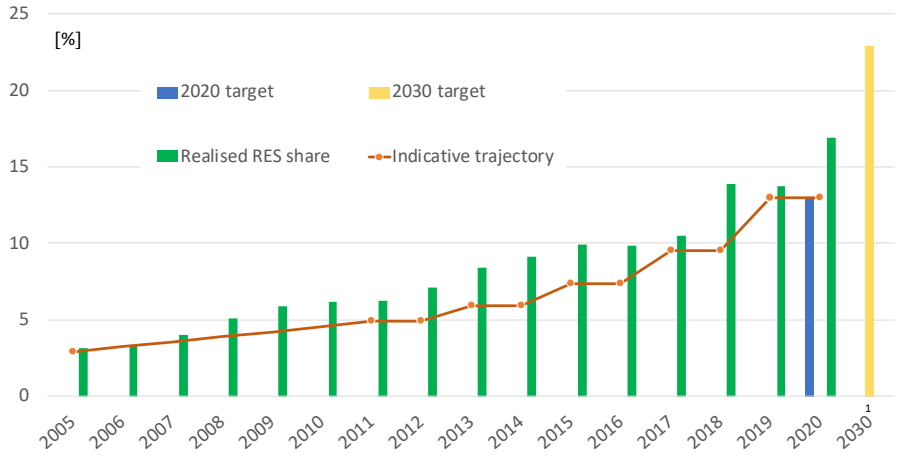
Renewable Energy Policy Factsheet

June 2022

Cyprus

Renewable energy status

Share of energy from renewable sources in total gross final energy consumption



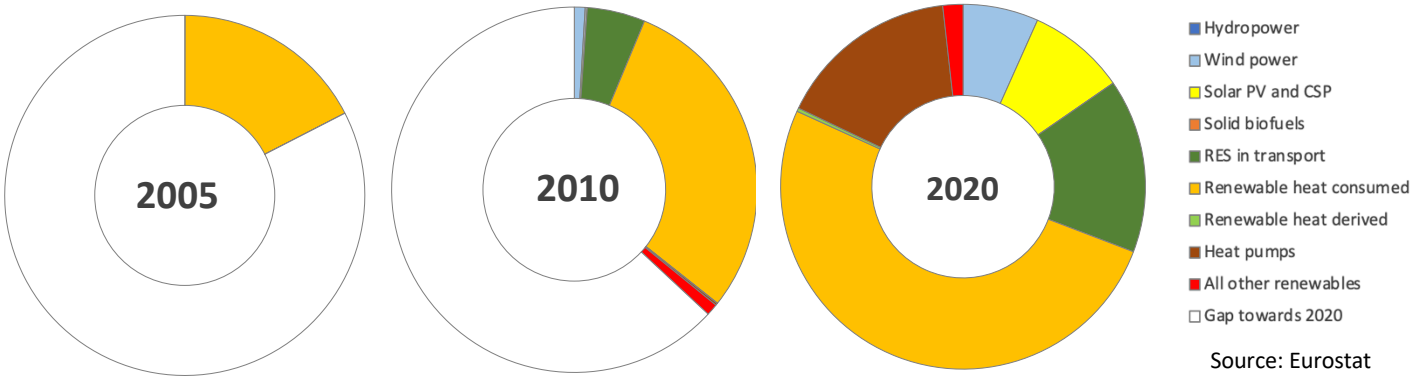
Source: Eurostat

Abbreviations used:

RES: renewable energy sources
RES-E: renewable electricity
RES-H/C: renewable heating/cooling
RES-T: renewable transport fuels

Data for 2020

Overall RES share:	16.9%	Avoided fossil fuels:	0.3 [Mtoe]
Overall RES 2020 target:	13%	Avoided fuel expenses:	151 [MEUR]
Overall RES 2030 target:	23%	RES Turnover:	100 [MEUR]
Share RES-T in transport:	7.4%	RES Employment:	740 [jobs]
Share RES-H/C in heating:	37.1%	RES imports[2]:	22 [MEUR]
Share RES-E in electricity:	12%	RES exports[2]:	0 [MEUR]



Source: Eurostat

	2005	2010	2020		
	Energy in ktoe	Energy in ktoe	Energy in ktoe	Employment in FTE	Turnover in MEUR
Hydropower	0.0	0.0	0.0	<100	<10
Wind power	0.0	2.8	19.6	100	10
Solar PV, and CSP	0.0	0.5	25.4	<100	10
Solid biomass	0.0	0.0	0.0	100	<10
Ren. energy in transport[3]	0.0	15.0	45.1	<100	<10
Renew. heat consumed	50.9	85.9	149.0		
Renew. heat derived	0.0	0.1	0.9		
Heat pumps	0.0	0.5	47.1	<100	<10
All other renewables	0.0	3.0	5.2	500	40
Gap towards 2020	241.3	184.4			

Source: Eurostat, EurObserv'ER

FTE = Full time equivalent, PV=Photovoltaics, CSP=Concentrated Solar Power. Biofuels in transport only covers compliant fuels (employment and turnover additionally cover the non-compliant biofuels). Derived heat includes heat produced in main activity producer plants and heat sold produced in auto-producer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).

[1] From Integrated National Energy Climate Plan

[2] Referring to the International Trade chapter from the publication: EurObserv'ER - *The State of Renewable Energy in Europe, 2021 edition*

[3] Employment and turnover are only referring to biofuels in transport.

CURRENT RENEWABLE ENERGY POLICY

RES-E

Cyprus promotes renewable electricity generation supporting the purchase and installation of PV, biogas, biomass installations up to 3kW for vulnerable social groups targeting households and the agricultural sector respectively as well as public-sector entities, benefitting from a net-metering scheme as well. Other renewable electricity technologies can also benefit from a transitional feed-in tariff scheme with one renewable electricity tariff eligible for one year only. After the transitional feed-in tariff support has lapsed (12 month after commissioning) the installations concerned have to sell their power produce on the electricity market. Several support schemes are in place to promote electricity from renewable sources:

- Net-metering for public administration entities and industrial/commercial establishments (PV, biogas)
- Net-metering/net net-billing for households, public administration entities, and off-grid legal entities (PV, biogas)
- Subsidies supporting the purchase and installation of PV up to 3kW for vulnerable social groups that will operate under a net-metering scheme.

RES H&C

There several policy instruments promoting the deployment of renewable heating and cooling. Cyprus implements the Energy Performance of Buildings Directive and enforces requirements to install PV installations on public buildings to emphasize the exemplary role of public authorities. This goes notably but not exclusively for public school buildings. Public and newly built private-sector buildings with a floor area more than 1000 m2 must acquire, and meet the requirements of, an energy performance certificate in accordance with the aforementioned directive. Moreover renewable heat obligations for buildings (regarding solar thermal for hot water and PV) are in force.

RES-T

As for renewable transport fuels no direct policies and measures are in place for the promotion of biofuels so far, but future stimulation thereof has been announced in the final National Energy and Climate Plan of Cyprus. Vehicles with emissions less than 120 grams of carbon dioxide per kilometer are exempt from paying registration taxes, which notably benefits battery electric vehicules.

Table 1: Brief description of key policy instruments aimed at promoting RES in Cyprus

Instrument	*Description*
Net metering	Prosumers (within the business sector and households) having installed PV installations on their respective premises/ roofs are only charged for grid-supplied electricity to the extent that these supplies have exceeded own aggregate production during the previous accounting period.
Investment subsidies	Different policy target groups are eligible for grants from distinct investment subsidy schemes on a differentiated €/W (€/W_p) basis. Currently, apart from subsidies for new solar thermal systems investment subsidies for the promotion of renewable heating have been closed.

For further information:

International Energy Agency (IEA) database on policies and measures
https://www.iea.org/policies?topic=Renewable%20Energy

Member State Progress Report, available at the Renewable Energy pages of the European Commission
http://ec.europa.eu/energy/en/topics/renewable-energy

REN21, 2020. Global Status Report 2020. Paris, 16 June
https://www.ren21.net/wp-content/uploads/2019/05/gsr_2020_full_report_en.pdf

RES Legal database
http://www.res-legal.eu/search-by-country/Cyprus

What is meant by …?

Auctions for granting renewable energy support	An auction is a process of granting production or investment support to renewable energy projects based on the lowest bids by eligible project developers.
Feed-in tariff (FiT)	A support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive. In addition, feed-in tariffs often include "tariff degression", a mechanism according to which the price (or tariff) ratchets down over time.
Feed-in premium (FiP)	A scheme which provides for a support level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating rate. The premium is typically adjusted periodically to exactly offset change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)
Renewable quota scheme (RQS)	A RQS mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs.
Sliding feed-in-tariff	A FiT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a degression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities, for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.

Funded by the European Commission

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