

Promotion of Green Electricity in Germany and Turkey: A Comparison with Reference to the WTO and EU Law

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Abstract

The promotion of green electricity is a common practice worldwide. While it is relatively easier to define the term "green electricity" (electricity from clean and renewable sources), it is difficult to define "promotion". This dissertation begins with the examination of different economic and legal definitions of promotion. For this purpose, the WTO definition of "subsidy" and the EU definition of "state aid" are compared. In conclusion, it is argued in the dissertation that promotion is a financial contribution from state resources that confers a selective benefit which makes the recipient better-off compared to the market equivalents. However, each prong of this definition is problematic in the WTO and EU case law. This dissertation thus examines this case law in order to explain the legal status of promotion.

The WTO and EU have varying methods to control promotion schemes so as to limit their adverse effects on the economy. While the WTO focuses on protecting the free global trade, the EU focuses on protecting the competition in the single market. The WTO Dispute Settlement and the European Court of Justice developed varying case laws toward these aims. A scrutiny of this "promotion control law" provides us with an understanding of green electricity promotion's international economic law hardships. This dissertation, therefore, examines the control mechanisms in the WTO and EU legal spheres.

States promote green electricity for various reasons. On one side, the rapid expansion of green electricity is a way to mitigate greenhouse gas emissions. On the other hand, developing a green electricity capacity is a way to achieve energy security, economic growth, and employment creation. This dissertation explores the economic, political, and legal rationale of green electricity promotion. In the end, it argues that the promotion of green electricity is often a part of a more comprehensive industrial policy, rather than being only a part of the environmental policy.

This dissertation also comprises an analysis of the green electricity promotion methods. The most common promotion methods, e.g., feed-in tariffs, feed-in premia, tendering, quotas, or fiscal incentives, are examined in conjunction with the legal debates



surrounding these methods. The main aim of this chapter is to provide the following comparative analysis with an analytical foundation.

Finally, this dissertation examines the German and Turkish green electricity promotion laws in comparison with each other. Germany is a pioneer in green electricity promotion, while Turkey is a newcomer to this field. The dissertation argues that the comparative review of these two countries, while they have vast differences on economic and political grounds, is very beneficial for deriving best practice formulations. In the end, this dissertation provides policy suggestions for these two countries, which can be utilized in third countries as well.