



COUNTRY POLICY PROFILE

Cyprus

December 2015

**LOG FILE OF CHANGES IN SUPPORT
POLICIES AS COMPARED TO LATEST
MEMBER STATE PROGRESS REPORT**

The EurObserv'ER project

The EurObserv'ER Barometers monitor the renewable energy progress in each Member State of the European Union. Every two months a barometer dedicated to one particular renewable energy technology is published. Moreover, once a year an [Overview Barometer](#) collects the main indicators published during the year and completes these with additional renewable sectors which have not been detailed in the individual Barometers. Finally, the Overview Barometer also reports on socio-economic aspects: employment and turnover in the field of renewables, and the renewable energy investment climate. The country policy reports monitor policy developments by providing an overview of policy changes compared to the Member State Progress Reports (updated until December 2015).

All Barometers are available for download at <http://www.eurobserv-er.org>. An overview of direct links to Barometers is available in the Annex.

New Barometer releases are announced on Twitter (https://twitter.com/eurobserv_er).



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Abstract

In 2013, four renewable energy sources (RES) support schemes were implemented in Cyprus: grants and/or subsidies for the use of renewable energy sources and energy saving, regulation on cost of ancillary services and the use of system. Moreover, support is available for investments for the improvement of competitiveness and management of farm waste (RES-Legal Europe, 2014). This report monitors the policy changes after the release of the Cypriot 2013 Progress Report and is has been updated until December 2015.

Abbreviations

BTL	Biomass-to-Liquids
CHP	Combined heat and power plant
EEAG	Environmental and energy aid guidelines
EU-27	European Union, 27 Member States (excludes Croatia)
EU-28	European Union, 28 Member States (includes Croatia)
FiP	Feed-in premium (scheme)
FIT	Feed-in tariff (scheme)
GHG	Greenhouse gas(es)
GHG	Greenhouse gas
ktoe	Kiloton oil equivalent
MSW	Municipal solid waste
NREAP	National Renewable Energy Action Plan
PV	Photovoltaic energy
RE	Renewable energy
RED	Renewable Energy Directive
RES	Renewable energy sources
RMSW	Renewable Municipal solid waste (renewable fraction in MSW)
RQS	Renewable quota scheme
TSO	Transmission system operator

Renewable energy mix in Cyprus

According to the [EurObserv'ER Bridging Report](#) the amount of renewable energy in Cyprus for the year 2013 was 122.8 ktoe, +6.9 ktoe (+6.0%) compared to 2012. The 2012 share of renewable energy in Cyprus amounted to 6.8%, and for 2013 this share amounted to 8.1%. The target for 2020 has been defined as 13%.

In this total amount, the 2013 contribution from renewable electricity amounted to 28.1 ktoe (327 GWh), +6.0 ktoe (+27.2%) compared to 2012, for renewable heat the amount was 79.7 ktoe, +1.8 ktoe (+2.3%) compared to 2012 and for renewable energy in transport the 2013 realisation was 15.0 ktoe, -0.9 ktoe (-5.7%) compared to 2012.

The most important technology in Cyprus (2013) is solar thermal energy (65.7 ktoe). Second technology is wind power (19.9 ktoe). Third comes biodiesel (15.0 ktoe). The growth rates range from -5.7% (for biodiesel) to 113.6% (for solar power (photovoltaics and concentration solar power)).

Table Renewable energy production in Cyprus. Data have been expressed in ktoe and refer to the years 2012 and 2013

Cyprus		2012	2013	Difference	
			ktoe		Growth
Renewable Electricity	Hydropower	0.0	0.0	0.0	0.0%
	Geothermal	0.0	0.0	0.0	0.0%
	Solar	1.9	4.0	+2.1	+113.6%
	Tidal & wave	0.0	0.0	0.0	0.0%
	Wind	15.9	19.9	+4.0	+24.9%
	Biomass	4.3	4.2	-0.1	-2.0%
	Total	22.1	28.1	+6.0	+27.2%
Renewable Heat	Geothermal	1.5	1.5	0.0	0.0%
	Solar	64.5	65.7	+1.2	+1.9%
	Biomass	11.9	12.5	+0.6	+5.0%
	Ambient heat	0.0	0.0	0.0	0.0%
Total	77.9	79.7	+1.8	+2.3%	
Renewable Transport	Bioethanol/bio-ETBE	0.0	0.0	0.0	0.0%
	Biodiesel	15.9	15.0	-0.9	-5.7%
	Renewable hydrogen	0.0	0.0	0.0	0.0%
	Renewable electricity	0.0	0.0	0.0	0.0%
	Other biofuels	0.0	0.0	0.0	0.0%
Total	15.9	15.0	-0.9	-5.7%	
Total Renewable (calculated)	115.9	122.8	+6.9	+6.0%	

Source: EurObserv'ER 2015

Recent RES Policy Developments

The current EurObserv'ER policy profile is listing recent policy changes in the EU Member States. Starting point for this monitoring is the situation as it has been described in the country's Progress Report (which were due end of 2013). All Renewable Energy Progress Reports are available in English language from www.eurobserv-er.org (translated versions).

Date	Technology	Policy change
January 2014	General	The European Commission released the Progress Report for the Cyprus in January 2014. See Section 2 (page 14) to Section 4 (page 26) for a description of policy measures and support schemes.
February - October 2014		<no change to be reported>
November 2014	Photovoltaic	Amendment on Green Public Contracts Programme for 2012-2014, concerning Incentives for photovoltaic installations on the roofs of government buildings and schools. (RES Legal)
January – December 2015		<no change to be reported>

Note to the reader: the above overview had been compiled with care. However, in case you miss recent developments please be invited to inform EurObserv'ER on policy changes in a Member State. For communication use e-mail (policy@eurobserv-er.org) or Twitter (https://twitter.com/eurobserv_er).

Glossary

Auctions for granting renewable energy support	An auction is a process of granting production or investment support to a specified volume of eligible renewable energy (or renewable energy generation capacity), based on the lowest bids per unit of renewable energy (or renewable energy generation capacity) by eligible renewable project developers. The auction procedure is normally organised by a governmental agency responsible for promoting renewable energy.
Degression rate	See under 'Sliding feed-in tariff'.
Feed-in tariff (FiT)	A technology-specific support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers, typically for a period of 10-20 years. The FiT level is set <i>ex ante</i> by the National Regulatory Agency (NRA). It is to cover all future production costs including a <i>normal</i> rate of return to capital invested. In many schemes priority network access is offered to eligible renewable electricity generators, whilst a designated third party - e.g. the transmission or distribution network operator concerned - is being mandated to pay the FiT remuneration due. 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.
Feed-in premium (FiP)	A technology-specific support scheme which provides for a technology-specific subsidy 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 (see under 'Floating FiP') rate, projected by the National Regulatory Agency (NRA) to enable renewable energy generation investments deemed commercially attractive by project developers without yielding supra-normal profits.
Floating FiP	A feed-in premium, which is periodically adjusted to exactly offset the 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)

NRA	National Regulatory Agency
Renewable quota scheme (RQS)	A renewable quota scheme 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. Typically the renewable quota target is increased gradually over time. Renewable quota systems are also known under terms such as quota (obligation) schemes or renewable portfolio standards.
Request for tenders (RFT)	A request for tenders (RFT) is a formal, structured invitation to suppliers, to bid, to supply products or services. In the public sector an official fee is needed to fortify and secure the tender bid engagement/win documents, such a process may be required and determined in detail by law to ensure that such competition for the use of public is open, fair and free from bribery and nepotism. For example, a government may put a certain level of MW of offshore wind energy at a pre-defined location 'out to tender'; that is, publish an invitation for other parties to make a proposal for the construction of offshore wind farms, on the understanding that any competition for the relevant government contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, closed-door negotiations for the contract. An evaluation team will go through the tenders and decide who will get the contract. (source: adapted from Wikipedia.org)
RD&D funding	The funding of research, development and demonstration activities and programmes. For technologies still far from commercial maturity, government grants or subsidies might be considered. For technologies close to commercial maturity which are not taken up for commercial research any way, instruments such as fiscal instruments (tax credits, accelerated depreciation, etc.) and public-private partnerships may be considered, based on shared public and private RD&D funding.
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 depression 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.
Tenders	See 'Request for tenders'.

References

EurObserv'ER, 2014, www.eurobserv-er.org

RES Legal, www.res-legal.eu, October 2014

RES Legal <http://www.res-legal.eu/search-by-country/cyprus/single/s/res-e/t/policy/aid/exemplary-role-of-public-authorities-in-accordance-with-art-13-abs-5-res-directive-1/lastp/115/>, November 2014

'The State of Renewable Energies in Europe', <http://www.eurobserv-er.org/pdf/bilan13-gb.asp>, (edition 2013) and http://www.energies-renouvelables.org/observ-er/stat_baro/barobilan/barobilan14_EN.pdf (edition 2014)

Annex

EurObserv'ER Barometers published are all available for download.

Links to all EurObserv'ER publications:

'The State of Renewable Energies in Europe' (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-annual-overview-barometers>

Wind Energy Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-wind-energy-barometers>

Photovoltaic Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-photovoltaic-barometers>

Solar Thermal Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-solar-thermal-and-concentrated-solar-power-barometers>

Biofuels Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-biofuels-barometers>

Biogas Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-biogas-barometers>

Renewable Municipal Waste Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-renewable-municipal-waste-barometers>

Solid Biomass Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-solid-biomass-barometers>

Heat Pump Barometer (PDF, multiple languages)

<http://www.eurobserv-er.org/category/all-heat-pumps-barometers>