the energy mix meeting demand has become more striking. In the 1980s, renewables were virtually absent from the basket of energy sources to meet rising global energy demand; only after 2000 did renewable sources begin to gain a larger share.

A look at the ten-year moving average of renewables’ share in meeting energy demand finds the share remaining below 5% up to 2007, but with a clear upward trend from 2012. Accordingly, the ten year moving average reached 19.9% in 2024 and climbed by a further 0.7 percentage points to 20.6% in 2025. Looking at the annual data, renewables accounted for 39.4% of the increase in energy demand in 2025, placing them as the single biggest contributor that year.

Another point the data reveals is the marked rise in electricity generation over the past 40 years. As electricity output expands, the composition of electricity generation, just like the overall energy demand mix, has demonstrated a significant shift with a more rapid rise in the share of solar and wind energy in the overall mix than any other source.

Changes in the Share of Sources in Electricity Generation Between 1986-2025*

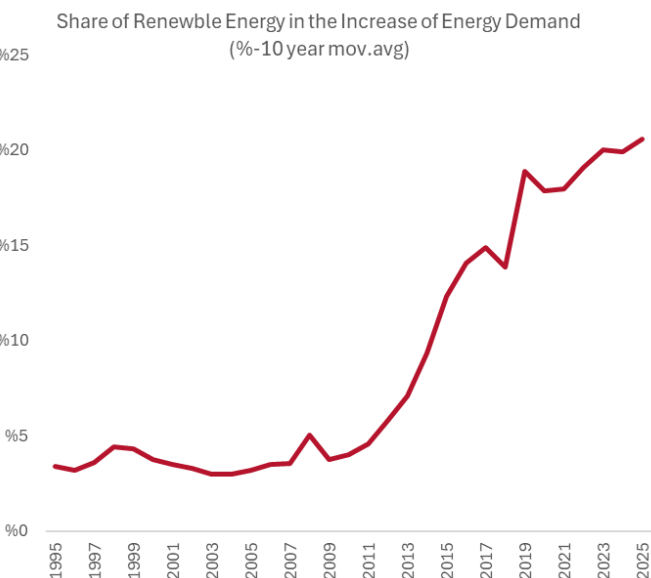


Source: Energy Institute, TSKB Economic Research

Between 1986 to 2025, solar power achieved the largest increase in its share of electricity generation, rising by 8.7 percentage points, followed closely by wind with an 8.4 percentage point increase. The next largest gain was recorded by natural gas, the share of which rose by 7.8 percentage points, while other renewables, including geothermal and biofuels, also saw their shares rise. In contrast, oil, nuclear, hydro and coal all experienced declines in their respective shares during the same period.

Viewed in its entirety, the growing share of renewables both in meeting total energy demand and in electricity generation points to an accelerating pace of electrification. This suggests that electrification is already embedded in our daily lives and its importance is likely to increase further in the coming years.

*Other renewables include geothermal and biofuels. Others include unclassified generation, statistical variations, pumped-storage hydroelectric generation, non-renewable waste and chemical resources.



Source: Energy Institute, TSKB Economic Research



Economic Research

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