

Title of the measure:	CY3 Governmental financial support schemes for investments in RES/RUE/EE
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General description

This consists the basic financial instrument for the promotion of investments in RES , rational use of energy and energy efficiency improvement. The legal basis arises from the Law 33(I)/2003 which complies with RES directive 2001/77/EC for the promotion of electricity from renewable energy sources. According to the provisions of the above mentioned Law a special fund is created by imposing a small energy tax to all electricity consumers. The tax is currently 0.44 cents/kwh of electricity consumption. The financial sources are approximately 23 million euro annually and they are utilised to finance investments in RES, energy efficiency. The types of financial incentives provided are basically grants for the capital investments and subsidies for electricity sold to the national grid from RES, CHP.

The Law provides the operation of support schemes which are tailor made according to the end use sector, technologies etc. They contain all the necessary details, terms and conditions , eligibility criteria, efficiency thresholds that must be satisfied by investors as well as the administrative procedures. All the schemes are approved by the Council of Ministers before start operating following a public debate.

The support schemes cover all sectors of end use and provide grants for the capital investment in the range 30-55% depending on the technology and subsidies for RES/CHP electricity sold to the national grid (feed in tariffs).

Particularly for the tertiary sector there are special financial support schemes which cover the following technologies:

- 1) *energy savings scheme*
 - a) *Any energy efficiency technology which can achieve a 10% primary energy savings qualifies for incentives. Typical investments include waste heat recovery, efficient motor/inverters, efficient boilers, thermal insulation, lighting systems, ballasts, energy management systems, controls, CHP etc. Maximum grant provided up to 170,000 euro.*
 - b) *Grants for central solar thermal systems, domestic water. Up to 17,000 euro.*
 - c) *Grant of 55% up to 85,000 euro for solar assisted central heating/cooling system.*
 - d) *Grant of 45% up to 25,000 euro for solar thermal swimming pools.*
 - e) *Geothermal heat pumps. Grant of 45% up to 15,000 euro.*
 - f) *Biomass boilers. Grant of 55% (eligible costs) up to 19,000 euro*

For the domestic sector the technologies covered are

- 1) *Thermal insulation and double glazing for existing dwellings (1700-2500 euro)*
- 2) *Photovoltaic systems with a feed-in tariff of 34 cent/kwh*
- 3) *Solar thermal systems for domestic water, only for the existing houses*
- 4) *Solar thermal for space heating and cooling (up to 20,000 euro).*
- 5) *Geothermal heat pumps for space heating/cooling (up to 20,000 euro)*

Impact evaluation (methods and results)

Methods

The impact of the scheme to the energy savings for the tertiary sector has not been estimated yet. However we anticipate to make estimates when preparing the national action plan for the energy services directive.

Results

After three years of operation of the schemes the number of applications received from the tertiary sector is around 200 for the years 2004-2006. No measurement and verification of energy savings has been done but this will be provided in the national action plan for energy efficiency under the energy services directive (2006/32/EC).

Ex-post evaluation	1995	2000		
direct CO ₂ (kt)				
Energy (TJ) (Fuels/Electricity)				
Ex-ante evaluation	1995	2000	2010	2020
direct CO ₂ (kt)				
Energy (TJ) (Fuels/Electricity)				

Notes:

- 1) You might modify the years specified in this table, if the evaluation of your measure contains other years.
- 2) CO₂ and energy savings should be specified with respect to the reference scenario. If they are specified with respect to a fixed base year, e.g. 1990, and you cannot adapt to the requirements, please make a note in the measure description.
- 3) Please specify the energy savings separately for fuels saved and for electricity saved. CO₂ savings should only be for direct emissions from fuel combustion in the final sectors. For electricity please suggest in a footnote an emission factor per kWh. In the case of CHP please specify the reference towards which the savings are measured.

Please fill-in the semi-quantitative impact measure table, too, for all measures and also give some explanations.

Measure Impact Level		
ə low	ə medium	x high

Interaction of measures

The financial support schemes are promoted through information campaigns, seminars, internet, regular announcements to the press.

Historical data



References

All information regarding the support schemes is found at the address of the Cyprus Institute of Energy , www.cie.org.cy and information about Cyprus energy policy at the address www.mcit.gov.cy (Ministry of Commerce, Industry).