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TSKB Economic Research

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Petroleum Pipelines Company (BOTAŞ) signed liquefied natural gas (LNG) agreements with different companies.

According to the statements from the Minister of Energy and Natural Resources, Alparslan Bayraktar, BOTAŞ signed LNG agreements with different companies during the Gastech.

According to the first statement, LNG purchase agreements were signed with BP (for 4.8 billion cubic meters - bcm), Shell (for 2.4bcm) and Eni (1.5 bcm). In addition, agreements totalling 5.7 bcm were made with Hartree, JERA, Cheniere, SEFE and Equinor. With these agreements spread over three years, a total of 14.4 bcm of LNG purchase agreements were entered into during the GasTech held in Italy.

LNG deals remained on the agenda in negotiations with the USA. Accordingly, BOTAŞ signed a 20-year LNG supply agreement with the US-based Mercuria. According to Mr. Bayraktar's statements, approximately 4 bcm of natural gas equivalent LNG will be received annually within the scope of deliveries that will get underway from 2026, along with approximately 70 bcm of natural gas equivalent in total, both from loading terminals in the USA and gasification facilities in Türkiye, Europe and North Africa.

Firm	Quantity (bcm)	Period
Shell	2,4	2026-2028
BP	4,8	2026-2029
ENI	1,5	2026-2030
Equinor	1,5	2026-2031
Cheniere	1,2	2026
Hartree	0,6	2026-2027
JERA	0,6	2026
SEFE	1,8	2026-2028
Mercuria	70,0	2026-2045
Woodside	5,8	2030-2039

Source: MENR, TSKB Ekonomik Araştırmalar

In addition, a preliminary agreement was signed between BOTAŞ and the Australian company Woodside Energy for long-term LNG supply. According to Mr. Bayraktar's statement on social media, the supply agreement will start in 2030 and last for 9 years. The agreement will cover the supply of 5.8 bcm of natural gas equivalent LNG to BOTAŞ, primarily from the Louisiana LNG Project in the USA.

With these short, medium and long-term measures, Türkiye has diversified its LNG supply until 2045.

29.8 TWh
September Gross Generation

2,729.0 TL/MWh
Average MCP

14.0%

Daily average licensed electricity generation decreased by 14.0% MoM and increased by 13.9% YoY in August.

Click for details.

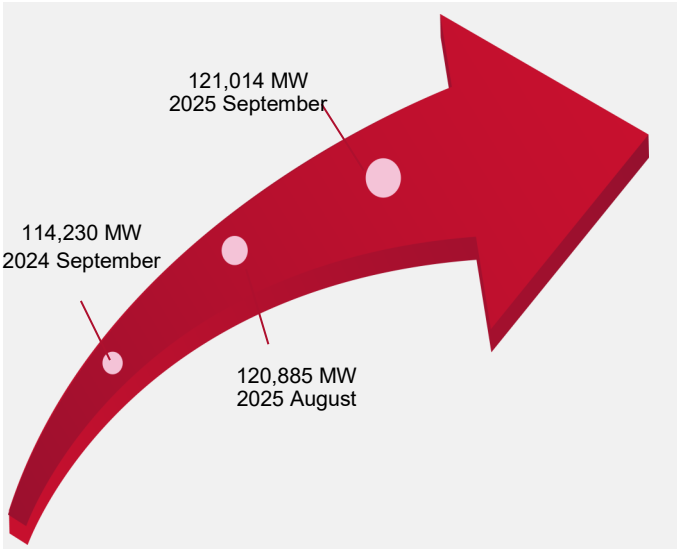
7.2%

Market Clearing Price (MCP) decreased by 7.2% MoM and increased by 13.9% YoY in August.

Click for details.

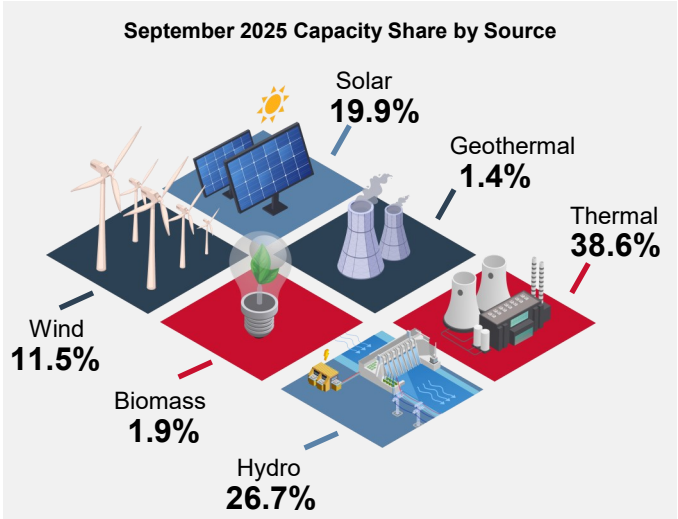
Installed Capacity Analysis

Türkiye's total installed capacity, which stood at 120,885 megawatts (MW) at the end of August 2025, reached 121,014 MW in September 2025. A total net additional installed capacity of 128.7 MW was commissioned compared in September, with solar power plants providing 122.7 MW of this amount. The installed capacity of renewable waste power plants increased by 4.4 MW while the installed capacity of natural gas and multi-fuel power plants increased by 1.6 MW. There was no change in the installed capacity of other power plants.



Source: TEİAŞ, TSKB Economic Research

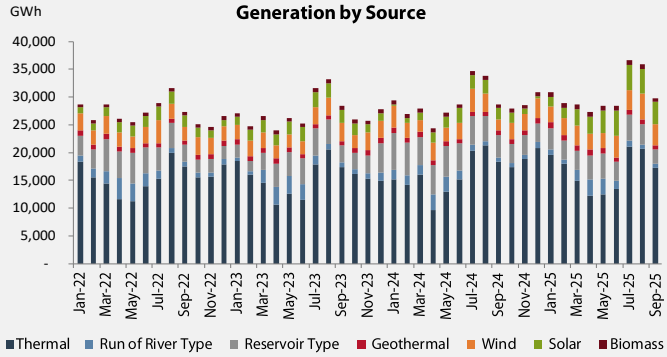
61.4% of the capacity in operation in September consisted of power plants generating electricity from renewable sources. Hydroelectric power plants accounted for 26.7% of Türkiye's total installed generation capacity, while the combined share of wind and solar power plants in total installed capacity exceeded the share of hydroelectric power plants, at 31.4%.

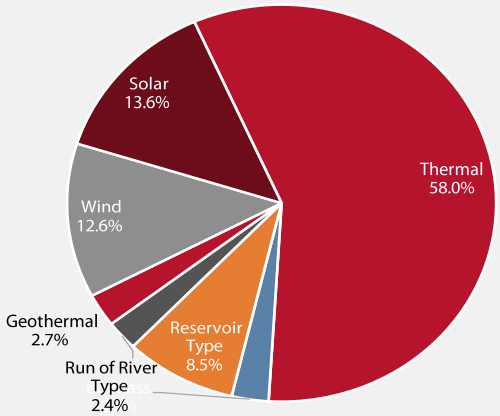


Source: TEİAŞ, TSKB Economic Research

Generation-Consumption Analysis

Total electricity generation declined from approximately 35.8 terawatt-hours (TWh) in August 2025 to 29.8 TWh in September 2025. Average daily electricity generation in September decreased by 14% compared to the previous month but increased by 3.8% compared to the same period of the previous year.

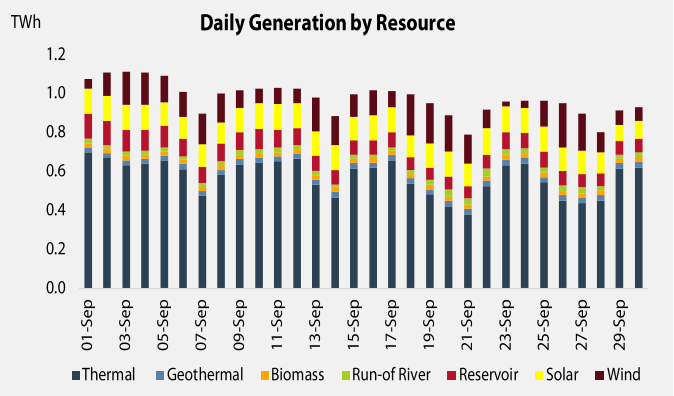




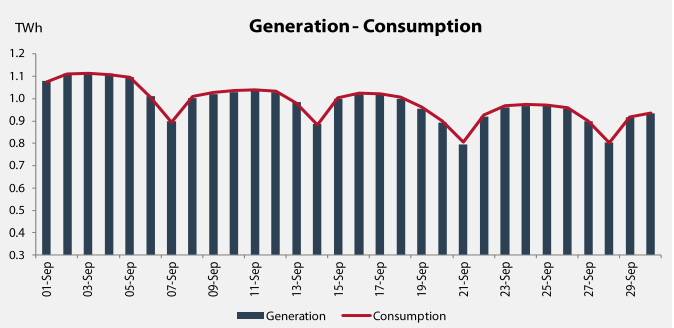
Source: TEİAŞ, YTBS Daily Reports, TSKB Economic Research

Thermal power plants, which had provided 57.6% of electricity generation in August, met 58% of the total electricity generation in September. Looking at the source-based breakdown of electricity generation, hydroelectric power plants, which had generated 12.5% of the total electricity in August, generated 10.9% of total electricity in September. In the same period, the share of electricity generated from the wind was 12.6%, while geothermal power plants accounted for 2.7% of the total electricity generated.

The share of renewable energy power plants in electricity generation, which was 40% in August 2025, was 39.8% in September 2025. In the relevant period, dam-type hydroelectric power plants contributed 8.5% of total generation, while solar power plants were recorded as the renewable source that produced the most electricity, meeting 13.6% of total generation. However, the ratio of electricity obtained from wind and solar power plants to total electricity produced was recorded as 26.2%.



Source: TEİAŞ, YTBS Daily Reports, TSKB Economic Research



Source: TEİAŞ, YTBS Daily Reports, TSKB Economic Research

In September, daily electricity generation averaged 0.9 TWh. The highest generation during the month was recorded on Wednesday, 3 September (1.1 TWh), while the lowest was recorded on Sunday, 21 September (0.8 MWh).

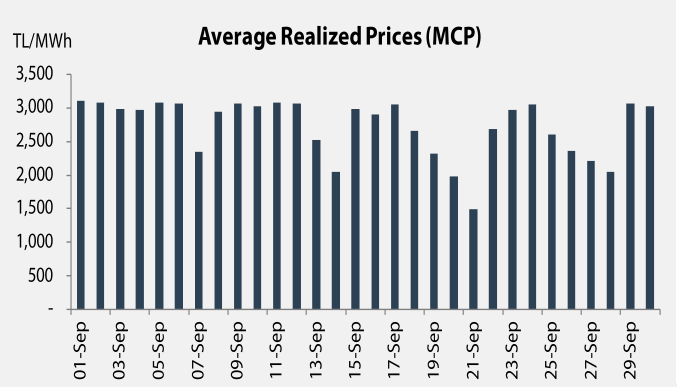
In the same period, electricity consumption averaged 1 TWh per day with the highest consumption of 1.1TWh recorded on Thursday, 4 September and the lowest (803,182MWh) on Sunday, 28 September.

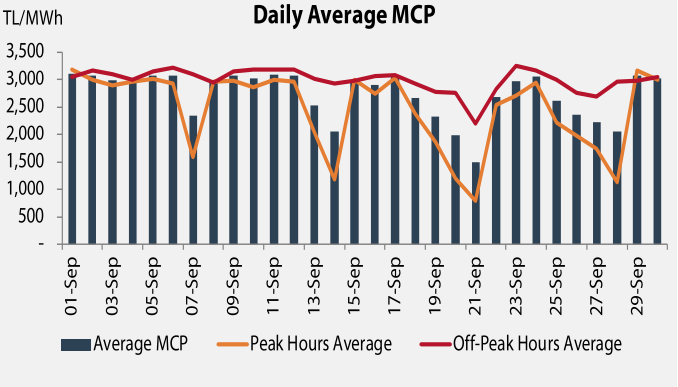
Electricity Price Analysis

The daily average market clearing price (MCP) ranged from TL 1,497.70 to 3,113.40 /MWh in September. The daily average MCP in September was TL 2,729 /MWh with the highest daily average MCP recorded on Monday, 1 September at TL 3,113.40 /MWh and lowest daily average MCP recorded on Sunday, 21 September at TL 1,497.70 /MWh.

Looking at the hourly data, we find that the MCP was realized at TL 3,400 /MWh - the maximum price limit determined - for a total of 56 hours in September. The hourly minimum price realized in September was recorded as zero, over periods totalling 7 hours.

Analyzing the MCP in September, the average for peak hours (8AM-8PM) was 9.7% below the average value of all hours to be recorded at TL 2,465/ MWh. The maximum limit price of TL 3,400 /MWh was recorded on 38 occasions during peak hours, while the lowest price of 0 TL/ MWh was recorded for a total of 7 hours during peak hours.

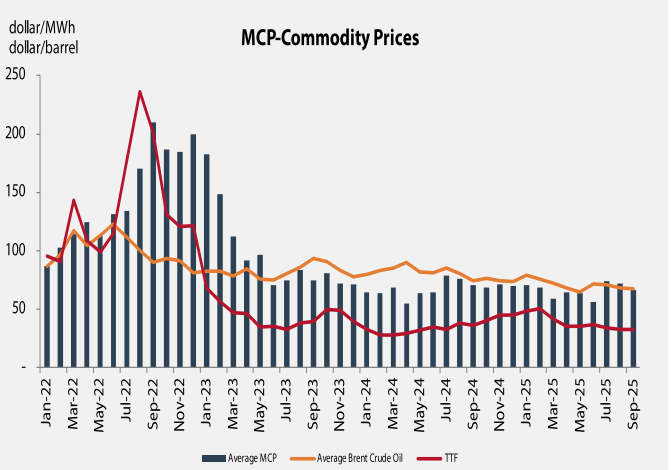




Source: EXIST, TSKB Economic Research

In the same period, the average price in off-peak hours (8PM-8AM) was TL 2,933 /MWh with the maximum limit price of TL 3,400 /MWh recorded over a total of 18 hours during off-peak hours, with the lowest price in off-peak hours, at TL 1,400/ MWh, being recorded twice.

The average MCP decreased from USD 72 /MWh in August to USD 66.10 /MWh in September. Compared to the same period of the previous year, the MCP was down by 6.1% in dollar terms.



Source: EPİAŞ, TCMB, EIA, TSKB Economic Research

Average Commodity Prices

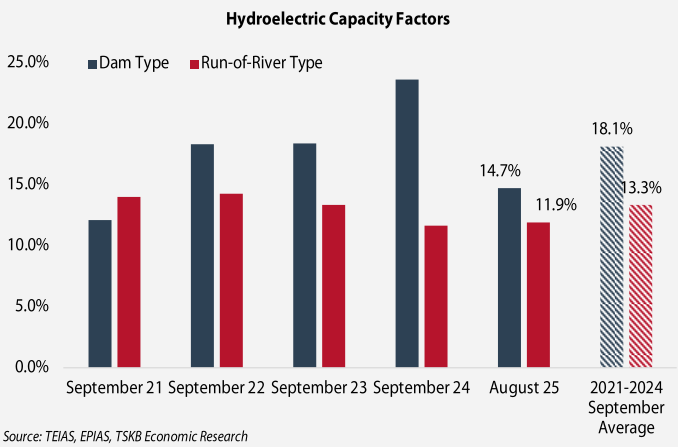
The price of Brent oil decreased by 0.7% month-on-month from an average of USD 67.9 per barrel in August to USD 67.4 per barrel in September. This average price was 9.1% lower than in the same period of the previous year.

The TTF natural gas contract price decreased by 0.9% month-on-month from an average of USD 32.7 /MWh in August to USD 32.4 / MWh in September, which was 10.6% lower than in the same period of the previous year.

Hydroelectric Capacity Factors

The capacity factors were 14.7% for dam-type hydro-electric power plants and 11.9% for run-of-river type hydroelectric power in September 2025. This marked a decrease of 8.9 percentage points in the capacity factor of dam-type power plants and a decrease of 0.3 percentage points for the run-of-river type power plants in September. When comparing the months of September over the last 5 years, September 2024 saw the highest capacity factors for dam-type power plants, while run-of-river type hydro-electric power plants saw their highest capacity factors in September 2022, at 14.3%.

In September 2025, the capacity factors of dam-type power plants were 3.4 percentage points below their average for the months of September from 2021-2024, while the capacity factors for run-of-river type power plants were 1.4 percentage points below their average.



Source: TEIAS, EPIAS, TSKB Economic Research

The Energy Transition in China

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In the second week of September, Ember published its report entitled "China's Energy Transition Outlook 2025". China is well known globally not only for its renewable energy capacity but also for its entire energy transition story. Given this importance, we did not want to pass the opportunity of mentioning it in this report.

The rise in the amount of electricity being generated from renewables in China continues to grow rapidly. The increase in electricity generation, especially from wind and solar, in the first half of 2025 exceeded the annual rise in 2024. The report highlighted that electricity generation from wind and solar, which increased by 25% in 2024 compared to the previous year, rose by 27% in the first half of 2025 compared to the same period of the previous year, reducing fossil fuel generation by 2%.

Examining the increases in the last five years, the share of electricity generated from clean energy sources increased from 32% in 2019 to 38% in 2024 according to the report while the share of electricity generated from fossil fuels decreased by 7 percentage points over the five-year period from 68% in 2019 to 62% in 2024. Electricity generation from wind and solar stand out as the main sources of this increase, their share in total generation rising from 8.4% in 2019 to 18% in 2024. The amount of electricity generated from the wind in the first half of 2025 increased by 16% compared to the same period of the previous year according to the report while the amount of electricity generated from solar power increased by 43%.

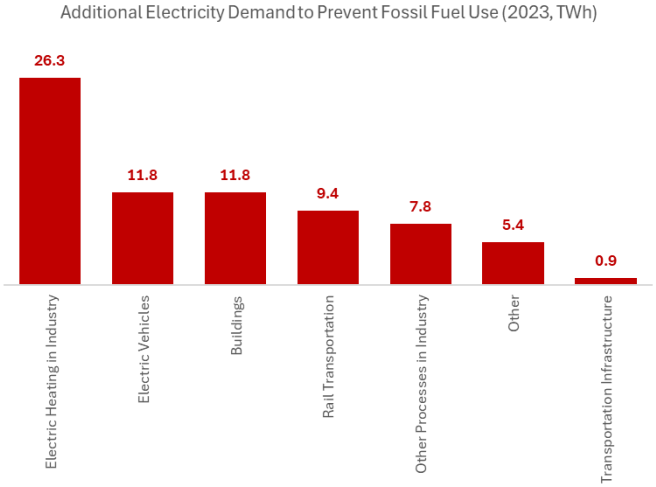
Electricity Generation (TWh)	2019	2024	2019 Payı	2024 Payı
Clean Energy Resources	2,363	3,850	%31	%38
Wind and Solar	629	1,836	%8	%18
Fossil Fuels	5,140	6,237	%69	%62
Coal	4,855	5,828	%65	%58
Total	**7,503**	**10,073**		

Source: Ember, Energy Institute, TSKB Economic Research

In addition to the rise of clean energy, the report also highlights electrification efforts in China. According to the report, energy-based fossil fuel consumption in buildings, industry and transportation, which had grown by an average of 4.7% per year between 2006 and 2015, has decreased by an average of 0.2% per year since 2015.

Reflecting that the share of electricity in China's final energy consumption increased to 32% in 2023, the report highlights that electricity is the most used source of energy in buildings.

The report points out that an additional 73.4 TWh of electricity demand was created to in 2023 to replace the use of fossil fuels in electricity usage from end users. A look at the sub-items finds that an additional 26.3 TWh of electricity demand in industry prevented the use of fossil fuels, while electric heating in industry is followed by electric vehicles and buildings, accounting for an additional 11.8 TWh of electricity demand.



Source: Ember, TSKB Ekonomik Araştırmalar

In the light of these developments, while both electrification efforts and the increase in clean energy use have been prominent recent developments in China, we think that the global impact of the energy transformation steps in China should be monitored in the coming period.

Sector News

Local News

- Turkish Electricity Transmission Corporation (TEİAŞ) announces capacity mechanism payment list for July. Accordingly, TEİAŞ will carry out a total of TL 1.12 million in capacity payments to 32 electricity generation plants for July. The Soma Kolin Thermal Power Plant will receive the highest payment (TL 105.8 million) for July under the capacity mechanism.

- Minister of Energy and Natural Resources Alparslan Bayraktar met with the President of the National Energy Administration of China. According to a statement Mr. Bayraktar shared on social media, the meeting addressed concrete projects planned to be implemented amidst the chaos surrounding the "Memorandum of Understanding on Cooperation in Energy Transition," signed between the two countries last year. Alparslan Bayraktar particularly emphasized significant opportunities for cooperation in nuclear energy and renewable energy.

- Work being carried out on a purchase guarantee for electricity generation from domestic coal. In his statement, the Minister for Energy and Natural Resources, Alparslan Bayraktar, stated that the government was working on a purchase price guarantee of USD 75 per megawatt-hour until 2030 for 60% of the electricity generated by domestic coal power plants, and that the study also includes a purchase guarantee incentive until 2045 for new coal power plants to be established. Explaining that the government will encourage the use of domestic coal in the industrial sector, Mr. Bayraktar added that companies that do not invest in the environment, fail to pay workers' wages or have debts to the public will not be able to benefit from these incentives. He also pointed out the importance of the Soma Thermal Power Plant in energy supply security and added that the operator of the Soma Thermal Power Plant will change.

- Türkiye launches "Call for the Development of Domestic Nuclear Reactors". This call from the Ministry of Industry and Technology is aimed at reducing dependence on foreign technology by creating a high-tech ecosystem in the nuclear field with Türkiye's capacity to develop and produce its own nuclear technology and to design and produce critical system (reactor) components locally. The reactors under consideration for development within the scope of the call include micro reactors, small modular reactors and innovative reactor designs with different power ranges. Project applications must be completed by 31 December 2025 at the latest.

- BOTAŞ signs liquefied LNG agreements with different companies. Accordingly, purchase agreements for 8.7 bcm of LNG valid for three years were signed with BP, Shell and Eni, while agreements covering a total of 5.7 bcm were signed with Hartree, JERA, Cheniere, SEFE and Equionar. In addition to the 20-year LNG supply agreement with the US-based Mercuria, the LNG agreement with the Australian Woodside Energy for 5.8 bcm of natural gas equivalent will start in 2030 and continue for 9 years. Under the LNG agreement with Mercuria, the supply of approximately 70 bcm of natural gas equivalent will start in 2026 and continue over 20 years.

- Turkish Petroleum (TPAO) officially applies for four new oil exploration licenses in the Mediterranean within Turkish territorial waters.

- Oil flow through the Iraq – Türkiye Crude Oil Pipeline resumes on 29 September. The Minister of Energy and Natural Resources, Alparslan Bayraktar, stated on social media that as of this morning, oil flow in the pipeline had resumed after having been halted due to the earthquakes in February 2023, with the pipeline having been made ready for operation by BOTAŞ in October 2023.

- Energy Market Regulatory Authority (EMRA) publishes "Electricity Market Sector Report" and "Natural Gas Market Sector Report" for July. Accordingly, electricity consumption increased by 5.1% in July compared to the same month of the previous year to reach 36.2 TWh. Electricity consumption stood at 28.2 TWh in June. According to the other published report, the "Natural Gas Market Sector Report", total natural gas consumption increased by 7.5% in July compared to the same month of the previous year and reached 3.53 bcm, while 50.3% of the natural gas consumed was used by the conversion/cycle sector. Natural gas imports increased by 8.5% compared to July 2024 to reach 3.60 bcm.

Foreign News

- USA terminates a total of USD 679 million in funding allocated to 12 offshore wind projects. In a statement issued by the USA Department of Transportation, the offshore wind projects considered unsuccessful were depleting resources that could be spent on reviving the USA maritime sector, and the terminated funds will be repurposed for critical port improvements and other basic infrastructure needs.

- OPEC and IEA publish their oil market reports. In its Monthly Oil Market Report for September, the Organization of the Petroleum Exporting Countries (OPEC) kept its global demand growth forecast for 2025 unchanged. Stating that global demand for oil would increase by 1.3 million barrels per day in 2025 when compared to 2024, the report stated that OPEC expects demand for oil to reach 105.1 million barrels per day in 2025. The report also maintained its forecast for oil demand of 106.5 million barrels in 2026. In addition, in its monthly report, the International Energy Agency (IEA) predicted total oil demand of 103.9 million barrels per day in 2025 and 104.6 million barrels per day in 2026.

- IEA publishes its "Global Hydrogen Outlook 2025" report. According to the report, global demand for hydrogen increased by 2% in 2024 compared to the previous year, reaching 100 million tonnes. Sectors such as oil refining and industry, which traditionally consume hydrogen, played a role in this increase. The IEA states that low-emission hydrogen production increased by 10% in 2024 and will reach 1 million tonnes in 2025, while emphasizing that this accounts for only 1% of global production. However, the report noted that the use of low-emission hydrogen is slowing amid high costs, uncertainty surrounding demand, the regulatory environment and slow infrastructure development. Accordingly, the IEA has lowered its forecast for low-emission hydrogen production for 2030 from 49 million tonnes to 37 million tonnes per year.

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