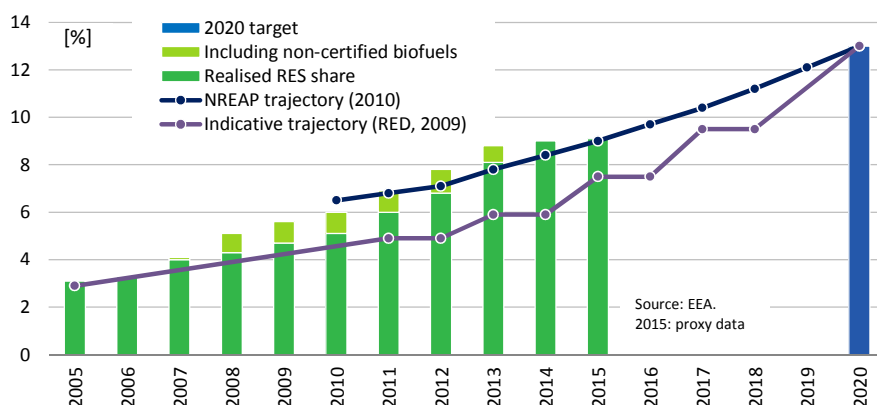


## Summary

Electricity from renewable sources is promoted through investment subsidies in combination with a net metering scheme. Renewable heating and cooling is promoted by investment subsidies to enterprises and households respectively. To date, no incentives for production and use of biofuels in the transport sector are in place.



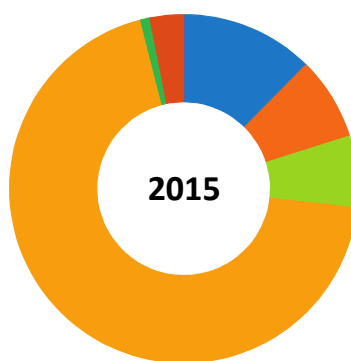
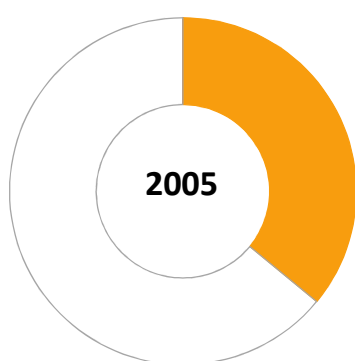
Source: EEA.  
2015: proxy data

## Abbreviations used:

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

## Data for 2015

|                             |       |                        |                    |
|-----------------------------|-------|------------------------|--------------------|
| Overall RES share:          | 9.4%  | Avoided fossil fuels:  | 0.2 [Mtoe]         |
| Overall RES 2020 target:    | 13.0% | Avoided fuel expenses: | 0.1 [billion euro] |
| Share RES-E in electricity: | 8.4%  | RES Turnover:          | 65 [MEUR]          |
| Share RES-T in transport:   | 2.5%  | RES Employment:        | 600 [jobs]         |
| Share RES-H/C in heating:   | 22.5% |                        |                    |



■ Hydropower  
■ Wind power  
■ Solar PV, CSP and water heaters  
■ Solid biomass  
■ Biofuels in transport  
■ Renewable heat consumed  
■ Renewable heat derived  
■ Heat pumps  
■ All other renewables  
□ Gap towards 2015

Source: Eurostat, 2017.

|                                 | 2005      | 2015      |            |          |
|---------------------------------|-----------|-----------|------------|----------|
|                                 | Energy    | Energy    | Employment | Turnover |
| Hydropower                      | 0.0 ktoe  | 0.0 ktoe  | 0 Jobs     | 0 MEUR   |
| Wind power                      | 0.0 ktoe  | 17.6 ktoe | 150 Jobs   | 20 MEUR  |
| Solar PV, CSP and water heaters | 0.0 ktoe  | 10.9 ktoe | 300 Jobs   | 25 MEUR  |
| Solid biomass                   | 0.0 ktoe  | 0.0 ktoe  | 50 Jobs    | 5 MEUR   |
| Biofuels in transport           | 0.0 ktoe  | 9.5 ktoe  | 50 Jobs    | 10 MEUR  |
| Renewable heat consumed         | 50.9 ktoe | 98.2 ktoe |            |          |
| Renewable heat derived          | 0.0 ktoe  | 1.2 ktoe  |            |          |
| Heat pumps                      | 0.0 ktoe  | 0.0 ktoe  | 0 Jobs     | 0 MEUR   |
| All other renewables            | 0.0 ktoe  | 4.4 ktoe  | 50 Jobs    | 5 MEUR   |
| Gap towards 2015                | 90.7 ktoe |           |            |          |

Source: Eurostat, EurObserv'ER, 2017.

Hydropower jobs & turnover only covers 'small hydropower'. 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 autoproducer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).



## ***CURRENT RENEWABLE ENERGY POLICY***

Cyprus promotes PV-based electricity generation through investment subsidies targeting households and the agricultural sector respectively as well as a net metering scheme. To date, no other renewables-based electricity is incentivised specifically. In general, generators of renewable electricity are entitled to priority access and dispatch.

Renewables-based heating is promoted by two distinct investment subsidy schemes: one targeted at improvement of energy efficiency in the business sector, the other at households. For the time being, these subsidy windows have been closed for new applications.

Hitherto, there is no support scheme for biofuels in Cyprus.

## ***OVERVIEW OF MAIN SUPPORTING POLICIES***

The "Solar Energy for All 2016" scheme aims at supporting the purchase and installation of PV up to 3kW, through investment subsidies for vulnerable social groups. This scheme also introduces a net-metering system in Cyprus. Households and public administration entities are eligible (PV installations) as well as legal entities (off-grid PV installations). The Programme for Rural Development 2014-2020 offers investment subsidies for the purchase and installation of PV systems and wind turbines for farmers and agricultural pastoral companies.

The "Energy upgrading of Enterprises" scheme subsidises the realisation of large scale energy efficiency measures in buildings of natural persons or legal entities that are engaged in economic activity in Cyprus. To date, the scheme has been closed for new applications. The "Energy upgrading of Residential Buildings" scheme is aimed at supporting the realisation of energy efficiency measures in buildings of natural persons residing in Cyprus with a focus on social vulnerable groups. This scheme has been closed as well.

For the time being, no direct policies and measures are in place for the promotion of renewable transport fuels.

Table 1: Overview of support schemes to promote renewable energy

|   |                 | REGULATORY POLICIES |         |   |  |                           | FISCAL INCENTIVE AND PUBLIC FINANCES |                         |                          |            |
|---|-----------------|---------------------|---------|---|--|---------------------------|--------------------------------------|-------------------------|--------------------------|------------|
|   | Feed-in tariffs | Feed-in premiums    | Tenders | Quota obligation with Tradable Green certificates | Quota obligation without Tradable Green certificates | Net-metering/ net-billing | Investment subsidies 1)              | Tax credits mechanism I | Tax credits mechanism II | Soft loans |
| RES-E   |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Offshore wind   |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Onshore wind  |                 |                     |         |   |  |                           | x                                    |                         |                          |            |
| - Solar   |                 |                     |         |   |  | x                         | x                                    |                         |                          |            |
| - Hydro   |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Geothermal  |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Solid biomass   |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Biogas  |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| RES-H/C   |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Solar thermal   |                 |                     |         |   |  |                           | x                                    |                         |                          |            |
| - Geothermal  |                 |                     |         |   |  |                           | x                                    |                         |                          |            |
| - Biomass   |                 |                     |         |   |  |                           | x                                    |                         |                          |            |
| - Biogas  |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Small scale installations, e.g. solar thermal collects, heat pumps, biomass boilers and pellet stoves |                 |                     |         |   |  |                           | x                                    |                         |                          |            |
| - Others, i.e. aerothermal, hydrothermal  |                 |                     |         |   |  |                           | x                                    |                         |                          |            |
| RES-T   |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Bio gasoline  |                 |                     |         |   |  |                           |                                      |                         |                          |            |
| - Biodiesel   |                 |                     |         |   |  |                           |                                      |                         |                          |            |

1) For the time being, investment subsidy schemes for renewables-based heating have been discontinued.

Sources: EurObserv'ER, GSR/REN21, RES-Legal Europe (2017)

Table 2: Overview of instruments used at present

| <i><b>Instrument</b></i> | <i><b>Description</b></i>  |
|--------------------------|--|
| 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 <sub>p</sub> ) basis. Currently, investment subsidies for the promotion of renewable heating have been closed.  |

### ***For further information:***

CEER, 2017. Status Review of Renewable Support Schemes in Europe.

[http://www.ceer.eu/portal/page/portal/EER\\_HOME/EER\\_PUBLICATIONS/CEER\\_PAPERS/Electricity/2017/C16-SDE-56-03%20Status%20Review%20RES%20Support%20Schemes.pdf](http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Electricity/2017/C16-SDE-56-03%20Status%20Review%20RES%20Support%20Schemes.pdf)

EEA, 2017. [1] EEA, 2017 <http://www.eea.europa.eu/data-and-maps/daviz/actual-res-progress-indicative-trajectory-2>

Eurostat, 2017. Energy from renewable sources. [http://ec.europa.eu/eurostat/statistics-explained/index.php/Energy\\_from\\_renewable\\_sources](http://ec.europa.eu/eurostat/statistics-explained/index.php/Energy_from_renewable_sources)

REN21, Global Status Report 2017 [http://www.ren21.net/wp-content/uploads/2017/06/170607\\_GSR\\_2017\\_Full\\_Report.pdf](http://www.ren21.net/wp-content/uploads/2017/06/170607_GSR_2017_Full_Report.pdf)

IEA/IRENA Joint Policies and Measures database

<https://www.iea.org/policiesandmeasures/renewableenergy/?country=Cyprus>

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

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



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