



Energy Efficiency Profile: Cyprus

May 2011

Energy Efficiency Trends

Overview

Over the period 2000-2008, the energy efficiency index for the whole economy (ODEX) decreased by 14% compared to 8% for the EU. Most of this improvement in energy efficiency came from industry, particularly from undertakings under the emissions trading scheme (brick industry). Energy efficiency slightly improved in the building sector in recent years with the EPBD implementation and financial schemes for the existing building stock. The transport sector which is the most energy consuming in final energy consumption (~50%) contributed less to the energy efficiency improvement due to the lack of a modern, efficient public transport system and also because of the extremely high share of aviation fuel (18%) since Cyprus is an isolated island from Europe mainland. However the quality and completeness of statistical data may have influenced this result. Cyprus is a touristic destination which affects the end use energy consumption with great fluctuations over the years.

Industry

The efficiency in the industrial sector has improved by 25%. The non metallic branch which falls under the emissions trading scheme consumes approximately 50% of energy consumption in industry. This is mainly reflecting the energy savings in the cement industry which has developed CHP technology, waste heat recovery and also use of wastes and biomass. Also there has been systematic training of industry managers and engineers in energy management, good practices and energy auditing. Cyprus does not have any steel, glass, paper industry.

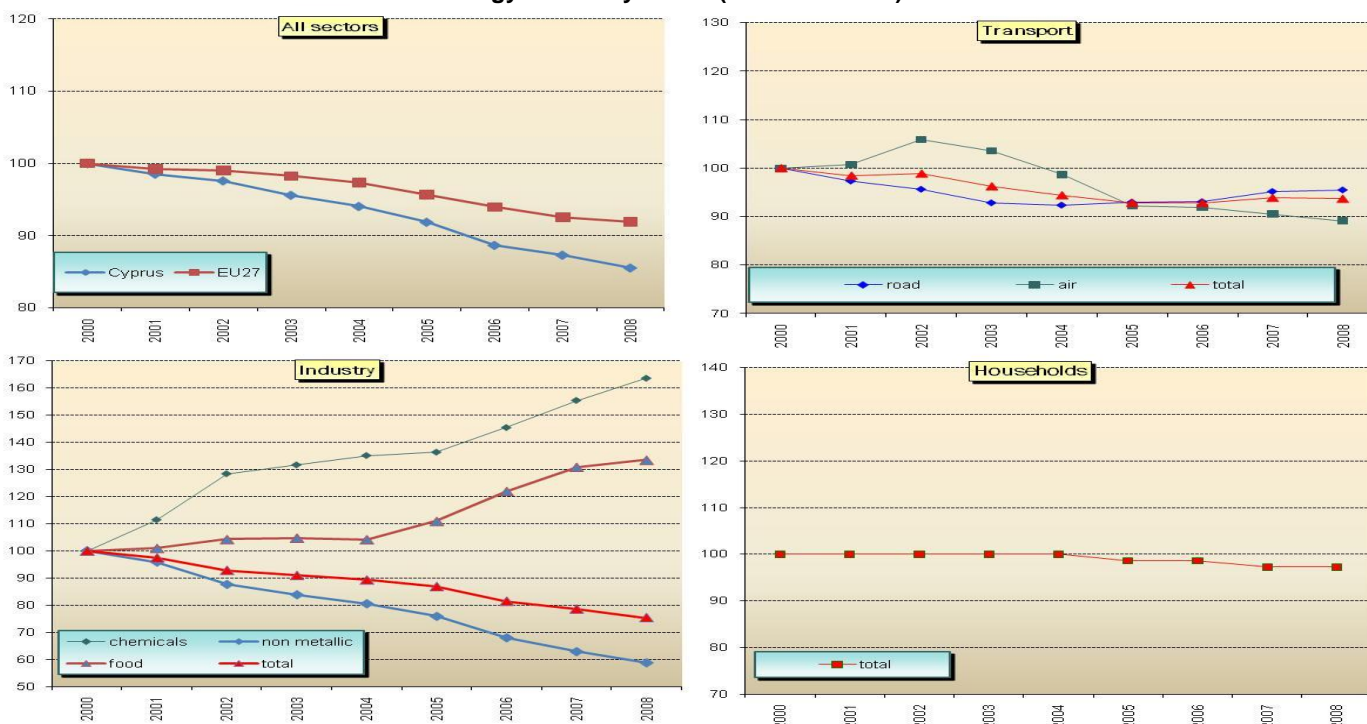
Households

Between 2000 and 2008 the energy efficiency index in the household sector is rather flat. This is due to the fact that Cyprus has entered the EU in 2004 and implemented policies and measures in energy efficiency afterwards. Prior the accession there was no national energy efficiency policy or mandatory building codes. The slight improvement is mainly due to efficient electrical appliances, CFL lamps and use of solar water heaters. Significant energy savings in the household sector will show with the implementation of the EPBD (minimum energy efficiency requirements) which started in 2008.

Transport

This sector shows a 6% improvement in the period 2000-2008. This development is mainly caused by efficiency improvements in the private car stock as a consequence of the penetration of new more efficient cars. In Cyprus the public transport is not developed and has decreased drastically over the last 10 years. Another important factor is that before the year 2000 diesel oil for transport was subsidised and was much cheaper than gasoline. This resulted in a stock of large energy intensive vehicles. After the change of the legislation in fuel taxation, diesel and gasoline are almost priced at the same level resulting in the phasing out of these vehicles and the trend towards smaller and efficient cars. Also some effective measures have been applied the last few years such as grants provided for scrapping of old vehicles, vehicle taxation based on CO2 emissions. Another factor which is affecting the ODEX is that aviation consists in around 20% of the final energy consumption).

Energy efficiency index (base 100=2000)*



* All indicators measured as a three-year moving average.
 Source ODYSSEE
 For more information : <http://www.odyssee-indicators.org/>

Energy Efficiency Policy measures

Institutions and programmes

Ministry of Commerce, Industry and Tourism is responsible for the adoption and implementation of energy efficiency policy including RES. **The Cyprus Institute of Energy** was founded in 2000 to assist the Government in the promotion and implementation of policies and measures in RES and energy efficiency. One of the main tasks of Cyprus institute of energy is the operation of the Governmental financial support scheme for investments in RES/energy efficiency, the participation in IEE projects and assisting the Government with the transposition, implementation of EU energy policies in Cyprus. It also provides technical assistance and advice to public authorities for energy efficiency, RES policies and assists in the market facilitation via the development of local sustainable energy markets.

Industry

The main financial instrument used is the Governmental financial support schemes for the promotion of RES/RUE/energy efficiency. The fund is created by imposing a levy of 0.44 cents/kWh for all categories of electricity consumers (€23 million/year). All sectors are covered: households, industry, tertiary. The financial incentives are provided in the form of grants and subsidies for energy efficiency investments (30% - 50% aid based on the technology) and feed in tariffs for CHP/RES electricity sold to the national grid. The basic criterion used for the evaluation of any energy savings investment proposal is to achieve a 10% primary energy saving after the investment.

Households, Services

The Governmental financial support schemes for financing energy saving investments is used extensively in this sector. Since 2004 there are thousands of applications and grants provided. For the household sector, subsidies apply to thermal insulation, solar thermal heaters, geothermal heat pumps, PV. For the tertiary sector all technologies are eligible provided they satisfy a 10% primary energy savings. Since the operation of the program more than 30,000 applications for investments were received and the majority has been approved.

Cyprus has enacted a primary legislation for the energy performance of buildings (in compliance with directive 2002/91/EC). Secondary legislation for setting minimum efficiency requirements, thermal building codes are enforced since 1/1/2008. Cyprus prior to accession did not have any mandatory building codes on energy efficiency. Therefore after the full implementation of the EPBD the impact in terms of energy savings is expected to be high.

Electricity consumption in Cyprus has increased by 70% in the last 10 years attributed to air conditioning. The Government has decided to promote and subsidise CFL lamps (5 lamps per households for free). The scheme has a budget for the purchase of 2 million lamps over five years. Thus around 1 million lamps have been distributed to consumers via the utility company.

Transport

The main type of action used is to provide grants for the purchase of an hybrid, electric ,FFV vehicle and the reduction of other registration fees. A second instrument used is the new national law for the taxation of vehicles which includes provisions integrating engine capacity and CO2 emissions criterion providing reduced taxation for smaller, clean and efficient cars. The Ministry of Communications and Works has submitted an action plan for public transport which includes the radical upgrade of the public bus system. Among other measures 6 new companies will be created one for each region and one among main cities. More than 1000 new efficient buses will be purchased, new routes, combined tickets etc.

In 2006 a new measure has been implemented for the scrapping of old cars. The first phase includes grants to remove 15,000 vehicles. The last measure applied in the sector is to improve the bus transportation between cities and the airport.

Selected Energy Efficiency Measures

Sectors	Title of Measure	Since
Households, tertiary	Law for the energy performance of buildings, minimum efficiency requirements	2008
households	Governmental financial support schemes for energy efficiency / res Thermal insulation, double glazing, solar water heaters, PV, Geo-HP	2004
Households, tertiary	Subsidised CFL lamps	2007
Tertiary	Governmental financial support schemes for energy efficiency /RES	2007
industry	Governmental financial support schemes for energy efficiency / RES	2004
industry	Training and education for energy management and energy audits	2006
Transport	Grants for hybrid, electric cars	2006
Transport	Law for the taxation of vehicles including CO2 emissions criteria	2007
Transport	Grants for scrapping of old cars	2006
Transport	National strategy for the development of public transport system	2008

Source : MURE www.mure2.com

