

## Research RES LEGAL – Support system

### Country: Cyprus

#### 1. Overview of support system

<b>Overview of support system</b>	At the moment, there are three grant schemes to support renewable electricity generation in Cyprus. On the one hand, renewable electricity generation in Cyprus is promoted through a feed-in tariff. On the other hand, some renewable energy generation technologies are supported by grants.
<b>Support schemes</b>	<ul style="list-style-type: none"><li>• Feed-in tariff: The general laws on energy, LREM and LPRES, and the Support Scheme for Electricity Generation from Wind Energy, Solar Energy and Biomass introduced fixed feed-in tariff rates.</li><li>• Subsidies: Furthermore, Cyprus allocates grants to encourage the installation of renewable energy systems. The grant scheme applies to private households, non-profit organisations and private entities.</li></ul>
<b>Promoted technologies</b>	LREM applies to all renewable electricity generation technologies.
<b>Statutory provisions</b>	<ul style="list-style-type: none"><li>• LREM (Law No. 122 I 2003 Regulating the Electricity Market)</li><li>• LPRES (Law No. 33 I 2003 on the Promotion of Renewable Energy and Energy Efficiency)</li><li>• SSEEA I (Support Scheme 2010 for Energy Conservation and the Promotion of Renewable Energy Sources (RES) for natural persons and public entities)</li><li>• SSEEA II (Support Scheme 2010 for Energy Conservation and the Promotion of Renewable Energy Sources (RES) for private entities)</li><li>• SSRES 2009-2013 (Support Scheme 2010 for Electricity Generation from wind Energy, Solar Energy and Biomass)</li></ul>

## 2. Basic information on legal sources

<b>Name of legal source (original language)</b>	O perí tis ríthmisis tis agorás ilektrismoú nómos tou 2003	O perí proóthisis kai enthárrinsis tis khrísis ton ananeósimon pigón enéryias kai tis exikonomisis enéryias nómos tou 2003	Skhédio khoriyión yia enthárrinsi tis khrísis ton ananeósimon pigón enéryias (2010).
<b>Name of legal source (full name)</b>			Skhédio khoriyión yia enthárrinsi tis khrísis ton ananeósimon pigón enéryias (2010). Yia phisiká prósofa kai organismoús sto vathmó pou den askoún ikonomikí drastiriótita.
<b>Name of legal source (English)</b>	Law Regulating the Energy Market	Law No. 33 I 2003 on the Promotion of Renewable Energy and Energy Efficiency	Support Scheme for Energy Conservation and the Promotion of Renewable Energy Sources (RES) for natural persons and public entities for 2009-2013
<b>Abbreviated form</b>	LREM	LPRES	SSEEA I (2010)
<b>Entry into force</b>	25.07.2003	01.08.2003	20.07.2010
<b>Last amended on</b>			
<b>Future amendments</b>			
<b>Purpose</b>	Implementing European Union Directives 96/92/EC and 2003/54/EC.	Implementing the obligations specified in chapters 88 and 89 (2) (a) of LREM.	The scheme supports projects and investments to increase energy efficiency and the use of renewable energy.
<b>Relevance for renewable energy</b>	This Act includes rules on the promotion of electricity from renewable sources.	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.	Under this scheme, grants are allocated to encourage the installation of renewable energy systems.
<b>Link to full text of legal source (original language)</b>	<a href="http://www.dsm.org.cy/media/attachments/Section4/4.3_Electricity_Market_Regulation_Law_of_2003_gr.pdf">http://www.dsm.org.cy/media/attachments/Section4/4.3_Electricity_Market_Regulation_Law_of_2003_gr.pdf</a>	<a href="http://www.cie.org.cy/laws/RES_ECON_N.33%28I%29_2003.pdf">http://www.cie.org.cy/laws/RES_ECON_N.33%28I%29_2003.pdf</a>	<a href="http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_xorhgiwn_gia_fusika_2010.pdf">http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_xorhgiwn_gia_fusika_2010.pdf</a>
<b>Link to full text of legal source (English)</b>	<a href="http://www.dsm.org.cy/media/attachments/Section4/Law_Regulating_the_Electricity_Market_of_2003_and_20">http://www.dsm.org.cy/media/attachments/Section4/Law_Regulating_the_Electricity_Market_of_2003_and_20</a>		

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<b>Name of legal source (original language)</b>	Skhéδιο khoriyión gia enthárrinsi tis khrísis ton ananeósimon pigón enéryias (2010)	Σχέδιο χορηγιών για ενθάρρυνση της ηλεκτροπαραγωγής από μεγάλα εμπορικά, αιολικά, ηλιοθερμικά και φωτοβολταϊκά συστήματα και την αξιοποίηση της βιομάζας	
<b>Name of legal source (full name)</b>	Skhéδιο khoriyión gia enthárrinsi tis khrísis ton ananeósimon pigón enéryias (2010). Yia phisiká kai nomiká prósopa kathós kai phorís tou dimósiou toméa pou askoún ikonomikí drastiriótita		
<b>Name of legal source (English)</b>	Support Scheme 2009-2013 for Energy Conservation and the Promotion of Renewable Energy Sources (RES) for private entities	Support Scheme 2009-2013 for Electricity Generation from Wind Energy, Solar Energy and Biomass	
<b>Abbreviated form</b>	SSEEA II (2010)	SSRES 2010	
<b>Entry into force</b>	20.07.2010	20.07.2010	
<b>Last amended on</b>			
<b>Future amendments</b>			
<b>Purpose</b>	The scheme supports projects and investments to increase energy efficiency and the use of renewable energy.	The scheme supports investments to increase energy efficiency and the use of renewable energy.	
<b>Relevance for renewable energy</b>	Under this scheme, grants are allocated to encourage the installation of renewable energy systems.	This scheme incentivises the installation of renewable energy systems and renewable electricity generation through a feed-in tariff.	
<b>Link to full text of legal source (original language)</b>	<a href="http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_xorhgiwn_gia_nomika-2010.pdf">http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_xorhgiwn_gia_nomika-2010.pdf</a>	<a href="http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_Xor_APE_gia_hlektropara_gwgh-2010.pdf">http://www.cie.org.cy/menuGr/pdf/sxedia-xorigiwn/Sxedio_Xor_APE_gia_hlektropara_gwgh-2010.pdf</a>	

Link to full text of legal source (English)			
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### 3. Further information

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

#### 4. Support schemes

##### 4.1. Subsidy I (SSEEA I)

<b>Abbreviated form of legal source(s)</b>	<ul style="list-style-type: none"> <li>• LPRES</li> <li>• SSEEA I (2010)</li> </ul>	
<b>Country-specific support system</b>	Under the SSEEA I scheme, grants are allocated to encourage the installation of renewable energy systems. The scheme applies to natural persons and public entities. The amount of grant is a certain percentage of the amount invested. Grants are awarded by the managing committee of the Renewable Energy Fund.	
<b>Promoted technologies</b>	<b>General information</b>	The scheme promotes the installation of wind and solar energy systems.
	<b>Wind energy</b>	Capacities of up to 30 kW are eligible (ch. 2 par. 2 of FB1 SSEEA I (2010)).
	<b>Solar energy</b>	Capacities of up to 20 kW are eligible (ch. 2 par. 2 of FB4 SSEEA I (2010)).
	<b>Geothermal energy</b>	
	<b>Biogas</b>	
	<b>Biomass</b>	
<b>Amount</b>	The amount of grant is a certain percentage of the amount invested.	
	<ul style="list-style-type: none"> <li>▪ Wind energy systems of up to 30 kW: 55% of the total investment (subject to a maximum of 50,000 €).</li> <li>▪ Solar energy systems of up to 20 kW: 55% the total investment (subject to a maximum of 33,000 € for on-grid systems and 44,000 € for off-grid PV systems). (ch. 5 in connection with ch. 4 par. 3 and ch. 4.2 of SSEEA I (2010)).</li> </ul>	
<b>Beneficiaries</b>	<p>Entitled party: The persons and entities entitled are all natural persons whose permanent place of residence is in Cyprus, and organisations that are not involved in profit-oriented activities (ch. 3 of SSEEA I (2010)).</p> <p>Obligated party: The obligated party is the state. Letzter Satz gelöscht</p>	
<b>Procedure</b>	<b>Procedure</b>	<ul style="list-style-type: none"> <li>• Application: System operators must submit their applications to the committee (art. 9 § 1 of LPRES).</li> <li>• Award of grant: In order for a grant to be awarded, a given applicant has to prove that his system was installed within a period of 18 months and the requirements of the applicable grant scheme are met. One and the same system operator may not receive more than one grant (art. 9 § 1 of LPRES in connection with ch. 9 of SSEEA I (2010)).</li> <li>• Payment. The grant awarded by the committee is paid out to the investor after project completion (ch. 9 in connection with ch. 9 par. 2 of SSEEA I (2010)).</li> </ul>
	<b>Competent authority</b>	The grant scheme is managed by a committee of the Ministry of Commerce, Industry and Tourism (ch. 9 of SSEEA I (2010)). This committee was especially created for this purpose and monitors the correct use of the grant against general standards (ch. 8 of SSEEA I (2010)).

Flexibility Mechanism		
Funding	State	
	Consumers	The costs of the <b>grant</b> scheme are borne by the final consumers (art. 7 § 1, art. 9 § 2 of LPRES 33 I 2003 in connection with ch. 5 par. 2 of SSRES 2010).
	System operator	
	Grid operator	
	Distribution mechanism	

**Subsidy II (SSEEA II)**

<b>Abbreviated form of legal source(s)</b>	<ul style="list-style-type: none"> <li>• LPRES</li> <li>• SSEEA II (2010)</li> </ul>	
<b>Country-specific support system</b>	<p>Under the SSEEA II scheme, grants are allocated to <b>incentivise the installation</b> of renewable energy systems. The scheme applies to private entities. The amount of grant is a certain percentage of the amount invested. Grants are awarded by the managing committee of the Renewable Energy Fund.</p>	
<b>Promoted technologies</b>	<b>General information</b>	<p>The scheme promotes the <b>installation</b> of wind and solar energy systems and small hydro-electric stations.</p>
	<b>Wind energy</b>	<p>Capacities of up to 30 kW are eligible (ch. 2 par. 1 NB1 of SSEEA II (2010)).</p>
	<b>Solar energy</b>	<p>Capacities of up to 20 kW are eligible (ch. 2 par. 1 NB3 of SSEEA II (2010)).</p>
	<b>Geothermal energy</b>	
	<b>Biogas</b>	
	<b>Biomass</b>	
<b>Amount</b>		<p>The amount of grant is a certain percentage of the amount invested. There are two categories of grants:</p> <ul style="list-style-type: none"> <li>• De-minimis grants (ch. 3 par. 2 of SSEEA II (2010)) or</li> <li>• Grants for less developed regions (ch. 3. par. 1 of SSEEA II (2010))</li> </ul> <p>Wind energy systems of up to 30kW</p> <ul style="list-style-type: none"> <li>• De-minimis grant: 40% of total investments (subject to a maximum of 45,000 €).</li> <li>• Grant for less developed regions according to company size: 15%, 25% or 35% of total investments (subject to a maximum of 45,000 €).</li> </ul> <p>Solar energy systems of up to 20 kW</p> <ul style="list-style-type: none"> <li>• De-minimis grant: <ul style="list-style-type: none"> <li>○ 40% of the total investments in building-integrated systems (subject to a maximum of 36,000 €)</li> <li>○ 40% of the total investments in ground-mounted systems (subject to a maximum of 50,000 €).</li> </ul> </li> <li>• Grant for less developed regions according to company size: 15%, 25% or 35% of total investments (subject to a maximum of 50,000 €).</li> </ul> <p>Small hydro-electric stations</p> <ul style="list-style-type: none"> <li>• De-minimis grant: 40% of total investments (subject to a maximum of 50,000 €).</li> <li>• Grant for less developed regions according to company size: 15%, 25% or 35% of total investments (subject to a maximum of 50,000 €).</li> </ul>
		<b>Beneficiaries</b>
<b>Procedure</b>	<b>Procedure</b>	<ul style="list-style-type: none"> <li>• Application: System operators must submit their applications prior to project implementation (ch.10 par. 2 of SSEEA II (2010) for private entities).</li> <li>• Award and payment of grants: A grant is awarded only after a given system</li> </ul>

		operator has proved that his project has been implemented and the requirements of the applicable scheme have been met (ch. 10 par. 4 of SSEEA II (2010)).
	<b>Competent authority</b>	The grant scheme is managed by a committee of the Ministry of Commerce, Industry and Tourism (ch. 9 of SSEEA II (2010)). This committee was especially created for this purpose and monitors the correct use of the grant against general standards (ch. 8 of SSEEA II (2010)).
<b>Flexibility Mechanism</b>		
<b>Funding</b>	<b>State</b>	
	<b>Consumers</b>	The costs of the grant scheme are borne by the final consumers (art. 7 par. 1, art. 9 par. 2 of LPRES 33 I 2003 in connection with ch. 5 par. 2 of SSRES 2010).
	<b>System operator</b>	
	<b>Grid operator</b>	
	<b>Distribution mechanism</b>	Every consumer is obliged to pay a tax of 0.44 €ct (since 01.08.2010) to the Fund for Renewable Energy for every kWh of electricity consumed. This fund allocates the grants (art. 7 par. 1, art. 9 par. 2 of LPRES 33 I 2003 in connection with chs. 8 and 12 of SSEEA II (2010) in connection with ch. 4 SSRES (2010))

4.1. Loan (Name of support scheme)

<b>Abbreviated form of legal source(s)</b>		
<b>Country-specific support system</b>		
<b>Promoted technologies</b>	<b>General information</b>	
	<b>Wind energy</b>	
	<b>Solar energy</b>	
	<b>Geothermal energy</b>	
	<b>Biogas</b>	
	<b>Biomass</b>	
<b>Hydro-electricity</b>		
<b>Amount</b>		
<b>Beneficiaries</b>		
<b>Procedure</b>	<b>Procedure</b>	
	<b>Competent authority</b>	
<b>Flexibility Mechanism</b>		
<b>Funding</b>	<b>State</b>	
	<b>Consumers</b>	
	<b>Grid operator</b>	
	<b>System operator</b>	
	<b>Distribution mechanism</b>	

#### 4.2. Feed-in tariff (LPRES)

<b>Abbreviated form of legal source(s)</b>	<ul style="list-style-type: none"> <li>• LPRES</li> <li>• SSRES 2010</li> </ul>	
<b>Country-specific support system</b>	<p>Scheme SSRES 2009-2013 of the Managing Committee of the Renewable Energy Fund incentivises renewable electricity generation through a feed-in tariff. The Cypriot power company purchases electricity from the system operators at the market price. The Fund for Renewable Energy pays a bonus on top of the market price (ch. 5 par.2 SSRES 2010). The amount of tariff depends on the electricity generation technology employed.</p>	
<b>Promoted technologies</b>	<b>General information</b>	The feed-in tariff scheme applies to wind, solar and biomass technologies.
	<b>Wind energy</b>	Eligible (ch. 3 par.1.1 of SSRES 2010).
	<b>Solar energy</b>	Eligible (ch. 3 par. 1.2 of SSRES 2010).
	<b>Geothermal energy</b>	
	<b>Biogas</b>	Eligible; landfill gas only (ch. 3 par. 1.3 IV of SSRES 2010).
	<b>Biomass</b>	Eligible (ch. 3 par. 1.3 III of SSRES 2010).
	<b>Hydro-electricity</b>	
<b>Amount</b>	<b>General information</b>	<p>The tariff consists of the purchase price and an additional flexible payment to cover the difference between the purchase price and the guaranteed tariff. The purchase price is paid by the grid operator to the system operator for electricity from renewable sources. It is linked to the oil price and set by the Cyprus Energy Regulatory Authority (CERA) (ch. 5 par. 2 of SSRES 2010). The amount of tariff differs for each generation technology. At the moment, the following tariffs apply:</p>
	<b>Wind energy</b>	0.1666 €/kWh
	<b>Solar energy</b>	<b>Large-scale PV systems (21 to 150 kW):</b> 0.34 €/kWh <b>Small PV systems (up to 20 kW):</b> 0.36 €/kWh
	<b>Geothermal energy</b>	
	<b>Biogas</b>	0.1145 €/kWh
	<b>Biomass</b>	0.135 €/kWh
	<b>Hydro-electricity</b>	
<b>Degression</b>	<b>General information</b>	
	<b>Wind energy</b>	
	<b>Solar energy</b>	
	<b>Geothermal energy</b>	
	<b>Biogas</b>	
	<b>Biomass</b>	
	<b>Hydro-electricity</b>	

<b>Cap</b>		
<b>Eligibility period</b>	Eligibility for the feed-in tariff is time-limited. Purchase agreements are concluded between a system operator and the grid operator and have a duration of 20 years (ch. 5 par.1 SSRES 2010).	
<b>Beneficiaries</b>	<p><b>Entitled party:</b> The feed-in tariff applies to natural persons and private entities, public sector organisations and local administrative bodies that carry out business activities unless they</p> <ul style="list-style-type: none"> <li>▪ have committed an offence according to the penal code or</li> <li>▪ are in insolvency proceedings (art. 3 par. 3 of SSRES 2010).</li> </ul> <p><b>Obligated party:</b> The obligated party is the state. The feed-in tariff is allocated by a committee of the Ministry of Commerce, Industry and Tourism (ch. 10 in connection with ch. 5 par. 2 of SSRES 2010).</p>	
<b>Procedure</b>	<b>Procedure</b>	<ul style="list-style-type: none"> <li>- System operators must apply to the grid operator for sale of their electricity.</li> <li>- Having examined the application, the grid operator enters into a 20-year purchase agreement with the system operator.</li> <li>- Moreover, the system operator must apply to the committee of the Fund for Renewable Energy for additional payment.</li> <li>- Having granted the additional payment, the Fund pays a variable payment to the system operator for every KWh of electricity exported to the grid (chs. 5.1 and 5.2 of SSRES 2010).</li> </ul>
	<b>Competent authority</b>	The authority in charge of the feed-in tariff scheme is a committee of the Ministry of Commerce, Industry and Tourism especially created for this purpose (ch. 10 in connection with ch.5 par.2 of SSRES 2010). The Cyprus Energy Regulatory Authority is responsible for checking compliance with all technical requirements set out in the agreements (ch. 6 d of SSRES 2010).
<b>Flexibility Mechanism</b>		
<b>Funding</b>	<b>State</b>	
	<b>Consumers</b>	The costs of the tariff scheme are borne by the final consumers (art. 7 par. 1, art. 9 par. 2 of LPRES 33 I 2003 in connection with ch. 5 par. 2 of SSRES 2010).
	<b>Grid operator</b>	
	<b>System operator</b>	

	<b>Distribution mechanism</b>	Every consumer is obliged to pay a tax of 0.44 €ct (since 01.08.2010) <b>to the Fund for Renewable Energy for</b> every kWh of electricity consumed. This fund allocates the feed-in tariff (art. 7 par. 1, art. 9 par. 2 of LPRES 33 I 2003 in connection with ch 4 and ch. 5 par. 2 2 of SSRES 2010).
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4.4. Quota system (name of support scheme)

<b>Abbreviated form of legal source(s)</b>		
<b>Country-specific support system</b>		
<b>Promoted technologies</b>	<b>General information</b>	
	<b>Wind energy</b>	
	<b>Solar energy</b>	
	<b>Geothermal energy</b>	
	<b>Biogas</b>	
	<b>Biomass</b>	
<b>Amount</b>	<b>Hydro-electricity</b>	
	<b>Amount of quota and period of application</b>	
	<b>Adjustment of quotas</b>	
	<b>Number of certificates according to technology</b>	
	<b>Minimum price per certificate</b>	
<b>International applicability</b>	<b>Fees and penalty charges</b>	
	<b>International certificate trade</b>	
<b>Beneficiaries</b>	<b>Flexibility Mechanism</b>	
<b>Procedure</b>	<b>Procedure</b>	
	<b>Competent authority</b>	
<b>Funding</b>	<b>State</b>	

	<b>Consumers</b>	
	<b>Grid operator</b>	
	<b>System operator</b>	
	<b>Distribution mechanism</b>	

4.5. Tax regulation mechanisms (name of support scheme)

<b>Abbreviated form of legal source(s)</b>		
<b>Country-specific support system</b>		
<b>Promoted technologies</b>	<b>General information</b>	
	Wind energy	
	Solar energy	
	Geothermal energy	
	Biogas	
	Biomass	
Hydro-electricity		
<b>Amount</b>		
<b>Beneficiaries</b>		
<b>Procedure</b>	<b>Procedure</b>	
	<b>Competent authority</b>	
<b>Flexibility Mechanism</b>		
<b>Funding</b>	<b>State</b>	
	<b>Consumers</b>	
	<b>Grid operator</b>	
	<b>System operator</b>	
	<b>Distribution mechanism</b>	