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Analyzing the willingness to pay for green electricity: Evidence from Turkey

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A B S T R A C T

Turkish's energy development ambitions have been top of its key agendas owing to its recent rapid phase of economic growth. The country has developed an action framework designed by the Ministry of Energy and Natural Sources with a view of minimizing energy import and maximizing domestic energy, and produce 30% of electricity production from renewable energy sources all the way through 2023. In order to materialize its ambitious renewable energy targets, Willingness to Pay (WTP) plays the central role in directing appropriate policy. On the basis of this discrepancy, this study was carried out to investigate the WTP of the Turkish citizens for green electricity by employing Tobit model. Face-to-face interviews were conducted from 2,500 households in 12 major metropolitan cities of Turkey based on contingent valuation method consisting of a total of 26 questions. The outcomes of the study show that household income, household size, education, environmental conscience and gender are highly related to the WTP for renewable electricity energy in Turkey. Turkish citizens' mean WTP for renewable energy stands at 4.35 Turkish Liras (\$1.13). The findings point to useful insights that help government agencies, as well as utility companies, carry out their target.

KEYWORDS Renewable energy; Contingent valuation; Willingness to pay