

THE INCENTIVES FOR GEOTHERMAL ENERGY IN THE FRAMEWORK OF RENEWABLE ENERGY IN TURKEY

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ABSTRACT

The energy is an irrevocable and non-substitute product which has a great importance for countries and weighted agenda of their policies. For the sake of environmental factors and sustainable development in worldwide, consciousness level rises as the importance of the renewable energy. Undoubtedly, it's not true to explain this tendency just "ecologist concerns". Particularly economic concerns, a lot of reasons affect renewable energy policies adoption. Nowadays, there are no technological novelties and innovations can come true without economic concerns. Within this framework, government policies have a distinctive hand in subsidizing the affinity of the renewable energy by investments. While determining the policies, at first "financial incentive" system, then "tax incentive" system comes up. In the developed countries, there are various tax incentive systems for promoting renewable energy. Turkey uses these systems, too. In spite of its prosperous potential at renewable energy, it cannot yet achieve intended rank in the world because of the lack of legislation and non-effective systems.

The various systems have been promoted to reinforce the use of renewable energy in many countries. It's possible to gather these systems under three topics. Incentives about price fixing and product liability, cost decreasing investment policies, public investments and incentives that developing renewable energy market. Incentives about price fixing and product liability are consisted of feed-in tariff and renewable portfolio standards (RPS). Indeed, subsidies and discounts are the other part of cost decreasing investment policies. And the other methods are tax reduction. These contain investment tax incentives, accelerated depreciation, production tax credits, income tax incentives, VAX immunity, environment tax exemption, import tax reduction, grants and etc. Incentives are implemented in both of full-scale investments and small-scale individual organisations. It is aimed to gain not only supply represented investors, but also demand represented consumers by using these sorts of policies in the energy market. Public investments and incentives that developing renewable energy market are consist of infrastructure policies that contain public benefit fund, construction and design, determination of area and allowances, product standards etc. Indeed, legislation of renewable energy that can lessen the bureaucratic obstacles should be evaluated in the framework of incentives.

In this paper, geothermal energy in the framework of renewable energy and the efficiencies of tax incentives at Turkey and developed countries are analyzed by standing comparative graphics and diagrams.

Keywords: *Geothermal energy, financial incentives, tax incentives, renewable energy*