



Opportunities in U.S.-Turkish Business Development: The Power Sector

Michael A. Lally, Commercial Counselor and
Serdar Cetinkaya, Deputy Commercial
Attaché

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U.S. Embassy Commercial Service Ankara, Turkey



Business Case for Turkey

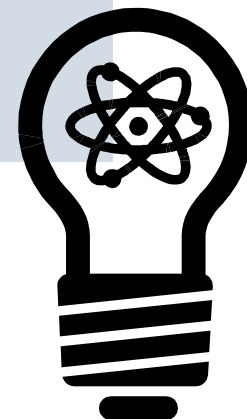
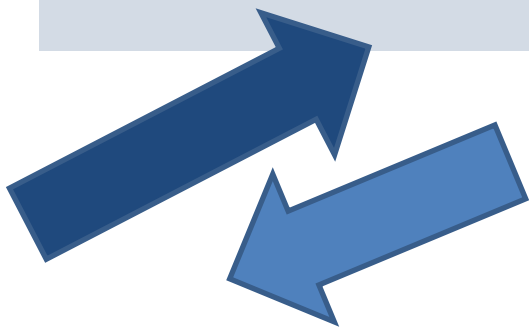
- Growing Economy
- Rising Demand for Power
- Relative Ease of Doing Business
- Strong U.S. technology and finance offer – U.S. Firms Active
- Increased G2G Efforts to Support Trade and Investment





Business Case for Power in Turkey

- Projected 6-8% YOY Demand Growth into 2030
- 50,000MW Additional Capacity Needed
- Investment Plays into the Market, Both Domestic and Foreign
- Renewables and Energy Efficiency Promising – Increase Competitiveness of Turkish Industry





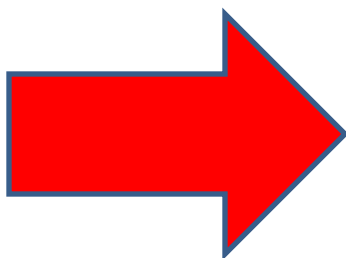
Key Opportunities and Challenges

- Passage of Law on Renewable Energy
 - Power Purchase Agreement (10 years initially) sync with long-term financing;
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- Development of medium to longer-term power purchase contract market and continued privatization efforts;
 - Clear grid connection rules and response times



Case Study in Success: Germencik Geothermal Power Plant

- Turkish firm decided to implement a geothermal project in Turkey and approached **U.S. Commercial Service Ankara** asking for a feasibility study grant from U.S. TDA.
- U.S. Commercial Service Ankara contacted **U.S. TDA**, which decided to provide the grant.
- A U.S. engineering firm conducted the feasibility study.
- Turkish investor decided to procure approximately US \$30 million equipment from the U.S.
- **U.S. Eximbank** provided financing.
- Currently, the subject geothermal power plant is the largest geothermal power plant in Turkey.
- U.S. companies which provided engineering, services and equipment for this project, are now receiving direct orders from other clients due to the first set of good example.

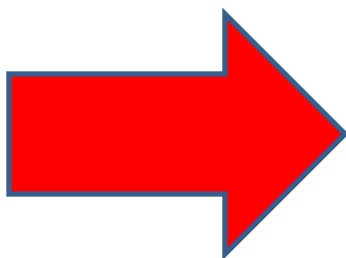


**Germencik
Geothermal Power
Plant**



Case Study in Success: Mamak Waste to Energy Plant

- U.S. firm approached **U.S. Commercial Service Ankara** to provide advocacy for a waste to energy project in Ankara
- U.S. Commercial Service Ankara met with the top officials of the client advocating for the U.S. firm as well as advising them on the potential support of **U.S. TDA, OPIC** and **U.S. Eximbank**
- **Waste to Energy Project Developer** decided to procure the equipment from the U.S. firm.
- Subject waste to energy plant in Ankara was the first of its kind in Turkey and set an example.
- Currently, Turkey has several other waste to energy plants thanks to the first implementation.



Mamak Waste-to-Energy Plant



The Near Zero Zone: a U.S.- Turkish Energy Partnership

- Led by U.S. Department of Energy in Cooperation with Izmir Ataturk Organized Industrial Zone
- Pairs U.S. firms with Twenty Companies in the Zone to Identify Energy Efficiency Gains
- Company Specific Studies
- Energy Efficiency Upgrades to Make Turkish Firms Even More Competitive, Using U.S. Technology
- U.S. Trade and Project Finance to Bring Money to the Deal
- Dissemination of Results and Efforts to Replicate Countrywide – First Expected this Fall





Trade and Project Finance

- Focus on All Energy Sectors, with Emphasis on Renewables
- U.S. Export-Import Bank: up to eighteen year terms after project completion; capitalization of interest during construction; 30% local cost support with U.S. scope of supply;
- Overseas Private Investment Corporation: 25% U.S. equity, loan tenor to 20 years, project value to \$250 million
- European Bank for Reconstruction and Development: Nearly \$200 million provided in RE/EE financing in Turkey; < \$5 million loans provided via AkBank, DenizBank, GarantiBank and VakifBank
- EBRD Mid-Size Sustainable Energy Financing Facility





U.S. Renewable Energy and Efficiency Trade Mission (December 5-9, 2011)

- Lead by Commerce Undersecretary Francisco Sánchez
- 10-15 American renewable energy and efficiency firms, focused on direct sales, distribution, and other joint venture opportunities in Turkey
- Trade and project financiers to join, including U.S. Exim Bank, Overseas Private Investment Corporation, and Trade and Development Agency
- 1 on 1 Meetings with Qualified Turkish firms in Ankara, Istanbul and Izmir

More on www.export.gov/kern; Register your Turkish firm's interest at <http://www.buyusa.gov/turkey/firmabilgiformu/index.asp>



U.S. Commercial Service in Turkey – How to Get Started

- Based in the U.S. Embassy in **Ankara**, Consulate in **Istanbul**, partnership in **Izmir**
- **Focus** on U.S.-Turkish business development and supplier identification for Turkish importers
- **Relationships** with major banks in the United States and Turkey
- **Strong** energy practice in traditional and renewable energy/efficiency
- **Buyer Delegations** to Major Trade Shows in U.S.; 1-1 Meetings with U.S. and Turkish energy businesses – PowerGen in December 2011.



Thank You!

Michael.Lally@trade.gov

Serdar.Cetinkaya@trade.gov

**U.S. Embassy Commercial Service
Ankara, Turkey**

**(with offices in Istanbul, Izmir, and liaison with
the U.S. Consulate in Adana)**