

Tufanbeyli coal power plant Turkey

Sectors: Coal Electric Power Generation

● On record

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By: BankTrack



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[Project website](#)

Sector	Coal Electric Power Generation
Location	
Status	Planning Design Agreement Construction Operation Closure Decommission
	This project has been identified as an Equator Project

About Tufanbeyli coal power plant

[Enerjisa](#), the Turkish electricity producer owned by [E.ON](#) and [Sabanci Holding](#), started constructing the [Tufanbeyli coal power plant](#), commonly known as Enerjisa 2.5, in August 2012. The lignite-fired thermal power plant was completed in April 2016, and has a capacity of 450 megawatt (3x 150 MW), consuming [7.2 million tons](#) of lignite per year. In 2019, the Tufanbeyli coal power plant generated [3283 GWh](#) (gigawatt-hours) to the grid. The project also includes the operation of the neighbouring lignite mine, which provides fuel for the plant. The Tufanbeyli lignite mine contains enough reserves to run the power plant for [30-35 years](#), which is the planned operational lifetime of the Tufanbeyli coal power plant.

Latest developments

Additional capacity payments

Jun 30 2019

Increasing the Tufanbeyli coal storage unit

Jun 18 2019

What must happen

Banks and other financial institutions, already involved, should immediately stop their funding to the Tufanbeyli coal power plant project of Enerjisa.

Impacts

Social and human rights impacts

The impact of the project depends on each village. The village of Kayacik is affected most by the power plant station area, whereas the lignite mine will predominantly affect the village of Yamanli. The village of Taspinar in the north is severely affected by the mine area as well. The village of Kayacik has lost its irrigated land to the project's power plant area. Kayarcik is the largest village in the project area with about 400 households and a population size of almost 1,000 people. During summer times, the population almost doubles.

The major economic activity of the village is agriculture. Potato farming is widespread. The majority of villagers rent their land and work on their own land as daily workers. Yamanli village is going to lose almost 90 percent of the arable land at the initial plan of mine area. Even though the mine area is going to be rehabilitated and can be hypothetically available for farming once the mine sources are exploited, it will take decades before the land is suitable for cultivation once again.

[In January 2015](#), local residents protested against the use of foreign workers at the construction site, arguing that the project developers should be using local labour.

Lands which were previously used for cultivation and legally divided into different parcels will be combine into one piece of land. Only a part of which are acquired by Enerjisa, might be available for recultivation, because the other parts of the land in the mine area can be re-used by farmers if they will be expropriated by the Energy Market Regulatory Board and become public lands. Furthermore, topographical structure of these lands, acquired by Enerjisa or EMRA, will change after the mine sources are exploited. Therefore, it is difficult to restructure these lands for them to be available for farming, same as before. Considering the lack of skills of the project affected population, households that are losing all of their land to the Project will be vulnerable. They may not be able to replace the land that was expropriated with nearby land for cultivation or invest in livestock.

Environmental and climate impacts

The Sariz River/Magara Creek flows from north to south, 2.5 kilometers west of the Tufanbeyli power plant and approximately centrally through the alluvial plain that yields the lignite deposits. The Magara Creek is one of the major sources to the Catalan Dam which provides drinking water for the Adana Province. A number of other small tributaries are present in the area. The nearest human population is the village of Yamanli with approximately 750 persons, located 2.8 kilometers to the west of the power plant, which is on the western boundary of the proposed lignite mine. There are four other villages in the local vicinity: Pinarlar, Taspinar, Kayicik and Yesilova. The total population of the Tufanbeyli district in 2011 was approximately 17,500. The surface waters in the area are used for drinking, irrigation and livestock. The surface waters also support amphibians.

Protected areas in the region include the Kurebeli Canyon Wildlife Development site, 45,000 hectare, located 17 kilometres northwest of the Project site. The Kurebeli site is designated for game animals, and an important archaeological site, "Sar" city, which was the regional centre of the Hittites, located approximately 20 kilometres to the north east of the Tufanbeyli district. There are 15 reptile species present in the local area which are protected by the Bern Convention from 1979. A recent ecology survey identified up to 50 bird species in the region and up to 15 mammalian species. No globally threatened species of mammals or birds have been identified. Any species identified on the project site are also present in the wider area.

Other impacts

The main outcomes are that over 40 years, the power plant would cause the loss of about 23,000 life-years due to preliminary deaths, half a million lost working days, half a million asthma attacks, almost three million days of respiratory illness and an economic damage of EUR three billion, discounted at 1%.

Overview of impacts per year of operation

Years of life lost: 564

Lost working days 11,924

Days of respiratory illness: 68,021

Asthma attacks, need for medication: 11,270

CO2 emissions: Metric tonnes 2.7

Economic damage: EUR 86.85 million

Overview of health impacts over 40 years of operation

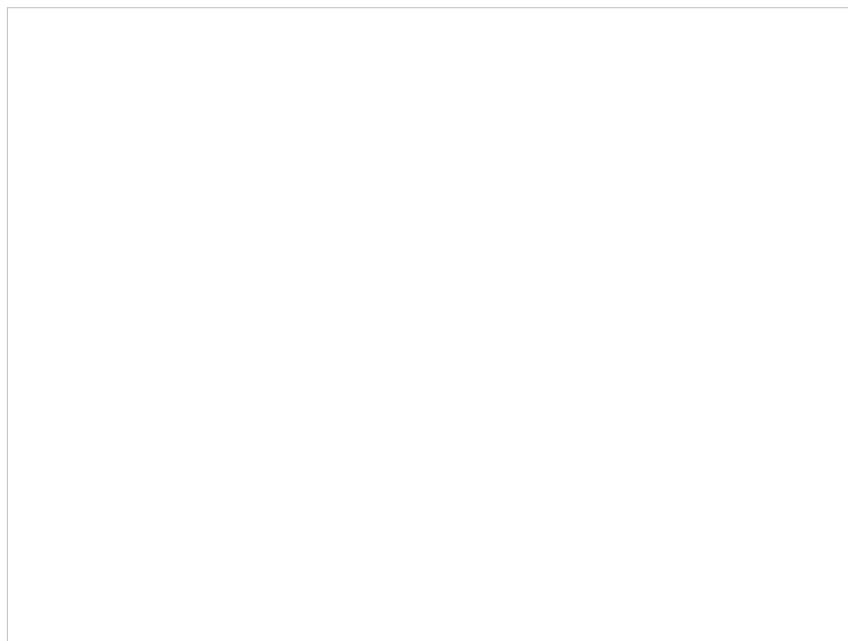
Years of life lost: 22,560

Lost working days: 476,960

Days of respiratory illness: 2,720,840

Asthma attacks, need for medication: 450,800

Economic damage: EUR2.8 billion



Governance

Applicable norms and standards

Equator Principles

Brief history

Enerjisa is a 50-50 joint venture that was initially formed in 2007 between H.O. Sabanci Holding A.S. from Turkey and Verbund International GmbH from Austria, a wholly owned subsidiary of Verbund AG. Sabanci is one of the leading industrial and financial conglomerates in Turkey. Verbund's share in the joint venture was taken over by Germany's biggest power group E.ON in December 2012, swapping it against E.ON's interest in eight run-of-river plants in Germany plus other assets in a deal worth more than USD one billion. The joint venture Enerjisa is the second most important power producer in Turkey.

After the deal, E.ON announced that it was planning to more than double Enerjisa's share in the Turkish power generation capacity. As part of the deal the company is aiming to invest EUR 150-200 million annually in Turkey until 2015.

Updates

Additional capacity payments

Jun 30 2019

In the first half of 2019, Enerjisa was paid 45,785,513.16 Turkish liras by the government in support of its operations at Tufanbeyli coal-fired plant via the [capacity mechanisms](#).

Increasing the Tufanbeyli coal storage unit

Jun 18 2019

In June 2019, Enerjisa [announced](#) the upsizing of the coal storage unit at Tufanbeyli power plant from 1000 m³ to 2700 m³.

Capacity payments

Feb 16 2018

In 2018 Enerjisa was paid millions of lira by the government in support of the Tufanbeyli coal plant via the capacity mechanism.

BlackRock emerges as biggest buyer in Turkey's first IPO of 2018

Feb 5 2018

In February 2018, Enerjisa Enerji, the operator of the Tufanbeyli coal plant, achieved the largest private sector public offering of Turkey by making 20 percent of its shares public and started trading on the Borsa Istanbul. E.ON and Sabancı Holding now equally hold the remaining 80% of shares. The world's biggest asset manager, Blackrock, [bought the majority of the shares](#).

Tufanbeyli power plant in operation

Apr 30 2016

Tufanbeyli Power Plant established by Turkey's energy company Enerjisa, has started its operations in April 2016 ([source Enerjisa.com](#)).

EON Is in Talks to Sell Its Stake in Turkey's Enerjisa

Jan 20 2016

EON is planning to sell its stake in Turkey's biggest energy company Enerjisa to improve its debt and equity balance. EON's partner Haci Omer Sabanci Holdings is also planning to sell a stake in Enerjisa, [according to marketrealist.com](#).

Tufanbeyli Lignite Power Plant Project status December 2015

Dec 1 2015

[According to Enerjisa](#): the construction activities of the power plant have been kicked off in 2011 and as of December 2015 two units, 300 megawatt, were commissioned. The commissioning process for the final unit is still in progress. Estimated completion timing is projected for the first half of 2016.

Enerjisa secures EUR750 million in loans

Jul 27 2012

[According to The Hurriyet Daily news](#): Sabancı Holding's Enerjisa has obtained a loan of EUR750 million to finance the construction of the Tufanbeyli Thermal Power Plant in the southern province of Adana. Creditors backing the loan include: Société Générale, UniCredit Bank Austria, HSBC, Raiffeisen, Tokyo-Mitsubishi UFJ, BNP Paribas, Fortis, Akbank, Deutsche Bank, Natixis and Erste Group, according to a company statement. Most of the finance package was insured by K-Sure, a South Korean insurance firm.

ITOCHU is awarded for Coal Fired Power Plant in Tufanbeyli

May 17 2011

[ITOCHU Corporation](#), in cooperation with the Korean engineering company, SK Engineering & Construction Co. part of the South Korean conglomerate SK Group, has received around YEN80 billion EPC (engineering, procurement and construction) contract from the Turkish power generating company, Enerjisa Enerji Uretim A.S., for a coal fired power plant in Tufanbeyli.

Financiers

Banks		
Akbank Turkey profile Details ▼		
Debt – project finance source: link	EUR 62 million	27 July 2012
BNP Paribas France profile Details ▼		
Debt – project finance As part of a 142 million euros loan source: link	EUR 30 million	27 July 2012
Debt – project finance As part of a 608 million euros loan source: link	EUR 60 million	27 July 2012
Deutsche Bank Germany profile Details ▼		
Debt – project finance source: link	EUR 50 million	27 July 2012
Erste Bank Austria profile Details ▼		
Debt – project finance source: link	EUR 30 million	27 July 2012
HSBC United Kingdom profile Details ▼		
Debt – project finance As part of a 142 million loan source: link	EUR 20 million	27 July 2012
Debt – project finance As part of a 608 million euros loan source: link	EUR 80 million	27 July 2012
Mitsubishi UFJ Financial Group (MUFG) Japan profile Details ▼		
Debt – project finance source: link	EUR 94 million	27 December 2012
Natixis France profile Details ▼		
Debt – project finance source: link	EUR 40 million	27 July 2012
Raiffeisen Bank International Group Austria profile Details ▼		
Debt – project finance source: link	EUR 94 million	27 December 2012
Société Générale France profile Details ▼		
Debt – project finance source: link	EUR 50 million	27 July 2012

Debt – project finance

EUR 140 million

27 July 2012

source: [link](#)

Export credit agencies

Korea Export Insurance Corporation (KEIC)

Debt – project finance

EUR 608 million

27 July 2012

K-Sure is providing 95% coverage of the 608 million euros tranche

source: [link](#)

On July 27, 2012, it was reported that a loan that backed the Tufanbeyli project reached financial close. Debt:equity ratio of the project was 80:20.

The deal follows the structure of previous Enerjisa deals. However, unlike in previous deals, the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD) are not participating due to the lignite-basis of the power plant. Instead the project's Japanese contractor, Itochu Corporation along with South Korean engineering company SK Engineering & Construction, brought in backing from South Korean export credit agency (ECA) K-Sure for the larger tranche of the deal.

Total project costs are EUR 1.1 billion, split between EUR 750 million in 11-year debt and EUR 350 million of equity. K-Sure is providing 95% political and commercial risk insurance for a EUR 608 million bank facility, while banks are also lending EUR 142 million in uncovered debt. The lenders are Akbank, BNP Paribas, BTMU, Deutsche Bank, Erste Bank, Fortis (now BNP Paribas Fortis), HSBC, Natixis, Raiffeisen Bank, Societe Generale and UniCredit.

Related companies