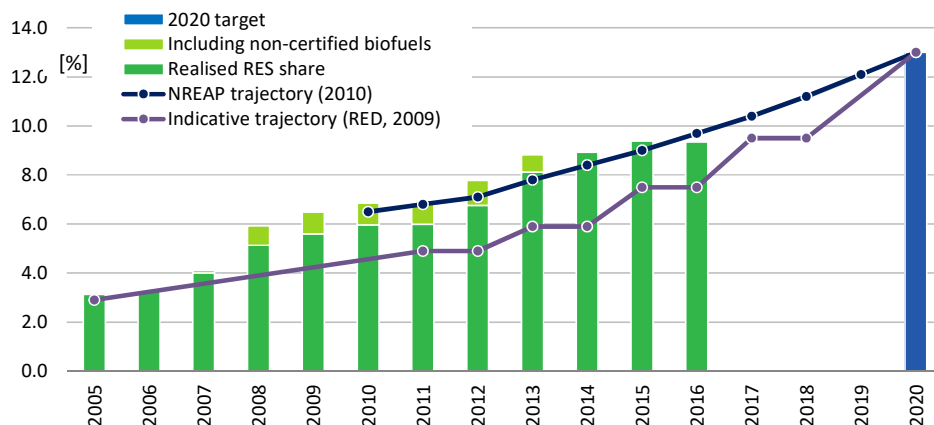


Summary

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.



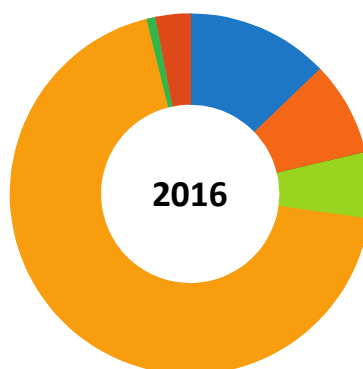
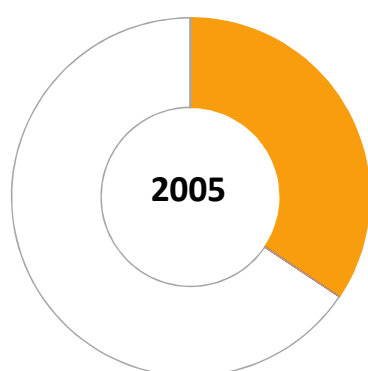
Source: EEA, Eurostat

Abbreviations used:

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

Data for 2016

Overall RES share:	9.3%	Avoided fossil fuels:	0.2 [Mtoe]
Overall RES 2020 target:	13.0%	Avoided fuel expenses:	0.1 [billion euro]
Share RES-E in electricity:	8.6%	RES Turnover:	100 [MEUR]
Share RES-T in transport:	2.7%	RES Employment:	1000 [jobs]
Share RES-H/C in heating:	23.0%		



■ 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 2016

Source: Eurostat, 2018.

	2005	2016				
	Energy	Energy	Employment	Turnover		
Hydropower	0.0 ktoe	0.0 ktoe	< 100 Jobs	< 10 MEUR		
Wind power	0.0 ktoe	19.1 ktoe	< 100 Jobs	< 10 MEUR		
Solar PV, CSP and water heaters	0.0 ktoe	12.5 ktoe	< 200 Jobs	< 20 MEUR		
Solid biomass	0.0 ktoe	0.0 ktoe	< 100 Jobs	< 10 MEUR		
Biofuels in transport	0.0 ktoe	8.8 ktoe	< 100 Jobs	< 10 MEUR		
Renewable heat consumed	50.9 ktoe	102.2 ktoe				
Renewable heat derived	0.0 ktoe	1.2 ktoe				
Heat pumps	0.0 ktoe	0.0 ktoe	< 100 Jobs	< 10 MEUR		
All other renewables	0.0 ktoe	4.5 ktoe	< 300 Jobs	< 30 MEUR		
Gap towards 2016	97.2 ktoe					

Source: Eurostat, EurObserv'ER, 2018.

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).



Renewables policy in a nutshell

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. There is number of policies aiming at promoting the development, installation and use of renewable energy installations as well as specific renewable heating and cooling obligations. To date, no incentives for production and use of biofuels in the transport sector are in place.

CURRENT RENEWABLE ENERGY POLICY

Cyprus promotes *renewable electricity generation* supporting the purchase and installation of PV, biogas, biomass installations until 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. In general, generators of renewable electricity are entitled to priority access and dispatch.

There is number of policies aiming at promoting the development, installation and use of RES installations as well as specific renewable heating and cooling obligations.

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

OVERVIEW OF MAIN SUPPORTING POLICIES

Several support schemes are in place to promote *electricity from renewable sources*:

- The "Support Scheme for PV and Biomass/ Biogas 2017" Scheme introduces a *net-metering system*. Households and public administration entities are eligible (PV installations) as well as legal entities (off-grid PV installations)
- The "Solar Energy for All 2016" scheme *subsidizes* the purchase and installation of PV until 3kW for vulnerable social groups that will operate under a net-metering scheme
- The "Support Scheme for RES electricity production by plants that will be finally integrated in the competitive electricity market" (SSRES 2017) introduces a *transitional feed-in tariff scheme*, where RES plants can connect to the grid and receive a "RES price". However, these RES plants will enter the competitive electricity market 12 months after the initiation of its operation
- 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.

As for *renewable heating and cooling* there is currently one support scheme for RES H&C, exclusively for solar thermal installations. The "Support Scheme for the Installation or Replacement of Domestic Solar Thermal Systems provides subsidies for the purchase and/or replacement solar thermal systems for domestic consumers. 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, as for *renewable transport fuels* no direct policies and measures are in place for the promotion of biofuels. Electric vehicles get a reduction/exemption from registration tax, as this tax is contingent on specific CO₂ emissions/vehicle-km. The same goes for car ownership tax.

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						x			
- Solar	x					x	x			
- Hydro										
- Geothermal										
- Solid biomass	x					x	x			
- Biogas	x					x	x			
RES-H/C										
- Solar thermal							x			
- Geothermal										
- Biomass										
- Biogas										
- Small scale installations, e.g. solar thermal collects, heat pumps, biomass boilers and pellet stoves										
- Others, i.e. aerothermal, hydrothermal										
RES-T										
- Bio gasoline										
- Biodiesel										

1) For the time being, apart from solar thermal systems 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>Instrument</i>	<i>Description</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 _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:

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

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

REN21, Global Status Report 2017 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>

https://ec.europa.eu/commission/sites/beta-political/files/energy-union-factsheet-cyprus_en.pdf

(European Commission/ DG ENER, Energy Union Factsheet Cyprus, November 2017)

European Alternative Fuels Observatory, <http://www.eafo.eu/content/cyprus> ;
<http://www.eafo.eu/eu>



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Disclaimer

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