

Research RES LEGAL – Grid issues

Country: Cyprus

1. Overview of grid-related regulations

Overview of grid regulations	In general, entitlement of system operators to connection to and expansion of the grid is subject to the general legislation on energy. According to the general legislation, system operators are contractually entitled to the connection of a renewable energy system to the grid without any system operator being discriminated against. Furthermore, they are entitled to the extension of the grid, if such an extension is necessary to connect a system to the grid. Renewable energy systems are privileged only in so far as the grid operator is obligated to bear 50% of the cost of connection and system operators are exempt from the power grid charges. System operators are also entitled to priority access and dispatch of electricity from renewable sources.
Connection to the grid	System operators are contractually entitled against the grid operator to the priority connection of renewable energy systems to the grid without certain system operators being discriminated against. The grid operator is obliged to enter into these contracts (chapter 83 (1), (2) LREM in connection with T 1.1.2, 1.3.1; D 1.1.4 TDR 2.0).
Use of the grid	System operators are contractually entitled to priority access and transmission of electricity from renewable sources (chapter 89 (2) (c) LREM in connection with art. 2 (1) (a), 9 (2) LPRES in connection with T 16.5.2. TDR 2.01). The grid operator is obliged to enter into these contracts (chapter 83 (1), (2), (3) (b) LREM in connection with Preface TDR 2.0).
Grid expansion	In pursuance of the connection agreement, system operators are contractually entitled against the grid operator to an expansion of the grid if the expansion is necessary to connect a system to the grid (chapter (3) (d) in connection with T 1.3.2.; T 2.4.5.2 TDR 2.0).
Statutory provisions	<ul style="list-style-type: none"> • LRPES (Law No. 33 I 2003 on the Promotion and the Encouragement of Use of RES and of Energy Efficiency) • LREM (Law No. 122 I 2003 Regulating the Electricity Market) • SSEEA I 2011 (Support Scheme 2011 for Energy Conservation and the Promotion of Renewable Energy Sources (RES) for natural persons and public entities) • TDR 2.0 (Transmission and Distribution Rules 2.0)

2. Basic information on legal sources

Name of legal source (original language)	LPRES	LREM	SSEEA I 201 4 ¹ (201 4 ¹)
Name of legal source (full name)	O περί proóthisis kai enthárrinsis tis khrísis ton ananeósimon pigón enéryias kai tis exikonomisis enéryias nómos tou 2003	O περί tis ríthmisis tis agorás ilektrismoú nómos tou 2003	Skhédio khoriyiÓN yia enthárrinsi tis khrísis ton ananeósimon pigón enéryias (201 4 ¹). Yia phisiká prósopa kai organismoús sto vathmó pou den askoún ikonomikí drastiriótita.
Name of legal source (English)	Law No. 33 I 2003 on the Promotion of Renewable Energy and Energy Efficiency	Law Regulating the Energy Market	Support Scheme for Energy Conservation and the Promotion of Renewable Energy Sources (RES) for natural persons and public entities for 2009-2013
Abbreviated form	LPRES	LREM	SSEEA I 2011 (201 1 ⁹)
Entry into force	01.08.2003	25.07.2003	20.04.2011
Last amended on			
Future amendments			
Purpose	Implementing the obligations specified in chapters 88 and 89 (2) (a) of LREM.	Implementing European Union Directives 96/92/EC and 2003/54/EC.	The scheme supports projects and investments to increase energy efficiency and the use of renewable energy.
Relevance for renewable energy	LPRES provides for the establishment of a fund that finances the feed-in tariff and other costs related to renewable electricity generation and specifies the requirements for use of the grid.	This Act includes rules on the promotion of electricity from renewable sources.	Under this scheme, grants are allocated to encourage the installation of renewable energy systems.
Link to full text of legal source (original language)	http://www.cie.org.cy/menuGr/pdf/nomothesia/RES_ECON_N.33%28I%29_2003.pdf	http://www.dsm.org.cy/media/attachments/Section4/4.3_Electricity_Market_Regulation_Law_of_2003_gr.pdf	http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_xorhgiwn_gia_fusika_2011.pdf
Link to full text of legal source (English)	http://www.erec.org/fileadmin/erec_docs/Projcet_Documents/RES_in_EU_and_CC/Cyprus.pdf	http://www.dsm.org.cy/media/attachments/Section4/Law_Regulating_the_Electricity_Market_of_2003_and_2004.pdf	

Name of legal source (original language)	TDR 2.0		
Full name	Kanónes metaphoras kai dianomís		
Name of legal source (English)	Transmission and Distribution Rules		
Abbreviated form	TDR 2.0		
Entry into force	15.10.2004		
Last amended on	19.06.2006		
Future amendments			
Purpose	Implementing the obligations specified in chapters 72 (1) and 73 of LREM.		
Relevance for renewable energy	Section T 16 establishes additional provisions on renewable energy systems.		
Link to full text of legal source (original language)	http://www.dsm.org.cy/media/attachments/Section4/4.1_TDR2.0.0bw.pdf		
Link to full text of legal source (English)	http://www.dsm.org.cy/media/attachments/Transmission%20and%20Distribution%20Rules/TDR_ISSUE_2.0.0.en.pdf		

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Ministry of Commerce, Industry and Tourism (MCIT)	http://www.mcit.gov.cy/mcit/mcit.nsf/dmlenergy_gr/dmlenergy_gr?OpenDocument			
Cyprus Institute of Energy (CIE)	http://www.cie.org.cy/indexen.php	Ioannis Chrysis	+357 22606060	
Cyprus Energy Regulatory Authority (CERA)	http://www.cera.org.cy/		+357 22666363	
DSM-TSO – Transmission system operator	http://www.dsm.org.cy/nqcontent.cfm?a_id=1	Stavros Stavrinos	+357 226 116 22	sstavrinos(at)dsm.org.cy

4. Connection to the grid

Abbreviated form of legal sources	<ul style="list-style-type: none"> • LREM • LPRES • TDR 2.0 	
Overview	<p>System operators are contractually entitled against the grid operator to the connection of renewable energy systems to the grid. Entitlement arises when the system is completed and a connection agreement has been concluded. The grid operator is obliged to enter into such an agreement on request (chapter 83 (1), (2) LREM in connection with sections T 1.1.2, 1.3.1; D 1.1.4 of TDR 2.0).</p> <p>The persons entitled are those operators of renewable energy systems that are party to a connection agreement (sections T 1.1.2, 1.3.1; D 1.1.4 of TDR 2.0) and meet the following requirements:</p> <ul style="list-style-type: none"> • Permission to operate. System operators shall hold an operation licence (chapter 34 of LREM). This licence is issued by C.E.R.A on application. • Small-scale systems. In exceptional cases, non-licensed operators of small systems may be entitled to connection (chapter 35 of LREM). These persons are the operators of electricity systems whose production capacity does not exceed 5 <u>MW</u> (chapter 35 (2) (b) of LREM). <p>The persons obliged to connect the above-mentioned systems are the grid operators (sections T 1.1.2, 1.3.1; D 1.1.4 of TDR 2.0).</p>	
Procedure	Procedure	<ul style="list-style-type: none"> • Application for connection: Depending on the capacity of his systems, a system operator must submit his application to either the distribution grid operator (EAC) or the transmission grid operator (TSO) (chapter 83 (1), (2) of LREM in connection with section T 2.4.3 of TDR 2.0). The application shall include all technical information required (section T 2.A2.1 TDR 2.0). • Assessment of application and connection offer: After the respective grid operator has received and examined the application, he shall send a connection offer to the system operator within 90 working days (sections T 2.4.5.1, T 2.4.6, D 1.4.1 of TDR 2.0). • Connection agreement: The system operator may accept the terms for connection within the period specified in the connection offer.
	Deadlines	<p>The date of connection of a system to the grid depends on the terms of the agreement (section T 2.4.5.1 of TDR 2.0).</p> <p>The following terms and deadlines are specified by law:</p> <ul style="list-style-type: none"> • The grid operator shall assess the system operator's application for connection within 90 days. • The system operator shall provide the technical data required to connect his system within 60 days after the conclusion of the connection agreement (sections T 2.4.5.1 and T 2.4.6. of TDR 2.0).
	Obligation to provide information	

Priority to renewable energy (qualitative criteria)	() Priority to renewable energy (x) Non-discrimination	Renewable energy systems shall be connected according to the principle of non-discrimination (chapter 84 of LREM).
Capacity limits (quantitative criteria)	In general, system operators may feed in unlimited amounts of electricity. However, a given system operator shall specify the maximum possible capacity in his application for connection (T 2.A2.1, T 2.A3.2 of TDR 2.0). This capacity is then laid down in the connection agreement (T 2.4.2.2 of TDR 2.0). The operators of renewable energy systems may export an unlimited amount of electricity to the grid but must not exceed the maximum capacity set out in the agreement. However, the output of systems with a capacity of 1 to 5 MW may be increased/reduced by 50% and the output of systems with a capacity of 5 MW or more may be increased/reduced by 20% every 30 minutes (section T14.1.1.7 of TDR 2.0).	
Funding		
	State	
	Consumers	
	Grid operator	The grid operator shall bear 50% of the cost of connection (T 16.7.2.2 of TDR 2.0 in conjunction with LPRES).
	System operator	The system operator shall bear 50% of the cost of connection (T 16.7.2.2 of TDR 2.0 in conjunction with LPRES).
	Distribution mechanism	The grid operator may pass on the cost of connection to the grid users through the power grid charges (T 16.7.2.2 TDR 2.0 in connection with LPRES).

5. Use of the grid

Abbreviated form of legal sources	<ul style="list-style-type: none"> • LREM • LPRES • SSEEA I 2011 (20101) • TDR 2.0 	
Overview	<p>System operators are contractually entitled against the grid operator to priority exports of electricity from renewable sources to the grid (chapter 89 (2) (c) in conjunction with article 2 (a), 9 (2) of LPRES in connection with section T 16.5.2.1. of TDR). To this aim, a system operator and the grid operator shall conclude a grid use agreement on transmission via the grids (chapter 83 (1), (2), (3) (b) of LREM in connection with no. 6a, 6.4 in connection with Preface of TDR 2.0). Entitlement to export electricity to the grid arises when both the system is complete and the agreement has been concluded.</p>	
Procedure	Procedure	Grid use agreement: A system operator and the grid operator shall conclude a grid use agreement on transmission via the grids (chapter 83 (1), (2), (3) (b) of LREM in connection with no. 6a in connection with Preface of TDR 2.0).
	Deadlines	Limitations and deadlines regarding a claim for access and transmission depend on the agreements concluded (chapters 89 (2) (c); 83 (1), (2), (3) (b) in connection with article 2 (a), 9 (2) of LPRES in connection with no. 6a of SSEEA I 2011 (2010 1) in connection with TDR 2.0). The agreement may be extended by five years after a period of 15 years (no. 6 of SSEEA I 201 10).
	Obligation to provide information	
Priority to renewable energy (qualitative criteria)	(x) Priority to renewable energy () Non-discrimination	Electricity from renewable sources is given priority feed-in (T 16.5.2.1 of TDR 2.0).
Grid stability	<p>The grid operator is obligated to take in all electricity from renewable sources during each trading period (T 16.5.2.1 of TDR 2.0). However, for reasons of grid safety and reliability, the grid operator may unlimitedly reduce renewable electricity imports at any time (T 16.5.1.2 of TDR 2.0).</p>	
Funding		
	State	
	Consumers	The cost of grid use is partly borne by the consumers through the electricity price (article 7 (1), (2), 2 (1), (2) of LPRES).
	Grid operator	The other part of the cost is borne by the grid operators (article 7 (1), (2), 2 (1), (2) of LPRES).
	System operator	Operators of renewable energy systems are explicitly exempt from bearing any cost. They are also exempt from the power grid charges (T 16.7.3.1 of TDR 2.0).
	Distribution mechanism	

6. Grid expansion

Abbreviated form of legal sources	<ul style="list-style-type: none"> • LREM • TDR 2.0 	
Overview	In pursuance of the connection agreement, a system operator is contractually entitled to an expansion of the grid by the grid operator if the expansion is necessary to satisfy his claim for connection (chapter (83) (1), (2) of LREM in connection with sections T 1.3.2. and T 2.4.5.2 of TDR 2.0).	
Procedure for system operators	Procedure	Grid extension works will be carried out during the connection procedure.
	Enforcement of claims	The claim for expansion of the grid arises at the date of the conclusion of the agreement. The connection offer, which, if accepted, forms the basis of the agreement, shall list the expansion works to be carried out by the grid operator (T 1.3.2. of TDR 2.0).
	Deadlines	The contractual terms may specify deadlines for a possible expansion of the grid.
	Obligation to provide information	
Incentives for grid expansion		
Funding		
	State	
	Consumers	
	Grid operator	The cost of an expansion of the grid to the required connection point is borne by the grid operator (T 16.7.2.1; T 16.7.2.2 of TDR 2.0).
	System operator	
	Distribution mechanism	
Grid studies		