



21st Renewable Energy Sources and Energy Efficiency Working Group Meeting

Cyprus' recent regulatory developments

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26 April 2017

Milan, Italy

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Legal Framework

Legal Status of CERA

- Established by virtue of the Law of 2003 on Regulating the Electricity Market, N.122(I)/2003 in line with the European Union Directives.
- Independent Public Authority, reporting directly to the President of the Republic of Cyprus.
- Main purpose of CERA, is the supervision and regulation of the operation of the energy market (electricity and natural gas).

Legal framework related to RES and energy efficiency

- Law regulating the electricity market 2003-2017
- Law promoting the use of RES 2013-2015
- Law on energy end-use efficiency and energy services 2009-2015
- Law on on the promotion of cogeneration based on a useful heat demand in the internal energy market 2006-2015

Duties, Powers and Functions of CERA related to RES-E

- Grants, monitors, enforces, modifies or revokes Licences to persons that carry out, inter alia, activities for constructing a power plant and generating electricity or supply electricity to consumers.
- Regulates tariffs, charges and other terms and conditions to be applied by Licensees.
- Takes Decisions and Regulatory Decisions as provided by the Law and the Regulations issued under it.
- Prepares and Implements a long term planning.
- Protects the rights of consumers.
- Promotes the security, safety, continuity, quality and reliability of supplies of electricity.
- Promotes the use of Renewable Energy Sources.
- Gives it's approval on the grant schemes that the Government runs on promoting RES and ENERGY EFFICIENCY

Cyprus' Electricity System

Cyprus' electricity system

- Small and isolated system (no interconnections as yet)
- Market liberalized 100% in 2014
- In 2015 CERA decided to proceed with a New Market Model (net pool model)
- New market model is expected to be fully implemented by mid 2019, in the meantime an interim regulatory treatment is under public consultation

New Market Model

The main elements of the Net – Pool Model

Bilateral Contracts

(Years /
Months / Week
/ Ahead)

- Provide to participants a long-term risk management tool.

Day-Ahead Market

(Day-ahead morning)

- Participants can Buy / Sell energy to supplement their Bilateral Contracts.

- CERA will apply a “%” of the total consumption to be covered.

Integrated Scheduling Process

(Day-ahead afternoon)

To achieve:

- The best cost-effective purchase of the Operating Reserves & Balancing Energy.

- The best Technically & Economically optimal solution for the operation of the System.

Intra-Day Market

(Intra-day)

- Available after (2) years from the date the market starts operation.

- Allows rescheduling to minimise imbalances.

Balancing Market

(Real-time)

- RES (except F-i-T) may participate according to the offers placed during the ISP.

RES National Action Plan 2020 (1)

- According to Directive 2009/28/EC, Cyprus Government in 2010 submitted to EU its National Action Plan (NAP) for RES, which specifies the national targets for the share of energy from RES consumed in **Transport, Electricity and Heating/Cooling in 2020.**
- The compulsory target for Cyprus to be achieved in 2020, was set as:
13% RES contribution to the final energy consumption (Transport - Electricity - Heating/Cooling).

RES National Action Plan 2020 (2)

- CERA, in order to assist the Cyprus Government to prepare the NAP, had set a special Technical Advisory Committee to study the penetration of RES for **Electricity**.
- The Study was submitted to the Government in 2010 and an updated version in 2011, and proposed:
16% RES contribution in the Electricity Generation by 2020 according to the Total Electricity Energy Consumption.

RES-E strategic plan 2010-20

- ✓ RES-E penetration at 16% by 2020
- ✓ Important measures:
 - Shifting from FiT mechanism, which is independent of electricity market prices, to a more market based mechanism
 - Promotion of the net-metering scheme
 - Promotion of self-generation scheme
 - Use of competitive auctioning processes for RES-E capacity
- ✓ Interconnection Possibilities and RES-E penetration

RES-E strategic plan 2010-2020

Without the operation of a competitive electricity market

Year	Projected Electricity Production (GWh)	Installed capacity (MW)				Total RES Production (GWh)	Percentage of Electricity Production from RES	Projected Electricity Consumption (GWh)
		Biomass	Photovoltaics	Wind Farms	Solar Thermal*			
2017	4670	15	113	167.5	0	469	11%	4250
2018	4810	15	148	167.5	0	526	12%	4377
2019	4950	15	175	175	50	676	15%	4505
2020	5100	15	258	175	50	743	16%	4641

*Stirling Engines

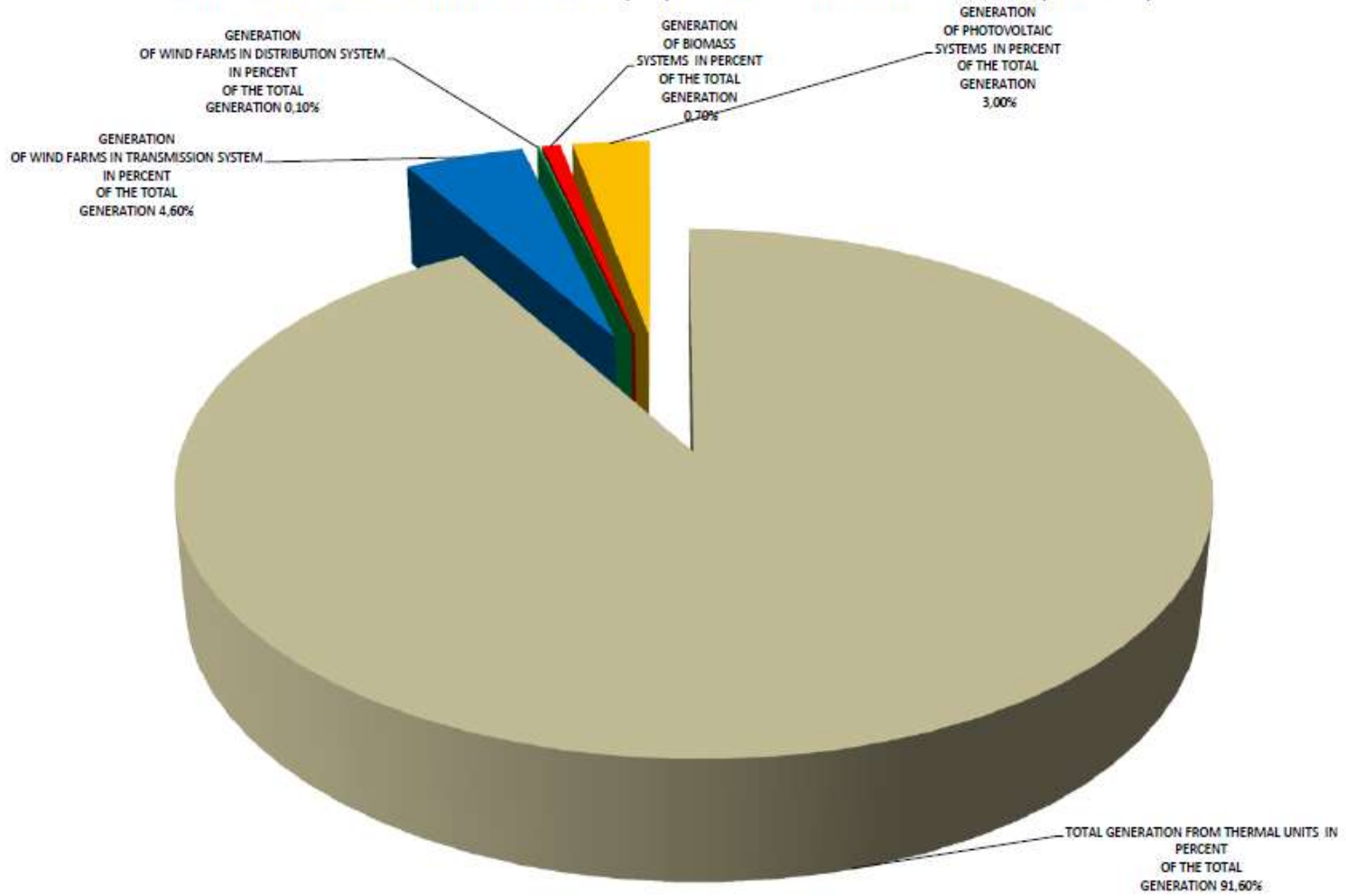
RES-E strategic plan 2010-2020

With the operation of a competitive electricity market

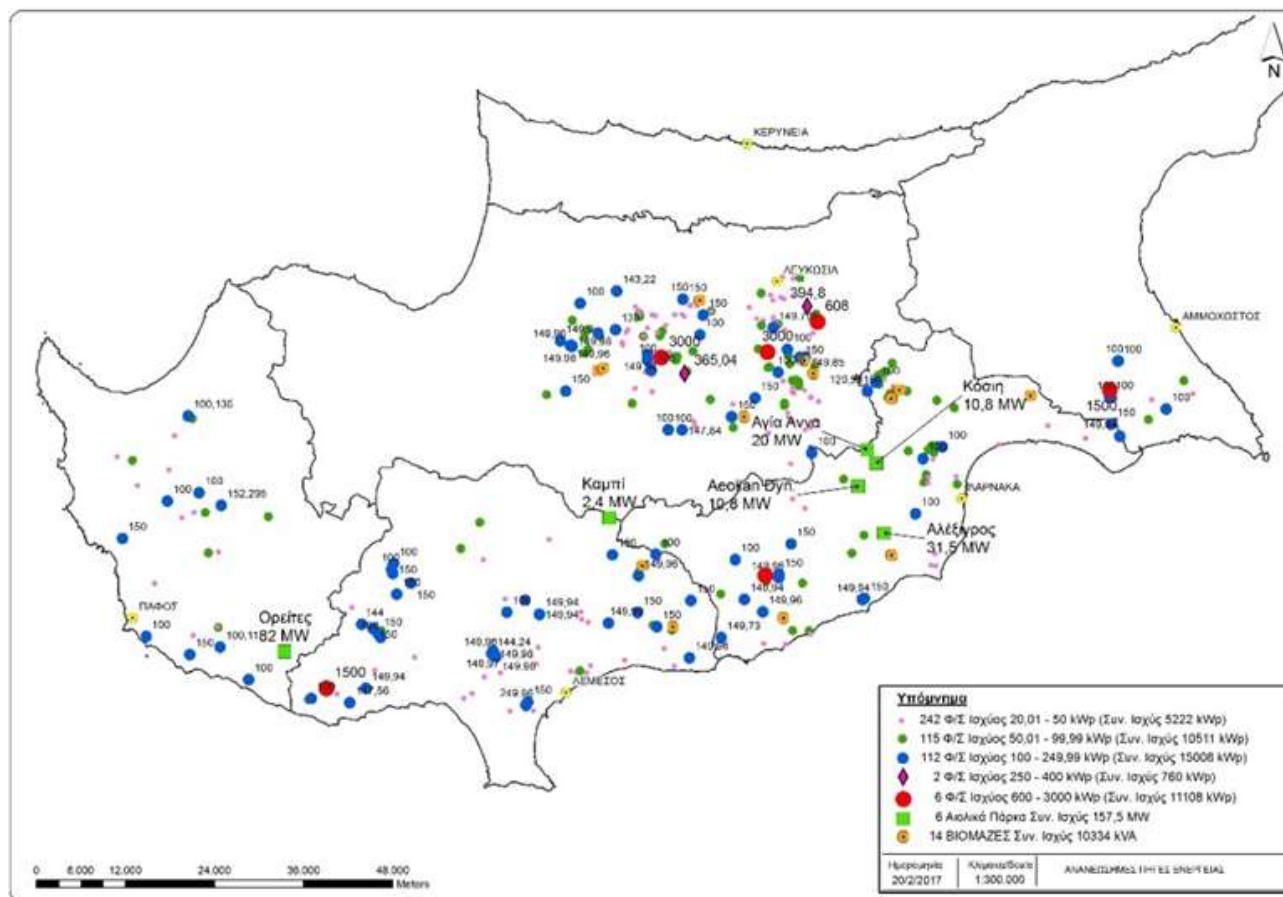
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2018	4810	15	148	167.5	0	526	12%	4377
2019	4950	The RES capacities for fulfilling the National Targets will be defined within the Competitive Electricity Market				676	15%	4505
2020	5100					743	16%	4641

*Stirling Engines

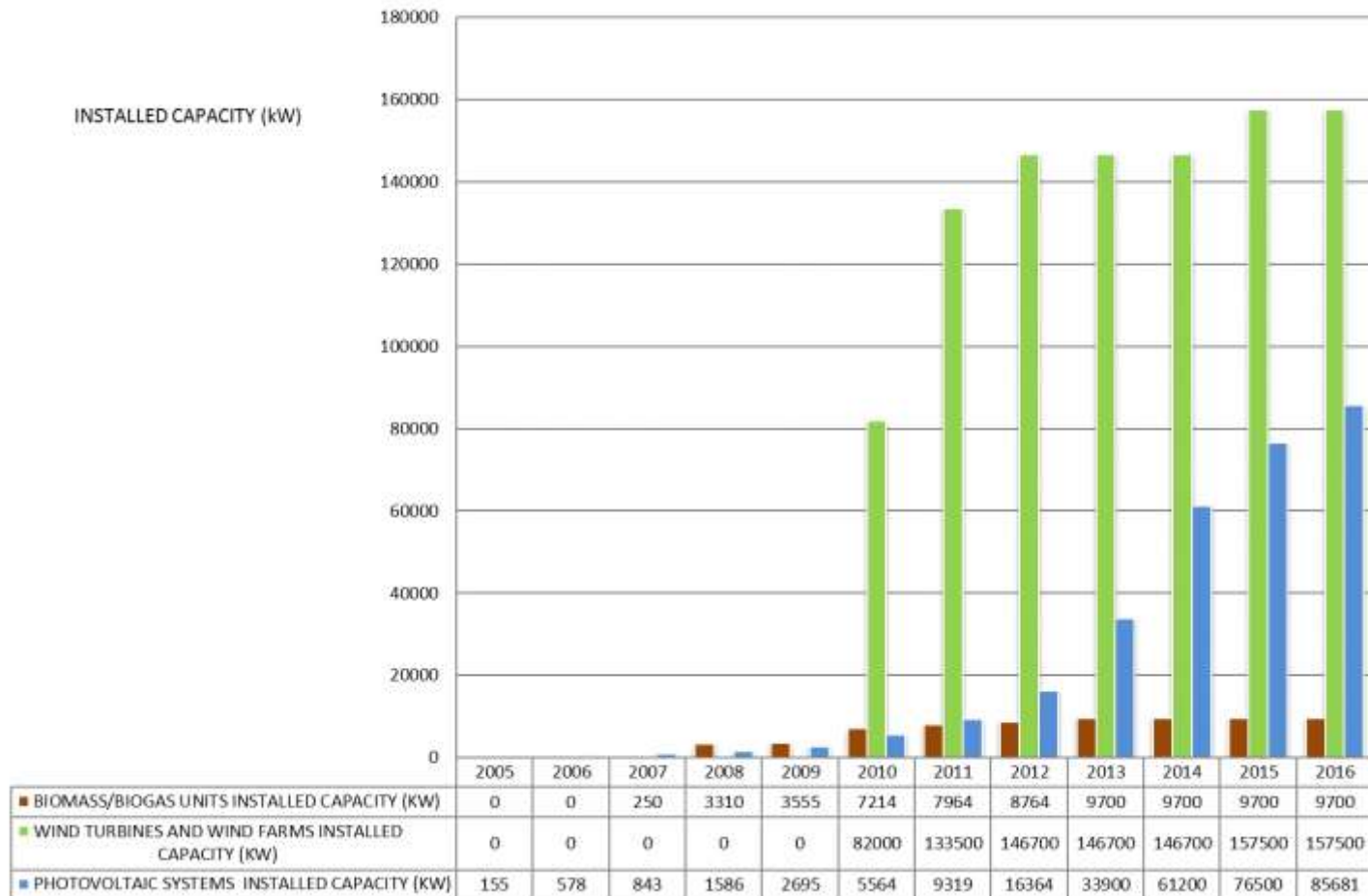
PENETRATION OF RENEWABLE ENERGY SOURCES (RES) INTO THE CYPRUS ELECTRICAL SYSTEM (YEAR 2016)



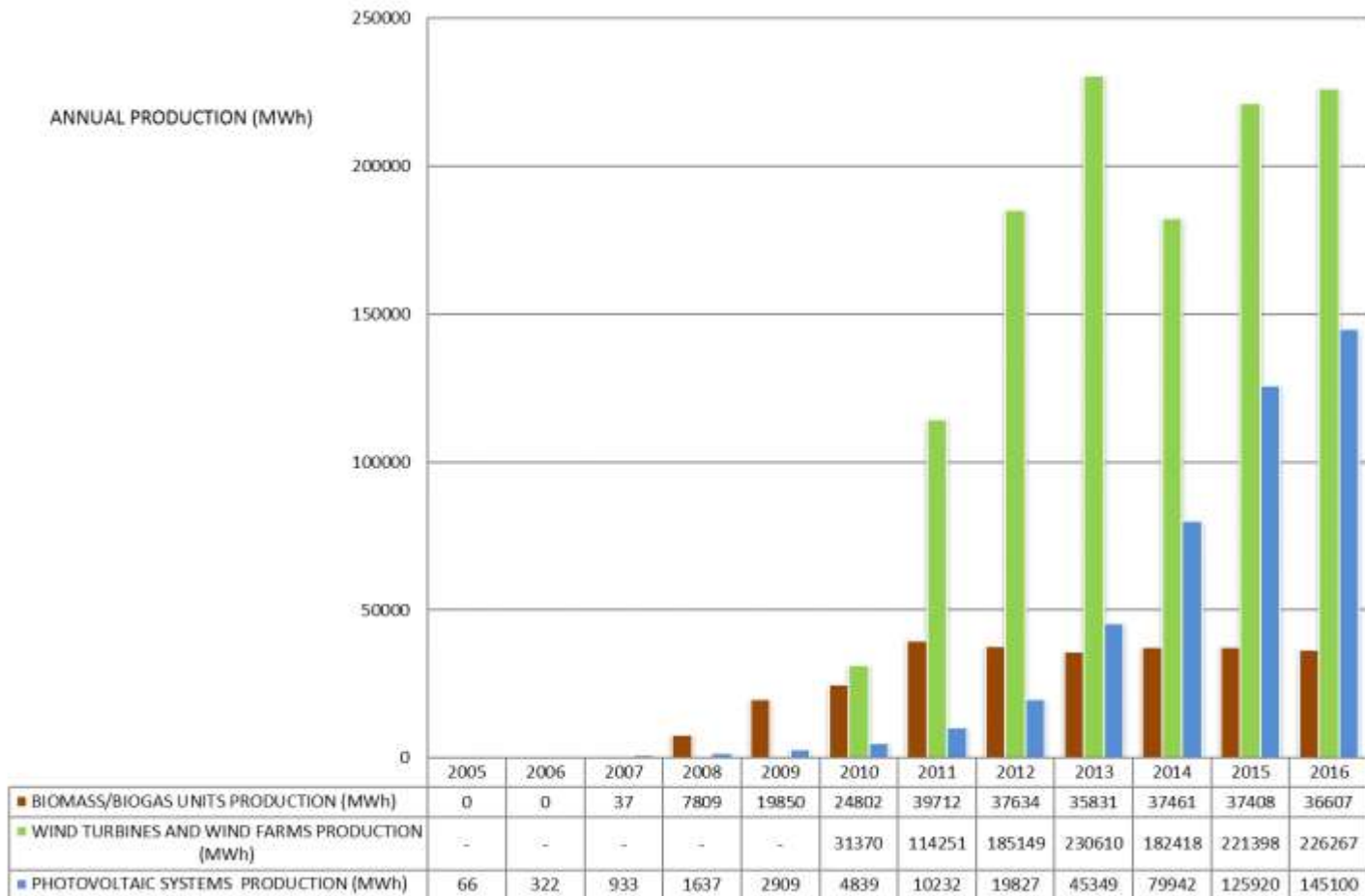
Geographical distribution of RES-E licences with capacity greater than 20kWp



Annual installed RES-E capacity (kW) 2005-2016



Annual Production (MWh) from RES-E units 2005-2016



Thank you for your attention

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