

Monthly Energy Bulletin

TSKB Economic Research

May 2026 #96

Ezgi İpek Koçlu ipeke@tskb.com.tr
 Can Hakyemez hakyemez@tskb.com.tr

18 June 2026

Global energy investments are expected to reach USD 3.4 trillion in 2026

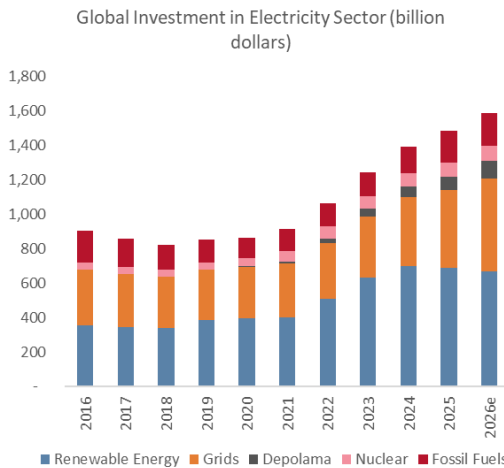
According to the International Energy Agency's (IEA) "Global Energy Investment 2026" report, global energy investments are expected to increase by 5% compared to their 2025 level, with USD 1.6 trillion of the total projected to go to investments in electricity, USD 1 trillion to supply and the remainder to end-use investments. Regionally, China, the United States and the European Union stand out as the major players.

The IEA forecasts that renewable energy sources will account for 42% of electricity sector investments in 2026 with grid investments accounting for a 34% share, followed by investments in fossil fuels (12%) and investments in storage technologies (7%) and nuclear power (5%).

Over the past decade, investments in the electricity sector have expanded by 75%. Comparing growth rates, clean-energy technologies (renewables, grids and storage) have demonstrated the most pronounced upward trajectory, while investments in fossil fuels are comparatively limited.

On the supply side, despite the conflict in the Middle East, natural gas projects are expected to drive an increase of approximately 3% in investment in 2026. In the end-use sector, the spotlight is expected to be on energy efficiency and electrification in buildings, industry and transport.

The IEA emphasizes that the current energy crisis will shape investment decisions with energy security, resilience and diversification remaining top priorities.



Source: IEA, TSKB Economic Research
 2026 data shows IEA estimates.

26.8 TWh	590.9 TL/MWh
April Gross Generation	Average MCP

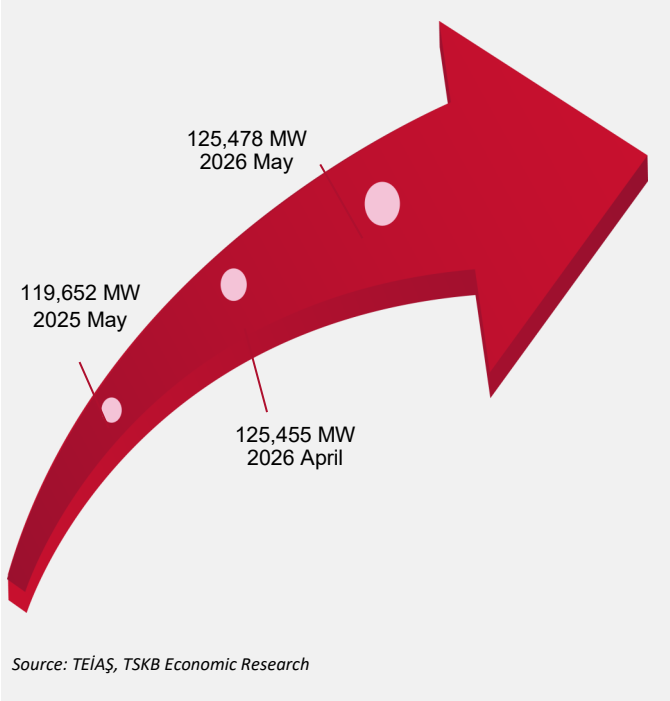
7.8%
 Daily average licensed electricity generation decreased by 7.8% MoM and by 5.6% YoY in May.
[Click for details.](#)

35.8%
 Market Clearing Price (MCP) decreased by 35.8% MoM and by 76.0% YoY in May.
[Click for details.](#)

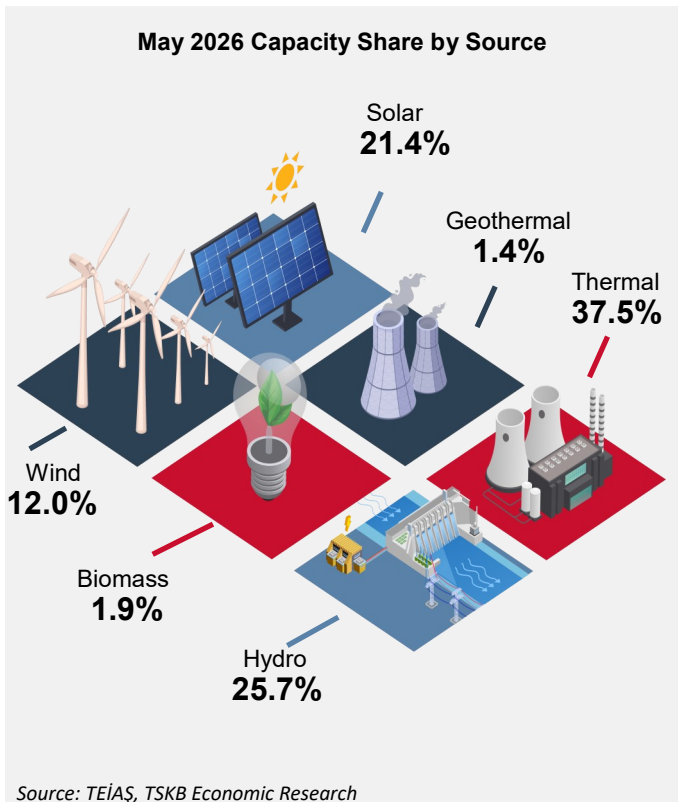


Installed Capacity Analysis

Türkiye's total installed generation capacity edged up from 125,455 MW at the end of April 2026 to 125,478 MW in May, with a net additional 22.6 MW of installed capacity coming onstream in May. All of the newly commissioned plants were solar power plants. No changes were recorded in the installed capacity of other plants.

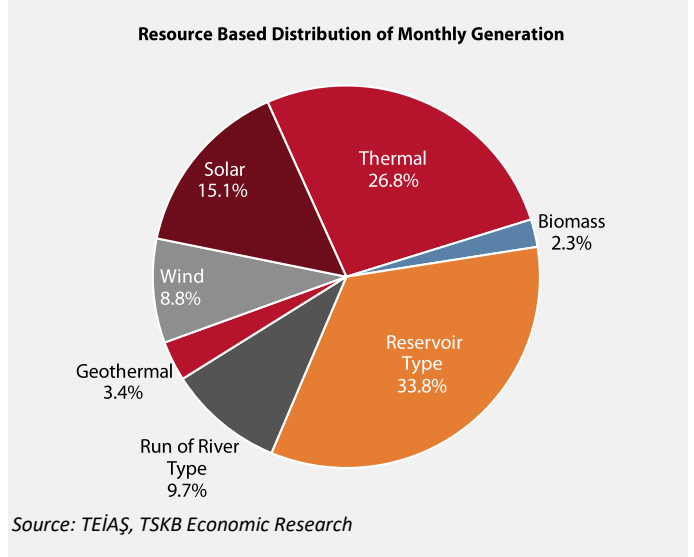


In May, plants running on renewable energy comprised 62.5% of the installed capacity of the plants in operation. Hydroelectric power plants accounted for 25.7% of Türkiye's total installed capacity, while solar power plants comprised a 21.4% share of the total installed capacity, continuing to approach the share of hydroelectric plants.



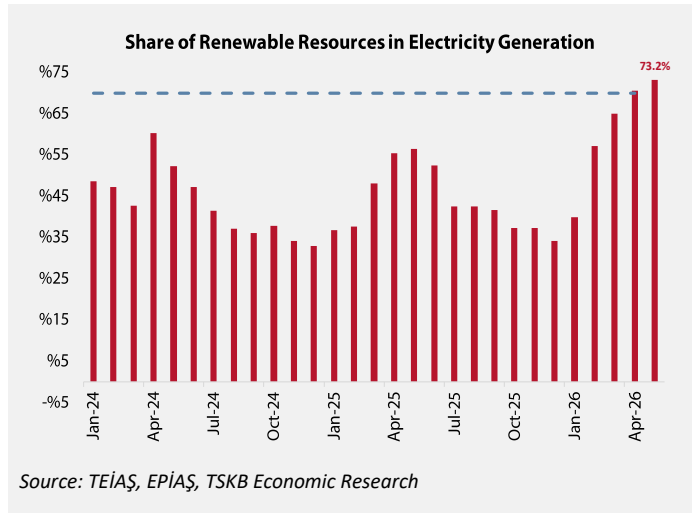
Generation-Consumption Analysis

Türkiye's total electricity generation decreased from 28.1 TWh in April to 26.8 TWh in May, with average daily electricity generation in May being 7.8% lower than in the previous month and 5.6% lower than the same month of the previous year.



Looking at the generation mix by source, hydroelectric power plants, which accounted for 41.4% of generation in the previous month, generated 43.5% of total electricity in May.

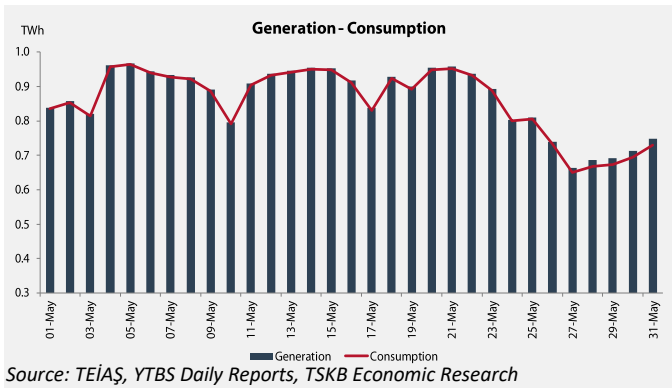
In the same period, the share of electricity generation from run-of river-type hydroelectric plants was 9.7% and the share of wind power generation was 8.8%. Geothermal power plants contributed 3.4% to total generation.



During the same period, reservoir type hydroelectric plants contributed 33.8% to total generation, while solar power plants supplied 15.1% of total generation, placing them as the second largest renewable source by electricity output.

The share of renewable energy plants in electricity generation was 70.5% in April 2026 and rose to 73.2% in May 2026, reaching the highest level observed since 2024. This was driven by continued high generation from hydroelectric plants.

Thermal power plants, which provided 29.5% of electricity generation in April, met 26.8% of total generation in May.



Daily electricity generation averaged 0.86 TWh in May with the highest generation in the month of 0.96 TWh recorded on Tuesday, 5 May and the lowest (0.66 TWh) on Wednesday, 27 May.

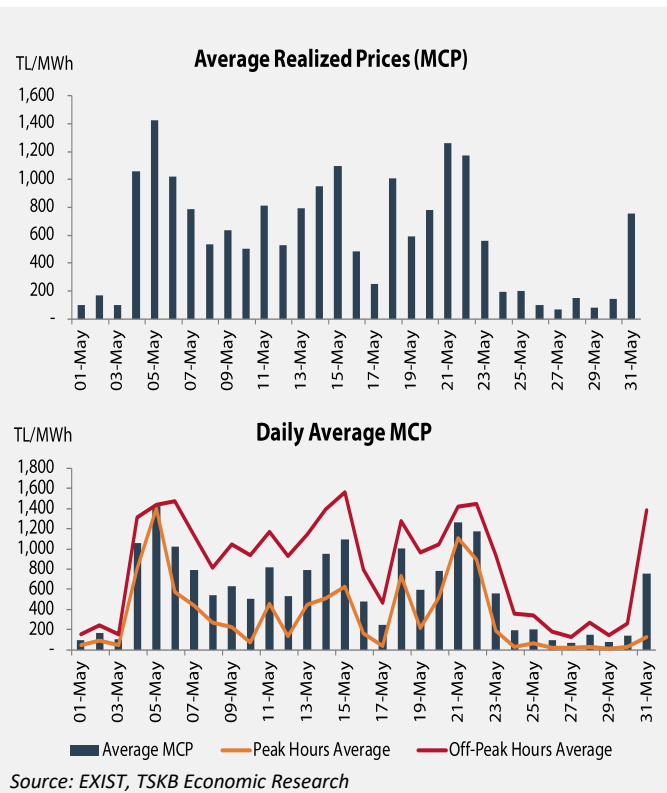
Daily electricity consumption averaged 0.85 TWh during the same period with the month's highest consumption (0.96 TWh) recorded on Wednesday, 5 May and the lowest (0.65 TWh) recorded on Wednesday, 27 May.

Electricity Price Analysis

The daily average market clearing price (MCP) ranged between TL 69.5 /MWh and TL 1,421.9 /MWh during May with an average daily MCP of TL 590 /MWh in the month. The highest daily average MCP, of TL 1,421.9 /MWh, was recorded on Wednesday 5 May, while the lowest daily average PTF, TL 69.5 /MWh, was realized on Wednesday 27 May.

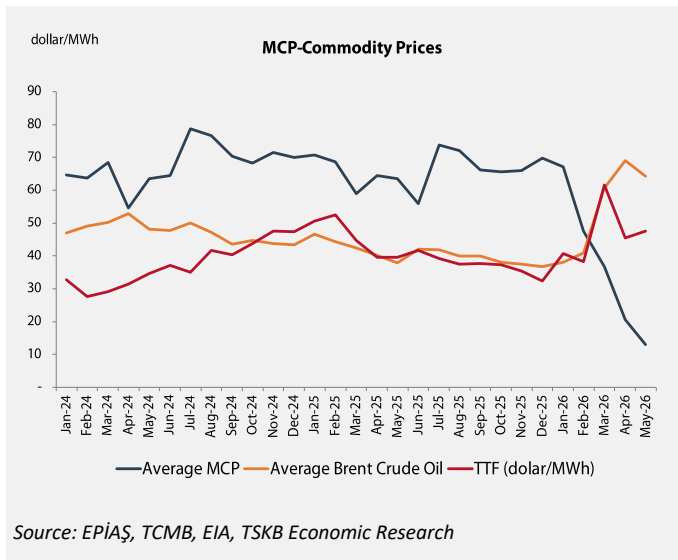
Looking at the hourly data, the MCP reached the established price cap of TL 4,500 /MWh for a total of 49 hours in May while the hourly minimum price of TL 0 /MWh was recorded for 214 hours.

The daytime average (8AM-8PM) was 43.6% lower than the overall hourly average in May, at TL 332.2 /MWh. The TL 4,500 /MWh price cap was reached 12 times during peak hours while the lowest price of TL 0 /MWh was realized for 196 hours in peak hours.



During off-peak hours (8PM-8AM), the average MCP was TL 848.6 /MWh. The MCP reached the price cap of TL 4,500 /MWh for 37 hours in off peak hours while the zero price level was realized 18 times.

The average MCP, which was USD 20.6 /MWh in April, fell to an average of USD 12.9 /MWh in May. Compared with the same period last year, the MCP was 79.6% lower on a dollar basis.



Average Commodity Prices

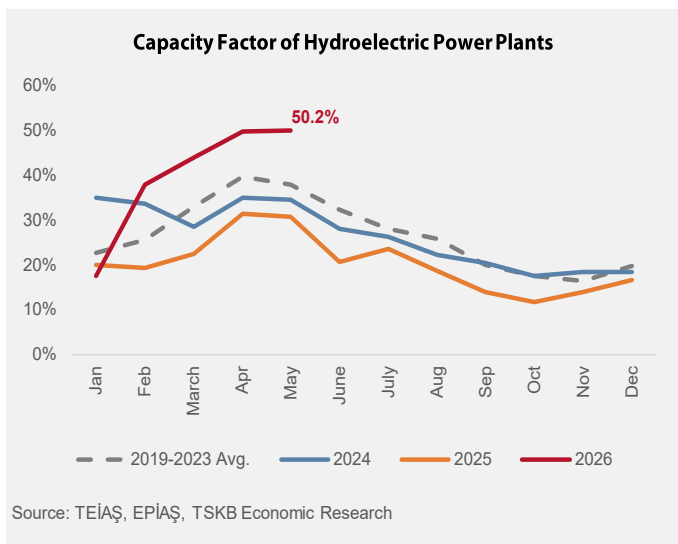
Having averaged USD 68.9 /MWh in April, the Brent crude price fell to USD 64.3 /MWh in May. This average price was 69.7% higher than in the same period last year.

The TTF natural gas contract price, which had averaged USD 45.4 /MWh in April, rose by USD 4.9 /MWh in May, to stand 20.1% higher than in the same period of last year.

Hydroelectric Capacity Factors

Due to the sustained high hydroelectric generation since February 2026, the capacity factor of hydroelectric power plants reached 50.2% in May 2026.

At this level, capacity factors were above their 2019-2023 averages and also higher than in the same periods of 2024 and 2025. The continued high levels of capacity factors during 2026 when compared to the drier year of 2025 are particularly noteworthy.



Global Methane Emissions

Ezgi İpek Koçlu

ipeke@tskb.com.tr



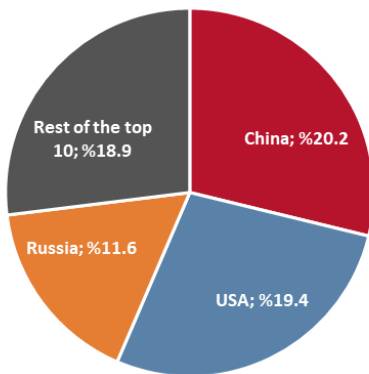
Despite progress in some sectors in 2025, global energy-related methane emissions rose 3.3% YoY. According to IEA's Global Methane Monitoring 2026 [report](#), methane emissions from oil, gas and coal production reached a record 124 million tonnes in 2025, of which 45 million tonnes came from oil, 43 million tonnes from coal and 36 million tonnes from natural gas. Methane emissions from biomass energy production and consumption amounted to 20 million tonnes, the majority of which originated from cooking and heating in developing countries.

IEA notes that methane emissions from the oil and natural gas sectors have fallen by roughly 10% since 2019, but stresses strong regional disparities. In 2025, around 70% of fossil fuel related methane emissions were produced by ten countries: China, the United States, Russia, Iran, Turkmenistan, India, Venezuela, Indonesia, Kazakhstan and Iraq, with China alone accounting for 20.2% of the total, followed by the United States (19.4%) and Russia (11.6%).

One of the flagship initiatives for methane mitigation is the "Declaration on Substantial Reduction of Methane Emissions in the Global Fossil Fuel Sector" released at the 30th Conference of the Parties (COP30). The declaration urges producing and importing nations to deepen cooperation on methane and to develop a global market for fuels with near zero methane intensity. IEA notes that regions such as the European Union, the United Kingdom, Japan and South Korea have already taken steps to curb energy-related methane emissions.

The upcoming COP31 in Antalya will place methane reduction high on the agenda under the "Zero Waste" theme. The conference will emphasize opportunities to cut waste derived methane and to integrate those measures into updated Nationally Determined Contributions (NDCs).

Distribution of the Top 10 Countries in Fossil Fuel-Related Methane Emissions



Source: IEA, TSKB Economic Research
Remaining countries in the top 10 are: Iran, Turkmenistan, India, Venezuela, Indonesia, Kazakhstan, and Iraq.

IEA highlights that approximately 85 million tonnes of fossil fuel methane emissions could be cut by using currently available technologies, with more than 35 million tonnes cut without incurring net costs, based on the average energy prices in 2025.

The report advises that in order to meet existing emission reduction commitments, countries should rely on more transparent data, proven policies from regions with demonstrated impact and best practice examples from leading companies.





Sector News

Local News

- **1,500 MW renewable energy source area (YEKA) auction for wind power to be held in 2026.** Speaking at the 15th Turkey Wind Energy Congress, the Minister for Energy and Natural Resources, Alparslan Bayraktar, stated that one of the YEKA auctions would target offshore wind. He highlighted four offshore wind sites identified off Saros Bay, Gökçeada, Bozcaada and Edremit, and stated the aim for Türkiye to reach 5,000 MW of offshore wind capacity by 2035.

- **850 MW ENKA Kırklareli Natural Gas Combined Cycle Power Plant inaugurated.** Mr. Bayraktar noted that the plant has an annual electricity generation capacity of 7 TWh, enough to supply the electricity needs of about 2.5 million households, especially in Thrace and Istanbul. He added that this is the first gas fired combined cycle plant brought into service in Turkey in around ten years.

- **New liquefied natural gas (LNG) agreement between Türkiye and Algeria could be signed.** Minister Bayraktar said the existing LNG supply contract, which expires in September 2027, and covers an annual amount of 4.4 bcm, is being renegotiated. The new contract could be signed this year, with a duration of 5–10 years and an annual capacity of 6–6.5 bcm.

- **Project to supply the Turkish Republic of Northern Cyprus (KKTC) with electricity and natural gas via a transmission line and a gas pipeline announced.** Minister for Energy and Natural Resources, Alparslan Bayraktar who stated that a 97 km gas pipeline was required between Turkey and the KKTC, starting from Alanya and extending to the KKTC. Engineering work on the pipeline is expected to be completed this year, with the project slated for implementation by 2028.

- **Memorandum of understanding (MoU) signed between BOTAŞ and the Italian energy company, Edison.** Minister Bayraktar stated that the MoU covered potential cooperation in natural gas and LNG, including trade, swap options, joint commercial opportunities and a planned pipeline connection between Türkiye and Italy.

- **Energy Market Regulatory Authority (EMRA) updates distribution tariff for unlicensed power plants.** According to

the decision published in the Official Gazette, the feed in distribution tariff for unlicensed generators that have completed the 10-year operating period will be calculated under the “Unlicensed Producer 2” category with effect from 1 June 2026, reducing the distribution fee from TL 2.080 /MWh to TL 650 /MWh.

- **EMRA starts hourly net balancing in May.** The move from a monthly to an hourly framework is aimed at managing the balance between production and consumption more efficiently.

International News

- **Cheaper electricity from solar and wind creating a need for flexibility.** According to the International Renewable Energy Agency (IRENA) report, “24/7 Renewable Energy: The Economic Case for Solar and Wind,” ensuring the availability of clean electricity where and when it is needed is becoming increasingly important. Solar and wind, combined with co-located hybrid systems, are in a position to compete with fossil fuel generation costs, while falling storage costs support renewable electricity generation.

- **IEA expects global oil demand to fall by 420,000 barrel per day (bbl/day) YoY to 104 million bbl/d in 2026.** The IEA’s May oil market outlook notes this forecast is 1.3 million bbl/d lower than the pre Iran-USA war expectations. The agency highlights that oil supply has dropped to 12.8 million bbl/d since February, indicating a drawdown in global oil inventories, stating that crude oil stocks fell by 170 million bbl in April.

- **20% YoY rise in global electric vehicle (EV) sales in 2025 to over 20 million units.** According to IEA’s “Global EV Outlook 2026” report, a quarter of all new vehicles sold were electric. Regionally, sales rose 30% YoY in the European Union, driven by tighter CO₂ requirements, while EVs accounted for about 55% of total sales in China. IEA notes that the ongoing energy crisis has affected road transport, which accounts for nearly half of global oil demand, and that high oil prices underline the economic benefits of EVs. Consequently, global EV sales are projected to reach 23 million in 2026, representing 28% of total vehicle sales.

Renewable Energy and Storage Technologies

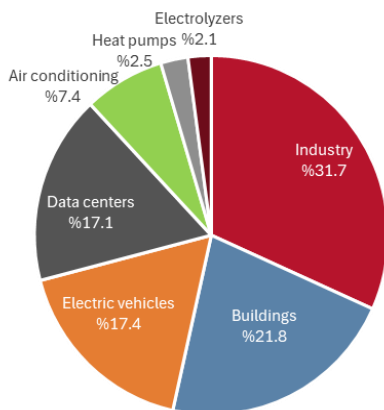
Can Hakyemez



BloombergNEF (BNEF) [released](#) its New Energy Outlook 2026 report, which stresses that the spotlight will turn to clean energy investments as electrification gains pace. BNEF expects 17.4% of the rise in electricity demand growth projected for 2026-2035 to be driven by EVs and 17.1% by data centers, with the industry sector accounting for the largest share of demand growth at 31.7%. The report also highlights a 21.8% increase in building electricity consumption and an overall rise of roughly 12% for climate control equipment, heat pumps and electrolyzers. Taken together, these drivers could result in the total electricity demand increase between 2026 and 2035 being roughly equivalent to 30% of the demand that will have occurred by the end of 2025. BNEF forecasts that electricity consumption by electric vehicles and data centers will climb from 860 TWh in 2025 to 3.649 TWh in 2035.

Solar and wind energy have been identified as the most

Breakdown of Electricity Demand Growth for the Period 2026-2035

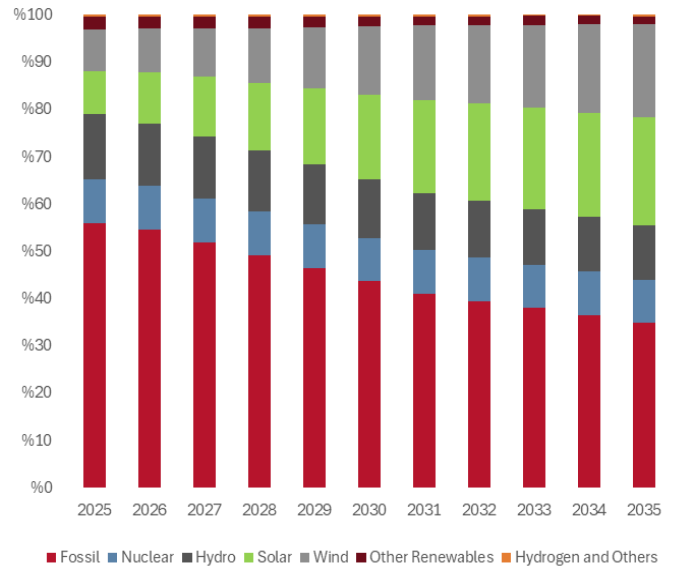


Source: BloombergNEF, TSKB Economic Research

important resources in meeting this demand. According to the report, the amount of electricity generated from solar and wind energy is expected to exceed generation from fossil fuels by 2033. BNEF notes that the share of electricity generated from fossil fuel plants will fall below 50% by 2028 and that generation from renewables will exceed the amount of electricity generated from fossil fuels by 2030.

The share of electricity generated from solar power reached 9.1% in 2025 and is projected to rise to 17.9% by 2030 and 22.7% by 2035. The share of electricity generated by wind is set rise from 8.9% in 2025 to 14.4% in 2030 and 19.8% in 2035, with the share of nuclear power in total generation remaining above 9% throughout the period, and the share generated by fossil fuels declining from 55.9% in 2025 to 34.8% in 2035.

Share of Electricity Generation by Source



Source: BloombergNEF, TSKB Economic Research

The report also highlights energy-storage technologies. Expanding renewable energy capacity will result in system flexibility becoming a critical need with the variable output from solar and wind power forcing power systems to adopt new balancing tools, where battery storage is positioned at the heart of that transformation. BNEF projects that global battery storage capacity, which stood at 223 GW in 2025, will expand around eight fold to about 2 012 GW by 2035. Rapid declines in battery storage costs are cited as the main driver of this expansion.

Overall, the report underlines that meeting rising demand for electricity will increasingly rely on solar, wind and storage technologies. The surge in battery storage capacity will not only support the integration of renewables but also help countries reduce dependence on fossil fuel imports, thereby strengthening energy supply security. In this vein, battery storage technologies are likely to become as pivotal to future energy systems as the renewable resources themselves.



Economic Research

ekonomikarastirmalar@tskb.com.tr

MECLİSİ MEBUSAN CAD.

NO:81 FINDIKLI İSTANBUL 34427, TÜRKİYE

T: +90 (212) 334 50 50 F: +90 (212) 334 52 34

2026 Türkiye Sınai Kalkınma Bankası A.Ş. All rights reserved.

This document has been prepared for informational purposes within the scope of the activities of Türkiye Sınai Kalkınma Bankası A.Ş. (Hereinafter referred to as "TSKB"). Any transaction based on this document has not been foreseen by TSKB and the stated opinions solely reflect TSKB's current views. While updating the information contained in this report on a reasonable basis, accuracy with the purpose may not be fully achieved due to legislation, compliance, or other reasons.

In the report, generative AI tools may have been used only for literature review, preliminary research related to the subject, language and writing review, translation, improving writing style, or increasing readability. Generative AI outputs are controlled and reviewed by human reviewers. The said generative AI tools have not been used to replace critical thinking or expert opinion and evaluation.

Türkiye Sınai Kalkınma Bankası A.Ş. and/or its affiliated companies or employees may have taken or may take a position regarding securities belonging to issuers of the notes specified herein; may have options over securities or may enter another related investment; may have provided consultancy to the companies issuing these securities or may have acted as an intermediary or underwriter for the public offering of their shares.

Türkiye Sınai Kalkınma Bankası A.Ş. and/or its affiliated companies are providing or have provided significant advice or investment services including investment banking for any company mentioned in this report.

The investment price or value relevant to this report may adversely affect investors' interests directly or indirectly. Any change in exchange rates may have an adverse effect on the value or price of the investment or the income generated from this investment. Past performance may not constitute guidance for the future performance. Investment income may fluctuate.

This report is based on publicly available information. No incorrect or incomplete statements have been made. This report is not an offer, comment, or investment advice for the purchase or sale of the said securities, nor a request or coercion for such an offer. Türkiye Sınai Kalkınma Bankası A.Ş. and others affiliated with it may take positions regarding the securities of the mentioned companies or may engage in transactions regarding these securities and may also provide investment banking services for these companies.

Any investment decision should be based entirely on the investor's own personal choice. The information in this report does not constitute any investment advice and Türkiye Sınai Kalkınma Bankası A.Ş. accepts no liability for investments made in the companies included in the report.