



Energy Efficiency Profile : Cyprus

October 2008

Energy Efficiency Trends

Overview

Over the period 1996-2006, the energy efficiency index for the whole economy (ODEX) decreased by 15% compared to 13% for the EU 27. The reasons for that is partly because of the improvement of energy efficiency in industry, particularly the undertakings in the emissions trading scheme. Also energy efficiency of the household sector improved with the implementation of effective measures. However the quality and completeness of statistical data may have influenced this result. Another issue to be considered is the fact that Cyprus is a tourist destination which affects the end use energy consumption and is not steady over the years. The tourist industry has been declining the last few years.

Industry

The efficiency in the industrial sector has improved by 27%. 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 and also using waste, biomass for energy. Also there has been systematic training of industry managers and engineers in energy management, good practices and energy auditing.

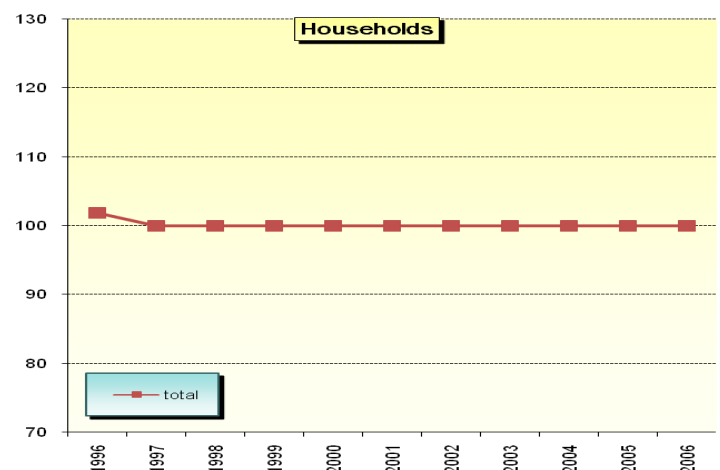
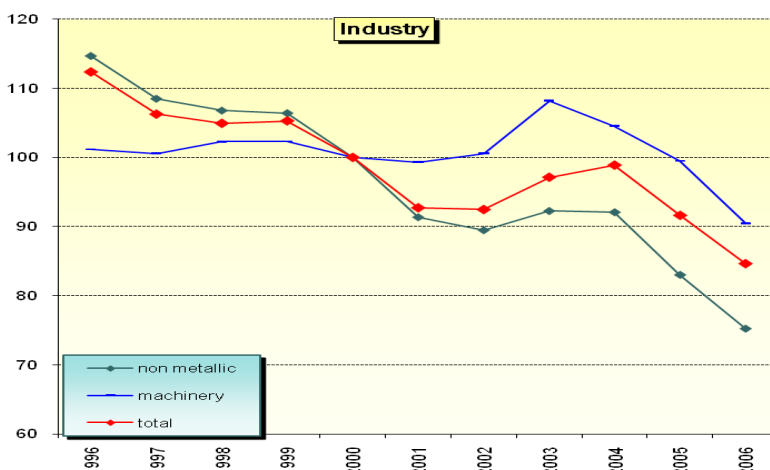
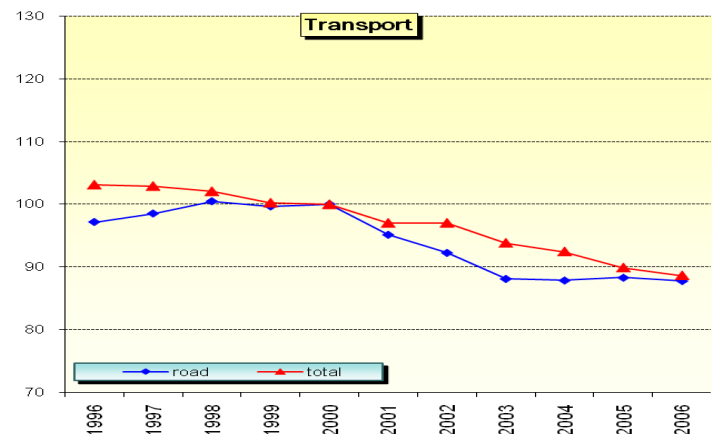
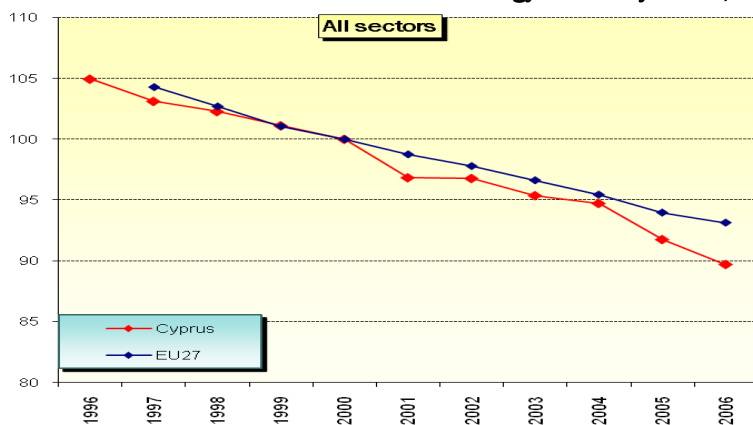
Households

Between 1996 and 2006 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. Since the accession there was no national energy efficiency policy or mandatory building codes. However the improvement is caused to energy efficient electric appliances, CFL lamps and use of solar water heaters.

Transport

This sector shows a 14% improvement in the period 1995-2006. This trend is particularly observed since 1996. 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 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 high consuming vehicles. After the change of the legislation for fuel taxation, the diesel and gasoline are almost priced the same resulting 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 the incentives provided for scrapping of old vehicles

Energy efficiency index , base 100=2000



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, RUE, Energy efficiency. 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, promotion, implementation of EU energy policies in Cyprus.

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 0.22 cents/kwh for all categories of electricity consumers (10 million euro/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 technologies subsidies include thermal insulation, solar thermal heaters, geothermal heat pumps, PV. For the tertiary sector all technologies are eligible provided they satisfy the 10% primary energy savings. Since the operation of the program more than 15,000

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/regulations for setting minimum efficiency requirements, thermal building codes are not yet enforced. Cyprus prior to accession did not have any mandatory building codes for energy efficiency in buildings. 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. 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 far around 800,000 lamps have been distributed to consumers.

Transport

The main type of action used is to provide grants for the purchase of a 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 coefficients for smaller, clean and efficient cars.

The Ministry of Communications and Works has submitted an action plan for public transport but no political decisions with regard to the implementation and budget of the plan is yet decided.

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 bus transportation between cities and airport.

Selected Energy Efficiency Measures

Sectors	Title of Measure	Since
Households, tertiary	Law for the energy performance of buildings	2006 2007
households	Governmental financial support schemes for energy efficiency / res Thermal insulation, Double glazing, solar water heaters, PV, GHP	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

Source: MURE data base
www.mure2.com

