

CYPRUS

SUSTAINABLE ENERGY

A. PRACTICES/ MEASURES

1. A Strategic Plan for the reduction of the emissions of **greenhouse gases**, prepared by the Ministry of Agriculture, Natural Resources and Environment in close co- operation with other concerned Ministries and stakeholders , including the private sector and NGOs, was approved by the Council of Ministers in 2003. The measures included and being gradually put in place, are: the import of Natural gas, replacement of old Power units, use of RES, such as wind farms; improvement of the Thermal behavior of buildings, maintenance and/or replacement of central heating Boilers, use of high efficiency Air conditioning systems and Electric appliances, use of energy-efficient Lighting bulbs and automations, use of Solar collectors, Photovoltaic systems; promotion of Co-generation and energy Conservation; Maintenance of vehicles, encouragement of Small vehicles, encouragement of Public transport; waste Recycling, Methane recovery; campaigns on public Awareness).

2. A 5- year programme was approved, for the promotion of **energy- saving**, implemented under the aegis of the Ministry of Commerce, Industry and Tourism as from 2006. The programme, financed from a special fund includes measures such as :

- an intensive campaign on energy saving;
- energy saving through relevant investment expenditure in existing and new public buildings;
- energy performance introduced as a criterion in the purchases of electrical equipment and motor vehicles by the Government.

3. Construction of a receiving / regasification terminal for Liquefied **Natural Gas** (LNG) is being pursued by the Ministry of Commerce, Industry and Tourism, which would make possible the importation of natural gas. This project is planned to begin in 2007 and be completed by 2009 and all efforts are exerted to attract private sector investments.

4. A policy was adopted by the Cyprus Electricity Authority for **purchasing electricity** produced from alternative sources of energy.

5. A programme became operational in 2004, with a view to promote, inter alia, **renewable energy sources** utilization, the targets being to increase their contribution from currently 4% to 9% by 2010 and for electricity production from zero to 6% by 2010.

B. NEW APPROACHES

1. The Ministry of Commerce, Industry and Tourism is proceeding with,

- the establishment of a regional **thematic park** on Renewable Energy Sources (RES) and Energy Saving (ES), to exhibit current technologies as well as conventional energy producing methods on, amongst others, photovoltaic cells; solar energy panels; wind energy systems; biomass technologies; energy saving and thermal insulation products;
- promotion of the use of **biofuels** through the imposition of a zero excise duty.

2. The energy programmes are encouraged with **financial incentives** in the form of grants for investments and/or tariff subsidisation for the promotion of RES utilization, financed through a special Fund the revenue of which comes from a levy of 0,13 cent (CYP) / Kwh on the consumption of electricity.

3. The following measures were adopted in 2004 and are pursued by the Ministry of Communications and Works, for the encouragement of the sustainable use of energy in the **transport** sector:

- a significant reduction of the excise duty for small and middle class volume engine vehicles;
- a 15% discount in the excise duty for cars with CO₂ emissions of 150gr/km or less and, at the same time, a 10% penalty on cars with CO₂ emissions of 275gr/km or more;
- abolition of the excise duty and registration fees on electric cars;
- hybrid cars are subject to half the registration and circulation fee of conventional ones;
- a fee is paid for each saloon and light commercial vehicle before being cleared by the Customs (one cent per cc of engine – e.g. for a 1600cc car EURO 27 is paid), the amount so collected being used for the development and enhancement of public transport.

4. The Ministry of Agriculture, Natural Resources and Environment:

- enforces a law on **Emissions Trading** of Greenhouse Gases and a **National Allocation Plan** adopted and approved by the European Commission in 2004, covering all major combustion installations, that is brick and tiles factories, power plants and cement plants;
- promotes an initiative to encourage **green public procurement by** preparing an Action Plan with the goal for it to be approved by the Council of Ministers in September 2006.

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