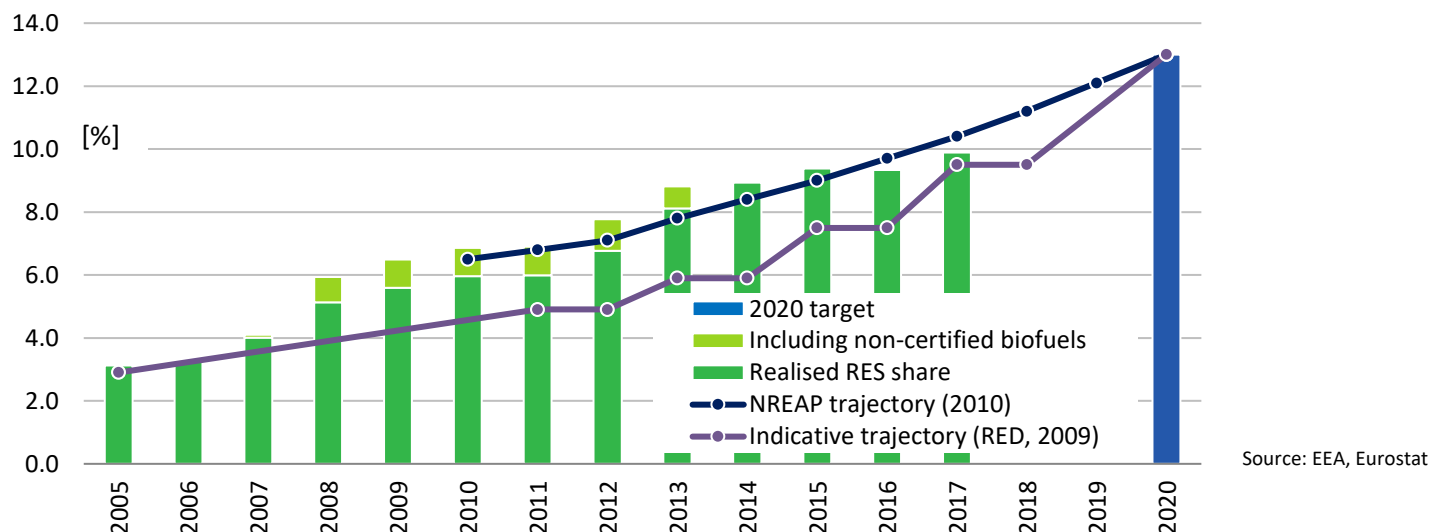


Summary

In Cyprus, 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. A number of policies are in place, 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 are available for production and use of biofuels in the transport sector.

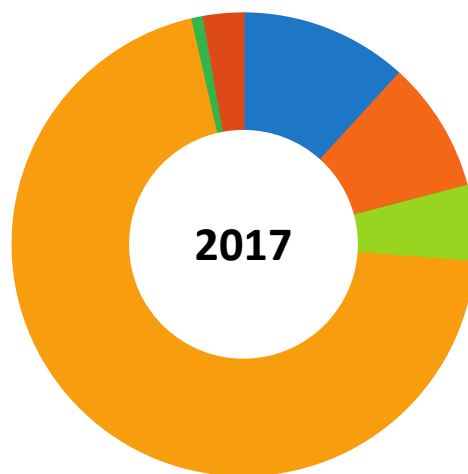
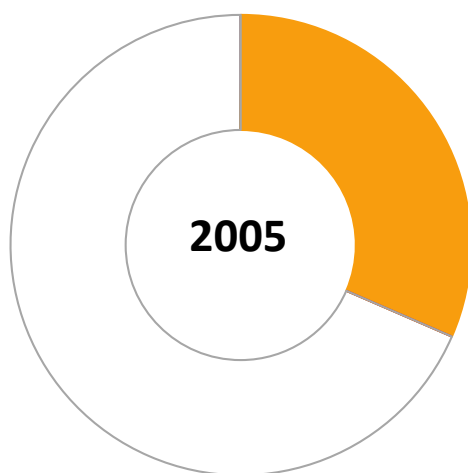


Abbreviations used:

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

Data for 2017

Overall RES share:	9.9%	Avoided fossil fuels:	0.2 [Mtoe]
Overall RES 2020 target:	13.0%	Avoided fuel expenses:	0.1 [billion euro]
Share RES-E in electricity:	8.9%	RES Turnover:	130 [MEUR]
Share RES-T in transport:	2.6%	RES Employment:	1500 [jobs]
Share RES-H/C in heating:	24.5%		



- 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 2017

Source: Eurostat, 2019.

	2005		2017		
	Energy		Energy	Employment	Turnover
Hydropower	0.0 ktoe		0.0 ktoe	<100 Jobs	<10 MEUR
Wind power	0.0 ktoe		19.1 ktoe	200 Jobs	20 MEUR
Solar PV, CSP and water heaters	0.0 ktoe		14.8 ktoe	600 Jobs	40 MEUR
Solid biomass	0.0 ktoe		0.0 ktoe	100 Jobs	10 MEUR
Biofuels in transport	0.0 ktoe		8.6 ktoe	100 Jobs	10 MEUR
Renewable heat consumed	50.9 ktoe		113.7 ktoe		
Renewable heat derived	0.0 ktoe		1.3 ktoe		
Heat pumps	0.0 ktoe		0.0 ktoe	<100 Jobs	<10 MEUR
All other renewables	0.0 ktoe		4.4 ktoe		
Gap towards 2017	110.8 ktoe				

Source: Eurostat, EurObserv'ER, 2019.

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 *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.

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.

So far, 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.

OVERVIEW OF MAIN SUPPORTING POLICIES

Tables 1 and 2 provide an overview of support instruments used to promote the deployment of renewable energy in Cyprus.

Table 1: Overview of support schemes to promote renewable energy in Cyprus

	NON-FISCAL SUPPORT SCHEMES						FISCAL AND OTHER STATE FINANCED INCENTIVES			
	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: RES-Legal Europe (2019), EurObserv'ER

Table 2: Overview of instruments used at present in Cyprus

<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>



This project is funded
by the European Union under
contract n° ENER/C2/2016-487/SI2.742173

Disclaimer

This document was prepared by the EurObserv'ER consortium, which groups together Observ'ER (FR), the Energy research Centre of the Netherlands (ECN, NL), the Renewables Academy (RENAC, DE), Frankfurt School of Finance and Management (DE), Fraunhofer-ISI (DE) and Statistics Netherlands (CBS, NL). The information and views set out in this publication are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.