

Cyprus

Renewable Energy Fact Sheet

Policy Background

The EU is working to reduce the effects of climate change and establish a common energy policy. As part of this policy, European Heads of State or Government agreed in March 2007 on binding targets to increase the share of renewable energy. By 2020 renewable energy should account for 20% of the EU's final energy consumption (8,5% in 2005). To meet this common target, each Member State needs to increase its production and use of renewable energy in electricity, heating and cooling and transport.

Although renewable energies are an integral part of our fight against climate change, they also contribute to growth, job creation and increase our energy security.

Country targets

The renewables targets are calculated as the share of renewable consumption to gross final energy consumption. Renewables consumption comprises the direct use of renewables (e.g. biofuels) plus the part of electricity and heat that is produced from renewables (e.g. wind, hydro), while final energy consumption is the energy that households, industry, services, agriculture and the transport sector use. The denominator for the RES share includes also distribution losses for electricity and heat and the consumption of these fuels in the process of producing electricity and heat.

Cypriot target: 13% (2005 = 2.9%)

Key issues

In Cyprus, an issue regarding policy integration has been observed as there is investment at present in a new fossil fuel power plant creating excess capacity. Until 2005, measures that proactively supported renewable energy production, such as the New Grant Scheme, were not very ambitious. Targets are not being met. In 2006, a New Enhanced Grant Scheme was agreed upon. The leading RES in Cyprus is PV, and wind power offers high potential.

Main supporting policies

RES-E policy in Cyprus consists of the following components:

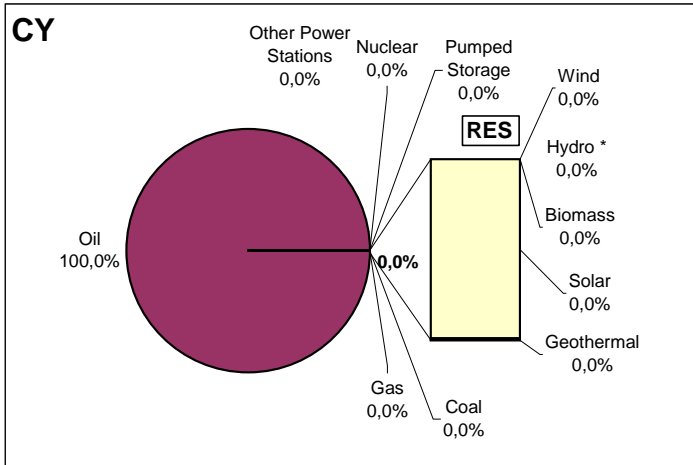
- The New Grant Scheme, valid from 2004 until 2006, meant a tax of 0.22 €ct/kWh on every category of electricity consumption. The income generated by this tax was used for the promotion of RES.
- The New Enhanced Grant Scheme was implemented in January 2006. Financial incentives (30-55% of investments) in the form of government grants and feed-in tariffs are part of this scheme.
- Operation state aid for supporting electricity produced by biomass has been suggested, and forwarded to the Commission for approval.

In order to promote the use of biofuels, a measure was taken to exempt the biomass percentage of biodiesel from excise duty (as of 2005).

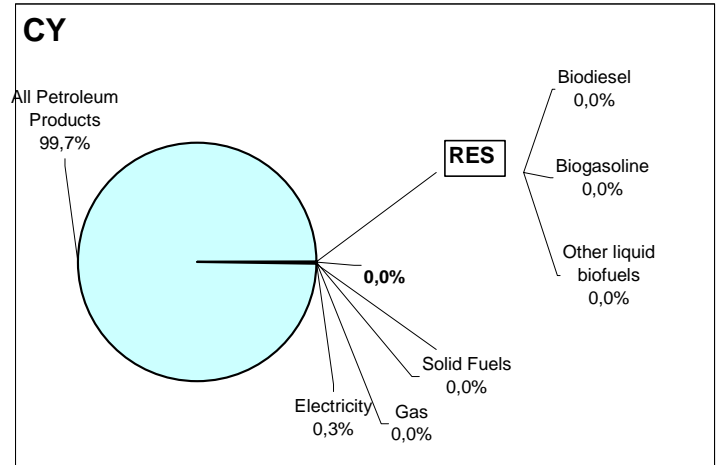
The New Enhanced Grant Scheme for Energy Conservation and Promotion of the Use of RES (2006) also provides financial incentives for RES heating and cooling activities. 30-45% of investment in solar systems for central water heating systems and 40-55% of investment in space heating and cooling can be recovered in this way.

Key figures¹

Gross Electricity Generation by fuel (2005)



Final Energy Consumption by Fuel, Transport (2005)



Source: Eurostat

* Not including generation from hydro pumped storage, but including electricity generation to pump water to storage. Municipal Solid Waste, Wood waste, Biogas included.

For further information

To find out more about renewables, go to: http://ec.europa.eu/energy/res/index_en.htm

http://ec.europa.eu/energy/intelligent/index_en.html

To find out more about the current situation of renewables in the Member States, go to

http://ec.europa.eu/energy/res/legislation/electricity_member_states_en.htm

http://ec.europa.eu/energy/res/legislation/share_res_eu_en.htm

To find out more about support measures, go to

http://ec.europa.eu/energy/res/legislation/support_electricity_en.htm

To find out about a project or contact an energy agency in your region, go to

<http://www.managenergy.net/emap/maphome.html>

¹ Reliable and complete data for heating and cooling is not yet available from Eurostat

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What is meant by.....?

RES: Renewable energy sources

RES-E: Electricity production from renewable energy sources

RES-H: Production of heat and cold from renewable energy sources

Biofuels: Mainly includes biodiesel and bioethanol

Biomass: Includes solid biomass, biowaste and biogas

PV: Photo-voltaic - technology for the production of electricity from solar energy

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