

**WELCOME SPEECH
DR. ANDREAS POULLIKKAS
CHAIRMAN
CYPRUS ENERGY REGULATORY AUTHORITY**

**12TH MEDITERRANEAN CONFERENCE AND EXHIBITION ON POWER
GENERATION, TRANSMISSION, DISTRIBUTION AND ENERGY CONVERSION
(MEDPOWER2020)**

**MONDAY 9 NOVEMBER 2020
ANNABELLE HOTEL, PAPHOS, CYPRUS**

Dear distinguished guests, dear colleagues, ladies and gentlemen,

It is with great pleasure and appreciation that I address the 12th Mediterranean Conference and Exhibition on power generation, transmission, distribution and energy conversion. It is really an honor for the Cyprus Energy Regulatory Authority to set under its auspices this prestigious event in Cyprus.

Supplying adequate and affordable energy services is an essential element of sustainable development. Currently the challenge is to develop those energy services that best support development and improve the quality of life while simultaneously minimizing health and environmental impacts of anthropogenic activities. Clean technological solutions are the cornerstone to effectively address global risks, opportunities and challenges such as climate change, energy and water security, natural resource depletion and building sustainable communities.

The European Union has drawn up a sustainable energy strategy in order to confront climate change and boost energy security. The package of proposals sets out a number of ambitious objectives for the reduction of greenhouse gas emissions and the use of renewable energy sources.

In order to achieve this strategy, the European Union needs to increase the use of renewable energy sources including storage technologies as well as hydrogen, the energy efficiency and the completion of the internal electricity market to increase the capacity of electricity interconnections between Member States.

The ultimate goal is to turn the existing European Union energy system into a sustainable, technologically advanced and smart system where the use of fossil fuels will be first reduced and later abolished by moving towards hydrogen economy. In order to achieve this, large investments need to be made to promote alternative energy sources and, at the same time, energy storage technologies.

Recently the European Union Parliament stated that all member states must become climate neutral by 2050 calling for ambitious 2030 and 2040 emissions reduction targets.

Let me remind you that the European Union's current emissions reductions target for 2030 is 40% compared to 1990. The European Commission two months ago proposed to increase this target to at least 55%. However, a month ago the European Union

Parliament raised the bar even further, calling for a reduction of 60% in 2030, adding that national targets shall be increased in a cost-efficient and fair way.

In recent years, the electricity sector is undergoing significant changes. Globally, electricity markets are becoming deregulated and as a result they are becoming more and more competitive, demanding lower system costs and higher system efficiencies. At the same time, environmental issues and concerns have driven the increasing penetration of renewable energy sources in electricity power generation as well as the wider use of distributed generation resources.

Electricity networks are becoming increasingly complex and harder to predict and manage. The use of renewable technologies for electricity generation, such as wind or photovoltaics, coupled with storage capabilities and located in geographically dispersed locations provide added challenges for the security of supply, system reliability and power quality. In addition, there is now an even greater need for accurate power system planning, operation and control.

Therefore, we need to start working now for a more sustainable Cyprus by 2050 by accelerating the country's transition towards a hydrogen economy. With a proper plan, Cyprus could be transformed into a green country model by 2050.

In particular, the Cyprus Energy Regulatory Authority recently issued a series of key regulatory decisions, concerning:

- the mass installation, by the Cyprus Distribution System Operator, of an Advanced Metering Infrastructure including smartmeters to all electricity consumers,
- the establishment of basic principles of a regulatory framework for the operation of electricity storage systems in the wholesale electricity market, and
- the redesign, by the Cyprus Transmission and Distribution System Operators, of the power grid so as to become smart and bi-directional in order to allow integration of large quantities of renewable energy sources in combination with energy storage systems.

The final goal is the transition of Cyprus from the current carbon economy to a hydrogen economy by the year 2050. By the year 2050, Cyprus' energy system will become:

- smart and digitised,
- flexible,
- decentralised,
- electrically interconnected, and
- interconnected with pipelines and/or virtual natural gas and/or hydrogen pipelines,

where the use of

- hydrogen in all energy sectors,
- renewable energy sources,
- storage energy systems, and
- electric mobility,

