Energy, for which makes to turn the world around itself, is the main topic of Turkey nowadays. The price of gas that we buy from Russia, Azerbaijan and Iran, is very high and Energy Minister Yıldız announces that the use of natural gas to produce electricity will be reduced as new measures will be implemented to lower the country’s large energy imports. Adding to his speech, 50 percent of Turkey’s electricity is provided by natural gas and it is planned to reduce this figure to 30 percent by 2023. Energy Minister Yıldız said also those who use coal in producing electricity will be given special incentives, and there will be limits imposed on future projects that use natural gas to produce electricity.

“Responding to concerns over a reduction in the supply of natural gas through the Western Corridor pipeline, Energy Minister Yıldız said, “We are experiencing the coldest weather of the last 42 years, and there have been no cutoffs in the supply of natural gas.” However, he added that the measures being taken will lessen the country’s natural gas imports, especially to prevent possible cut-offs of supplies in the future.

Noting that difficulties will be faced during the implementation of such a reduction, Yıldız concluded by saying the details will be announced during the year, and its effects will be discussed. Commenting on Yıldız’s announcement, Pamir noted the increasing presence of plants that use imported coal and critically asked how it could be possible to lessen energy dependence while importing coal. He noted energy dependence has risen from 67 percent in 2002 to 74 percent in 2010 and said that even if electricity would be produced through the use of coal, it is important for those plants to be environment friendly. (5 February 2012 - Today’s Zaman News “Turkey eyes solution as Iran insists on ‘unfair gas price’”)

Relevant to speech of the Minister, it is not easy to solve the energy problem in the near future. But if we can least produce the electricity from the use of Turkey’s own lignite, of course for those plants to be environment friendly, the current account deficit can be reduced and the use of natural gas for electricity should be lowered.

As seen below from the graph, producing electricity from the use of coal takes the highest place all the times.

As seen from graph:3, Turkey’s coal reserve is 12.9 billion tons. New reserve areas are found and explorations are being continued by the General Directorate of Mineral Research and Exploration.

Lignite takes the great percentage of total. It’s not suitable nor as a fuel for home and neither for industry but very suitable for thermal power plants.

The General Directorate of Turkish Coal Mining Administration (TKI) that is a State Economic Enterprise, has been established in 1957 for the purposes of ensuring the utilization of energy raw materials, such as lignite, asphaltite, bituminous schist and peat, meeting the requirements of the country, providing maximum contribution to the economy of the country, arranging, and following
up the plans and programs, determining and ensuring the realization of the application strategies (TKI Strategic Plan 2010-2014, Page 1).

22 % of the total lignite reserves in Turkey as well as 52 percent of the lignite production capacity belong to the general Directorate of TKI. As such, General Directorate of TKI is in the position of being the most important player in the coal market of our country. TKI, which realizes its production process completely on the basis of the demand of thermal power plants and heating and industry, has been increasing its sales to the thermal power plants in the recent years by taking into consideration the electrical energy needs of Turkey.

TKI is presently feeding 10 thermal power plants belonging to Elektrik Üretim Anonim Şirketi and its subsidiaries. The total installed power of the subject matter power plants is 4,209 MW corresponding to approximately half of installed power (8,140 MW) of Turkey based on lignite and approximately 16 % of its total installed power.

Turkish Coal Mining Administration is an institution that has undertaken very important responsibilities in production and utilization of coal in Turkey since its establishment and it aims to continue with and develop its work in this field in the future.

Although TKI was established in 1957, it is possible to go back to Etibank, established in 1935, and even as far back as coal operations active in Zonguldak in the 19th century to base the roots of the corporate culture. Therefore, it is possible to say that TKI Institution has a corporate culture dating back more than 150 years.

HISTORICAL DEVELOPMENT OF TKI
The mining sector of our country, which is said to be under appreciated, was not also deemed as an important field of activity during the empire era. However, the mining sector has been deemed to be fundamental to the economy especially by the staff of the Republic and during initial years of the Republic, policies in line with this view had been developed3.

The Republican Administration wanted to dispose of the mines within a framework of an industrial program to be implemented. The desire of the state to enter the mining sector as an investor and operator became a reality with the establishment of Mineral Research and Exploration Institute (MTA) in the year 1935 as per Law number 2804 and Etibank as per Law number 2805. While MTA has undertaken responsibilities such as mine exploration, conducting of geological and geophysics research studies, establishing laboratories and training of personnel, the responsibilities such as the operating of mining resources, carrying out operations related to mining, purchases – sales, obtaining licenses and carrying out similar activities as well as the banking transactions have been undertaken by Etibank.

As the new arrangements have become applicable in the mining field, the authorization to operate mineral coal mines was purchased from French Societe Heraclee in the year 1936. All the coal mines in Zonguldak basin were nationalized and transferred to Etibank on 15 October 1940.

As of this date, the coal production in the basin was carried out by “Ereğli Coal Enterprises”, an establishment of Etibank. In the year 1937 Değirmisaz Lignite Ore was purchased from private sector and opened for operations.

The franchise to operate Seyitömer Lignite mine was acquired by Etibank in the year 1938 however the production had not immediately started. Contrary to Seyitömer, the production at Tavşanlı - Tunçbilek Lignite mine, for which the operating franchise had been obtained in the same year, had started.

The share of Etibank in mineral coal production had increased from 20 % in the year 1938 to 100 % in the year 1941 and similarly its share in lignite production increased from 69 % in the year 1939 to 81 % in the year 1945. when the Second World War came to an end, Etibank had already completed its establishment process and reached a certain level of institutionalization. In the year 1945 Etibank had undertaken a five - yearly industrial plan and from this date onwards, majority of the investments had been streamed to the coal basin and lignite mines of Zonguldak.

However, especially in 1950s, due to the fact that some of the municipalities could not pay their electricity bills to Etibank and also due to other political interventions, Etibank started experiencing financial troubles and conse-

As a result of the subject matter developments, Turkish Coal Mining Enterprises was established upon publishing of the Law number 6974 on Organization of TKI in the Official Gazette dated 31 May 1957 Number 9621 and Ereğli Coal Enterprises (EKI), Armutçuk Coal Enterprises (AKI), Türkiye Kömür Satış ve Tevzi Müessesesi (Turkish Coal Selling and Distribution) and Garp Linyitleri İşletmesi Müessesesi (Lignite Operations) (GLI) have all been linked to the Turkish Coal Mining Enterprises. The operations of TKI that was initially established on the basis of the Law no 3460 on State Economic Enterprises (KIT – SEE), have later on been re-arranged as per the provisions of “TKI General Directorate By-Laws” that was published in the Official Gazette dated 27.11.1984 number 18588 as per decree dated 8 June 1984 number 233.

Later on in the year 1982, the establishments in Zonguldak Coal Basin were separated from TKI. At the time, the Cabinet, as per Decree dated 11.04.1983 number 60, decided to realize the re-organization of State Economic Enterprises on the basis of the authority granted by 2680 numbered 17.06.1982 dated Law, and subject to the new arrangement, Ereğli Kömür İşletmesi Müessesesi was replaced with Türkiye Taskomuru Kurumu (TTK) (Turkish Mineral Coal Enterprises) and Armutçuk, Koţlu, Üzülmez, Karadon and Amasra establishments became the subsidiaries of this entity.

The activities of TKI picked up pace particularly by the end of 1970s. As TKI conducted its operations at the sites for which the franchises had been granted for a period that extends up to 99 years, on the basis of the cabinet resolutions reached according to articles 63 and 64 of 6309 numbered and 08.08.1954 dated Mining Law, the Law on “Mines to be Operated by the State” number 2172 date 04.10.1978 was published. In the subject matter law it is stipulated that the granted operating rights, under 2172 numbered Law, of TKI General Directorate on the mining sites, that are also ensured for continuation as per 2840 numbered law, cannot be used by others. Within the scope of this Law, the operating of lignite mines that are required to be explored and operated by the state, has become the responsibility of TKI. To ensure that the requirements of the thermal power plants are met in a timely manner and the production is carried out according to a plan and no shortages are experienced in terms of energy, it is agreed that the

TKI General Directorate was established on 22 May 1957 as per 6974 numbered Law and following this, the KITs were categorically re-organized on the basis of 08 June 1984 dated and 233 numbered decree law and TKI as a state economic enterprise (IDT) has been included in the annexed list of this decree law as a related institution of the Ministry of Energy and natural resources (ETBK). Again as per the subject matter decre law, the By-Laws of TKI was published in Official Gazette number 18588 dated 27 November 1984 (TKI Strategic Plan 2010-2014, Pages 6 and 7).

**FIELDS OF ACTIVITY**

In line with the energy and fuel oil policy of the government, the General Directorate of Turkish Coal Mining Administration (TKI), has been established for the purposes of ensuring the utilization of
energy raw materials, such as lignite, asphaltite, bituminous schist and peat, meeting the requirements of the country, providing maximum contribution to the economy of the country, arranging, and following up the plans and programs, determining and ensuring the realization of the application strategies. The subjects of operation of TKI are listed below:

1. In relation to the activities to process or cause others to process the mines indicated above and to serve this purpose to be involved in exploration activities with regard to the same.

2. To operate asphaltite mines as per article 2 of 10.06.1983 dated and 2840 numbered law and to serve this purpose to be involved in exploration activities with regard to the same.

3. To establish and operate the necessary industrial facilities related to its field of activity.

4. To utilize the side products and scrap material obtained in operational work conducted.

5. To carry out or have others carry out necessary preliminary studies, research studies in relation to its business activities.

6. To be involved in or have others conduct any and all kinds of transportation, loading and unloading activities in relation to its subject.

7. To carry out any and all kinds of commercial activities including imports, exports and insurance agency, to acquire and sell intellectual rights and rights in kind.

8. To carry out expropriation activities to be able to perform its business activities.

9. To provide and increase the resources to be able to perform and develop the subject matter services.

10. When necessary, to establish or liquidate partnerships both in the country and abroad and to participate in the partnerships that are already or will be established or alternatively resign from such partnerships.

11. To ensure coordination between the enterprises and their subsidiaries.

12. To ensure the compliance of the budgets and price tariffs and investments of the enterprises and their subsidiaries with the general economic, mining, energy and fuel oil policies.

13. To serve its purpose and in relation to its subjects of operation to purchase, sell, lease, lease out real estate and to establish pledges, mortgages, rights of usufruct, easement, real estate ownership and similar rights on the same.

14. To purchase and sell the following within the framework of the technical specifications and regulation to be approved by the Ministry of Energy and Natural Resources; energy raw materials such as lignite, peat, and bituminous schist that are produced by legal and real entities and mineral coal other than sold by Türkiye Taskomuru Kurumu on FOB and FOW basis, coke, briquette coal produced by private administrations, municipalities, their subsidiaries, state economic enterprises and establishments, real and legal entities as well as any side products obtained during the coking process.

15. To determine the regions, in which the different types of coal produced will be used, to prepare the respective program and following the approval of the Ministry implement it.

16. To provide public educational information as well as help on the utilization, storage and burning of the coal produced.

17. To ensure that the skill enhancing programs arranged within the scope of expanding means of employment are implemented.

18. In administrative and technical subjects, to provide guidance to the small and medium sized private institutions that are already or will be established (TKI Strategic Plan 2010-2014, Pages 4,5 and 6).

Turkish Coal Enterprises is the shining face of country, 16th bigger company of the Turkey. To produce electricity from lignite reserves, the Administration should be well known and over 50 years of talent must be shared by the sector.

All the information in this article based on the “TKI 2010-2014 Strategic Plan” report, form TKI’s web site.

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