

ESD implementation in Cyprus

In Cyprus, the implementation of the ESD is in the responsibility of the Energy Services Department of the Ministry of Commerce, Industry and Tourism. The “Energy end-use efficiency and energy services Law of 2009” (Law for the implementation of the EC-directive on energy services), has been approved by the House of Representatives.

Legal context

The directive was transposed to national legislation by law 31/2009, approved by the house of Representatives on 3rd April 2009. There is a number of secondary legislation which has to be adopted mainly on energy auditors and ESCOs for the complete implementation of the directive. In this respect the Concerted Action will provide significant assistance.

Status of the implementation

Cyprus has implemented to a substantial extend the directive details of which are listed on the table below :

Directive	Status
Article 1	Transposed in article 3 of Law 31/2009
Article 2	Transposed in article 4 of Law 31/2009
Article 3, part a	Transposed in article 2 of Law 31/2009
Article 4(1), 4(2), 4(3), 4(4)	Not transposed to Cyprus Law. (Incorporated in the NEEAP)
Article 4(5)	No implementation necessary
Article 5	Action plan for the promotion of Green Public Procurement is implemented.
Article 6 (1)	Transposed in article 6 of Law 31/2009

Directive	Status
Article 6 (2)	Amendment of RES law is required
Article 6 (3)	Transposed in articles 5, 9 of Law 31/2009. Secondary legislation is required, draft of which is under review.
Article 6 (4), 6 (5)	No implementation necessary
Article 7 (1)	Transposed in RES law and Action plan for the promotion of Green Public Procurement
Article 7 (2)	Transposed in RES law
Article 7 (3)	No implementation necessary
Article 8	Transposed in article 9 of Law 31/2009
Article 9	Transposed in RES law
Article 10 (1)	In line with laws of 2003
Article 10 (2)	In line with laws of 2003
Article 11	Transposed in RES law
Article 12	Transposed in article 9 of Law 31/2009. Secondary legislation is required
Article 13 (1)	For full transposition supplementary legislation may be required for specifications of individual electricity meters (smart meters). The requirement of individual meter for other energy sources (other than electricity) does not apply to Cyprus.
Article 13 (2)	Implemented
Article 13 (3), 3a	Implemented
Article 13 (3), 3b, 3c, 3d	Secondary legislation is required
Article 14 (1-2)	In line with the article
Article 14 (3-5)	No implementation necessary
Article 15	No implementation necessary
Article 16	No implementation necessary
Article 17	No implementation necessary

Directive	Status
Article 18	Implemented, law 31/2009
Article 19	No implementation necessary
Article 20	No implementation necessary

Table 1 – Implementation table

Article 4: Energy Savings Targets

The Energy Services Department of the Ministry of Commerce, Industry and Tourism (www.mcit.gov.cy) is monitoring the implementation of the energy savings targets. In carrying out this task the Department is assisted by the Cyprus Institute of Energy (www.cie.org.cy). Its main objective is the promotion and implementation of EU energy efficiency, RES policy. The results will be published in the 2nd NEEAP.

Article 5 Energy end-use efficiency in the public sector

The measures which have been chosen in order to demonstrate the leading role of the public sector are b,c of Annex VI of the ESD Directive, which are as follow :

b) Requirements to purchase equipment and vehicles based on lists of energy – efficient product specifications of different categories of equipment and vehicles to be drawn up by the authorities or agencies referred to in Article 4(4), using, where applicable, minimised life-cycle cost analysis or comparable methods to ensure cost-effectiveness.

c) Requirements to purchase equipment that has efficient energy consumption in all modes, including in standby mode, using, where applicable, minimised life –cycle cost analysis or comparable methods to ensure cost-effectiveness.

These measures have been included in the first National Energy Efficiency Action Plan submitted and approved by the Commission. The National legal basis is the National Action Plan for the Energy Efficiency.

By adopting the Green Public Procurement a significant amount of energy can be saved in the public sector. Curently public sector consumes less than 5% of the final energy consumption in the country.

Article 6 Energy distributors, distribution system operators and retail energy sales companies

The energy distributors, distribution system operators and retail energy sales companies will have to comply with promoting and offering Energy Efficiency Improvement Measures to the final customers. The availability of Energy Audits to the final customers is currently under investigation. The Legal basis is the National Action Plan for the Energy Efficiency.

Article 9 Financial instruments for energy savings

1. Governmental grants, subsidies scheme for the promotion of RES, energy saving investments (enterprises with economic activity), www.cie.org.cy

2. Governmental grants/subsidies scheme for the promotion and encouragement of RES, energy saving and the creation of a special fund for financing and/or subsidizing of these investments (natural persons and enterprises without economic activity), www.cie.org.cy

Article 12 Energy audits

According to the National Legislation Energy Auditors must be qualified. Energy audit schemes are currently under development and will be based on new CEN/CENELEC Standards. Currently no National methodology exists for conducting Energy Audits.

Article 13: Metering and informative billing of energy consumption

The vast majority of electricity meters in Cyprus are individual (owned by the National Electricity Utility Company). The Frequency of Measurements and meter reading is for small consumers every 2 months and for Commercial / Industrial meters every month. The bills include comparison of energy consumption between current and previous year. Other information regarding Energy Saving opportunities are regularly included with the bill. Currently 500,000 meters are installed. Gas and district heating is not available. One thousand smart meters are in place.

A Pilot project for domestic and small commercial customers is scheduled for 2010 and the full deployment of an AMM system is planned for 2020. For Medium Voltage Customers, AMR system already is in operation. Provided that the cost/benefit study, which will be carried out after the implementation of the pilot project, will prove that the roll out of the Smart Meters will be beneficial to both the Utility and the Customers, the Electricity Authority of Cyprus is in favour.

Art. 13 was transposed by the Law for energy efficiency and energy services N 31(I)/2009.

Additional efforts

Cyprus has submitted in June 2007 the first National energy efficiency action plan in compliance with the Energy Services Directive 2006/32/EC. The European Commission has evaluated all member states national reports and has communicated to us that the plan is overall acceptable, coherent, realistic to achieve the target adopted with some minor remarks regarding over-estimating the energy savings from some specific measures. The target adopted is 10% (185,000 toe) in 2016 (higher than the 9% indicative of the directive) and the intermediate target is 3% (60,000 toe) in 2010.

The potential for energy savings in the building and transport sector is significant. This is due to the lack of any building energy regulations prior to the accession of Cyprus in EU and also the public transport system is not well developed and the use of buses has decrease drastically the last 10 years. In 2008 the final energy consumption of transport is around 53% (36% road, 17% air).

Therefore the first NEEAP includes new strong policies and measures to exploit the huge potential in these two sectors namely: buildings and transport.

In the building sector the most important policy is the implementation of the energy performance of buildings directive. Since 1/1/2008 Cyprus applies minimum energy efficiency requirements for new buildings which consist part of the building authorisation procedure. It has to be noted that this is the first building energy code applied. In addition the other main provisions of the directive will be implemented by

the end of 2009 such as the energy certification of buildings and the mandatory maintenance and inspection of heating , air conditioning systems. An innovative new measure adopted is the mandatory installation of a solar thermal system in new dwellings.

In the transport sector the NEEAP puts particular emphasis but the most important is the recent development where the Government has decided and implements a whole new long term strategy for public transport. In this respect a Law has been enacted in July 2009 which sets criteria and other contractual terms, aspects for establishing a new public transport system with buses. According to the new legislation 6 new consortium companies will be created from the hundreds operating today. The bus service will cover all the regions of the island with new environmental, energy efficient buses with cheap fares. Also the school bus system will be applied for transferring all students for free.

In general the main objective is a radically new bus system and associated infrastructure which will be effective and assure the fast, safe, comfortable, environmental friendly and affordable mobility for the general population.

The impact of the new public transport strategy in terms of energy savings will be very high and easily monitored from the transport fuel consumption.

Cyprus energy policy is aligned with European Energy policy and its core objectives: security of energy supply, competitiveness and protection of the environment. Main changes which have taken place in the past years are:

1) Electricity market is liberalised to 65% and has opened further since April 2009 in order to include all consumers except households. Complete opening of the market according to the exemptions given to Cyprus will be done by 2014. However due to the absence of natural gas there is no competition in the electricity market since only one national producer exists.

2) Government has decided after long debates that natural gas will be introduced in Cyprus in the form of LNG via an on shore terminal and no other technology can be used (CNG etc.). The natural gas which will not come earlier than 2015 has caused an uncertainty among energy investors in power generation industry, penalties to be imposed to the national electricity producer due to the CO2 emissions trading scheme commitments and also no reduction in electricity prices have been realised since the present production (oil based) is done with 32% efficiency by only one national company.

3) During the period 1995-2004 total CO2 emissions have increased by 40% in Cyprus. In 2004, the most CO2 intensive sector was transport which generate 31.7% of the total emissions. The corresponding CO2 share in 2004 for households was 22.5%, industry 19.6%, tertiary 23% and agriculture 2.7%. In year 1995 the corresponding percentages were 30% for transport, 20.3% for households, 24.2% for industry, 20.8% for services, 2.7% for agriculture. Cyprus has ratified the Kyoto protocol on 16/7/1999 but has no emissions limitation commitments. As a member state is bounded by the obligations set out in the Emissions Trading Directive.

Cyprus in compliance with the emissions trading scheme Directive has prepared and submitted the second national allocation plan for green house gas emissions. The second plan covers the period 2008-2012 and includes 13 companies (3 power stations, 2 cement industries, 8 brick factories). The total

allowances is 35.5 million tonnes of CO₂ with 29,67 available over the second trading period. 1.15 tonnes are attributed to the set asides for CDM. The Commission has approved the plan.

4) With regard to the RES policy Cyprus has adopted an ambitious target of 13% in final energy consumption by 2020. The target is mandatory according to the EU RES Directive 2009/30/EC. The national potential is limited to solar, moderate wind and small biomass. Recently the first wind farm of capacity 82 MW has been signed and will be constructed by 2010.

5) From the energy balance it is obvious that transport is the most energy consuming sector partly because the public transport system is not well developed (old inefficient buses not covering all areas, no tram, metro, trains). Government has decided to create the <New strategy for public transport>. The objectives are to develop a completely new infrastructure for building an effective sustainable transport system which will guarantee the fast, safe, comfortable, environmentally friendly and low cost mobility for the people. The new integrated mobility system includes new efficient buses with the possibility of other means, new stations, electronic ticketing, bus lanes. The new system will cover all regions of Cyprus. The new public transport system has been regulated by a Law and has started to be implemented.

6) The most important EU energy policy Cyprus has to implement is the energy performance of buildings directive. Since 1/1/2008 minimum energy efficiency requirements for new/renovated buildings are applied for the first time. This will have a significant impact in energy savings because prior to the directive no building regulations existed in terms of energy efficiency. Also energy performance certificates for buildings will be issued by 1st of 2010.

Future planning

Cyprus joined the EU in 2004 and has transposed, is being implementing the acquis in energy efficiency. Prior to the accession no significant energy efficiency policies existed. The energy savings potential is large particularly from the buildings and transport sectors. In order to exploit this potential the priority is to implement the existing EU policies such as the energy performance of buildings directive and secondly to develop an effective public transport system attractive to the citizens. Therefore the emphasis and priority is to apply the essentials in energy efficiency and not to introduce new innovative measures for further improvement.

Presently no preparatory process for the development of the 2nd NEEAP has started. All the efforts are being made to apply the measures included in the 1st NEEAP which focuses in the implementation of the EPBD directive (minimum energy efficiency requirements for new buildings) and also the development of a new efficient, modern, effective public transport system. Transport share in the energy balance is 52% (35% road, 17% aviation). The new transport strategy as decided by the Government will be very capital intensive and will be developed gradually starting in early 2010. A few years will be required to be fully implemented and cover all regions of the island with high quality mobility (bus system) and cheap fares.

Relevant information

More information regarding the situation in the Cyprus can be found at the following websites:

National Energy Efficiency Action Plan for Cyprus can be found at :

http://ec.europa.eu/energy/demand/legislation/doc/neeap/cyprus_cy.pdf

Ministry of Commerce, Industry and Tourism, Energy Department: www.mcit.gov.cy

Cyprus Institute of Energy: www.cie.org.cy

Energy efficiency policies in Cyprus can be found at the Odyssee, Mure databases www.odyssee-indicators.org, www.mure2.com