

# National EED Implementation Report (NIR) 2021

## EED implementation in Cyprus

### Introduction

In Cyprus, the implementation of the EED is under the responsibility of the Energy Service of the Ministry of Energy, Commerce, Industry (MECI). For transposing the provisions of the Directive, several laws have been amended and secondary legislation has been adopted. Also, the Department of Public Works and the Department of Electrical and Mechanical Services are involved in the implementation of Article 5 of EED. In addition, Cyprus Energy Regulatory Authority is responsible for the implementation of various provisions related to Article 15.

### 1. Legal context

For transposing the Directives 2012/27/EE and 2018/2002/EE (amendment) to the national legislation, several laws have been amended in the years 2014, 2015 and 2021. These include: the amending Law for Energy Efficiency in End-Use and Energy Services (N56 (I)/2014, N.149 (I)/2015, 109(I)/2021), the amending Law for the Promotion of Combined Heat and Power Generation (N.150 (I)/2015, 108(I)/2021) and the amending Law for Regulating the Electricity Market (N. 206 (I)/2015). Secondary legislation for transposing some provision of the Directive has also been adopted (K.D.P. 436/2015, K.D.P. 437/2015, K.D.P. 438/2015, K.D.P. 208/2015, K.D.P. 210/2014, K.D.P. 184/2012, K.D.P. 185/2012, K.D.P. 155/2012).

### 2. Status of the implementation

#### 2.1. Legislative provisions

This table contains information on how the EED has been implemented by article, including any relevant web links.

EED Article	Implementation status
<b>Article 3</b>	<p>Following the amendment of the EED in December 2018, Cyprus has set and notified to the Commission its indicative contribution to the EU 2030 energy efficiency target through the <a href="#">National Energy and Climate Plan (NECP)</a> as follows:</p> <ul style="list-style-type: none"> <li>• 17% reduction in primary energy consumption, compared to the respective projection for Cyprus in 2007 in the EU PRIMES 2007 Reference Scenario and;</li> <li>• 13% reduction in final energy consumption, compared to the respective projection for Cyprus in 2007 in the EU PRIMES 2007 Reference Scenario.</li> </ul>

EED Article	Implementation status
<b>Article 4</b>	<p>The national <a href="#">Long-Term Building Renovation Strategy</a> was issued in April 2020. The Strategy highlights with quantitative and qualitative indicators the problems caused by the energy situation of the building stock, but also the opportunities offered by a greater mobilisation of investments in the field of radical renovations. Obstacles are identified and how they can be overcome. The preparation of the Long-Term Building Renovation Strategy was based on studies carried out in the framework of technical assistance to the Ministry of Energy Statistics, the National Energy and Climate Plan, and on public consultation.</p>
<b>Article 5</b>	<p>Law N.149 (I)/2015 provides for the exemplary role of the buildings owned and used by central government.</p> <p>Cyprus has opted for the alternative approach as it provides more flexibility in implementing effective energy-saving measures. The annual energy saving that should be achieved for the 2014-2020 period has been calculated at 3.31 GWh or 0.285 ktoe. The annual target was estimated assuming that 3% of the public building will be renovated from energy class E to energy class B. Primary energy consumption prior to and after the renovation is considered to be the one calculated for a typical building, as this has been set in the calculation of the cost-optimal levels of minimum energy performance requirements. A relevant report has been submitted to the European Commission, which mentions and quantifies the measures to be taken.</p> <p>By virtue of the Decision of the Council of Ministers of 14th April 2016, a Committee was set up for upgrading the energy performance of buildings used by central government authorities. The Committee comprises representatives of the Directorate of the Energy Service, of the Ministry of Energy Commerce and Industry (MECI), the Department of Public Works, the Department of Electrical and Mechanical Services and the Directorate of Control of the Ministry of Transport, Communications and Works. It is charged with the planning of the implementation of energy-saving measures based on the technical data and funds available. For the renovation of buildings owned and used by central government authorities, €20 million has been secured from European and Structural Funds for the 2014-2020 period, as the main objective of the Committee is to fulfil the obligation of Article 5 of Directive 2012/27/EC.</p> <p>The same approach will be followed for the 2021-2030 period, but the annual energy-saving target has been recalculated on the basis of the changes to the central government building stock. The total floor area and the energy saving that could be achieved if 3% of the total floor area was renovated annually. The new annual energy-saving target for the 2021-2030 period is 1.31 GWh or 0.11 ktoe.</p>

EED Article	Implementation status
<b>Article 5</b>	<p>The target for the 2021–2030 period is scheduled to be implemented mainly through the following measures:</p> <p>a. Deep renovation: Under the EU Cohesion Funds of the period 2021–2027 a total amount of 45 million euros is expected to be allocated for the deep energy renovation of buildings used by Central Government Authorities;</p> <p>b. Individual measures: Measures identified as being more optimal in terms of cost efficiency, as well as measures that can be combined with maintenance works, will be carried out by the Department of Public Works and the Department of Electrical and Mechanical Services and are financed mainly from national resources;</p> <p>c. Behavioural measures: The Energy Saving (ES) Officer, appointed in each public building, will be responsible for recording energy consumption and promoting energy efficiency mainly by means of behavioural and information measures. He/she plays a central role in changing the behaviour of civil servants towards a more rational use of energy. More information available on the link:</p> <p><a href="https://energy.gov.cy/assets/entipo-iliko/Long%20-%20Term%20Strategy%20for%20Building%20Renovation.pdf">https://energy.gov.cy/assets/entipo-iliko/Long%20-%20Term%20Strategy%20for%20Building%20Renovation.pdf</a></p>
<b>Article 6</b>	<p>Law N.109 (I)/2021 provides for the purchasing by public bodies, taking into account energy efficiency.</p> <p>A circular was sent to all contracting authorities in the public sector, indicating to them the new purchasing framework related to energy efficiency and guidance on the methodology that can be used by them. A methodology has been agreed between MECI and other competent governmental authorities, for setting the energy efficiency criteria that must be fulfilled for new rental agreements for public building.</p> <p>More information is given in section 3.2.1.4. iv of the NECP.</p>

EED Article	Implementation status
<b>Article 7</b>	<p>Law N.109(I)/2021 and N.149 (I)/2015 provides for the development of a National Energy Efficiency Programme (NEEP), for setting the national measures for achieving the national mandatory 2020 target under Article 7. For Cyprus the mandatory cumulative amount of end-use energy savings for the period 2014 – 2020 is 241.58 ktoe. The NEEP was prepared and communicated to the European Commission in 2014. The measures that are implemented each year are described in the Annual Progress Reports submitted to the European Commission. More information about the Annual Progress Reports can be found on the link: <a href="https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficiency-targets-directive-and-rules/national-action-plans-and-annual-progress-reports_en#previous-energy-efficiency-action-plans">https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficiency-targets-directive-and-rules/national-action-plans-and-annual-progress-reports_en#previous-energy-efficiency-action-plans</a></p> <p>For the period 2021 – 2030 Cyprus is planning to implement a mix of Energy Efficiency Obligation Scheme (EEOS) and alternative policy measures for achieving the mandatory cumulative amount of end-use energy savings under Article 7. The cumulative amount of end-use energy savings to be achieved in Cyprus for the period 2021 – 2030 is 243.04 ktoe. The policies and the measures that will be implemented to achieve the mandatory target is explained in detail in Appendix 3 and in section 3.2.1.1. i. of the NECP.</p> <p>The law for regulating the Energy Efficiency Obligation Scheme (EEOs) has been submitted to the House of Representatives and is expected to be adopted in 2021. The total annual savings expected to be achieved by the operation of the EEOs during the period 2021-2030 is 100 ktoe.</p>
<b>Article 8</b>	<p>Laws N.109(I)/2021, N.149 (I)/2015, N.56(I)/2014, N.31(I)/2006, N53(I)/2012 and Regulations K.D.P. 436/2015, K.D.P. 437/2015, K.D.P. 184/2012 regulate issues related to energy audits and energy management systems. MECI has approved educational training programmes for energy auditors for buildings, industrial processes and transport and provided licences to 67 energy auditors and 9 energy service providers. Non-SMEs are obliged by law to perform energy audits and repeat them every four years. In this framework, MECI has prepared a list of non-SMEs and is monitoring the implementation of this obligation. The Energy Service of MECI, in collaboration with the Structural Reform Unit of the European Commission is developing a methodology for the quality control of energy audits in accordance with the requirements of the National Legislation. SMEs are encouraged to perform energy audits. For this purpose, informative measures and financial schemes are available for promoting energy audits, energy management systems and energy efficiency investments in SMEs. The access to the energy services market is transparent and non-discriminatory since registers of the licensed energy auditors and energy services provider are publicly available in the official web page of the Energy Service of MECI.</p> <p>According to the legislation, enterprises that are not SMEs that implement an environmental management system certified by an independent body in accordance with relevant European and international standards may be exempted from the requirements of subparagraph 8.4 of the directive, provided that the system includes an energy audit carried out by licensed energy auditors.</p> <p>More information is given in section 3.2.1.4. iv of the NECP.</p>

EED Article	Implementation status
<b>Article 9,10,11</b>	Laws N.108 (I)/2021 and N. 206 (I)/2015 and K.D.P. 208/2015 regulates issues related to metering, billing information and the allocation of cost to metering and billing information. The study conducted by MECI, examining the economic feasibility and technical suitability for the installation of individual meters or heat cost allocators in multi-apartment and multi-purpose buildings, concluded that it is not technically feasible and/or economically viable to install individual meters or heat cost allocators in such buildings. For the purpose of billing for the thermal energy in the case of multi-apartment and multi-purpose buildings served by a central heating or central cooling source, allocation rules were developed and were made publicly accessible on the website of the Energy Service ( <a href="http://www.energy.gov.cy">www.energy.gov.cy</a> ).
<b>Article 12 and 17</b>	<p>Law N.149(I)/2015 provides for information and training issues. Various measures are being taken by MECI and other organisations, such as the Cyprus Energy Agency, the Electricity Authority of Cyprus etc, aiming to enhance the dissemination or adequate information to schools, households, enterprises and to financial institutions. For increasing public awareness on the benefits of energy efficiency, the measures that are being implemented annually by MECI include information campaigns on media (TV, radio, social media), billboards and daily press.</p> <p>Legislation has been implemented for the licensing of Energy Auditors for buildings, processes and transport, as well as for the licensing of energy service providers. Educational programmes and examinations for energy auditors in buildings and industry were carried out by organisations approved by the Competent Authority (Energy Service – MECI).</p> <p>More information is given in section 3.2.1.4. iv of the NECP.</p>
<b>Article 13</b>	Laws N.109(I)/2021 and N.108 (I)/2021 provide for penalties for any non-compliances to the provisions of the Law and the relevant secondary legislation.
<b>Article 14</b>	Laws N.108(I)/2021 and N206 (I)/2015 regulate issues related to the promotion of efficiency in heating and cooling. The second cycle of national comprehensive assessment of potential for efficiency in heating and cooling has been completed and notified to the Commission according to the revised Annex VIII of Directive 2012/27/EE (Commission Delegated Regulation 2019/826).
<b>Article 15</b>	Laws N.108 (I)/2021 and N. 206 (I)/2015 regulate issues related to energy transformation, transmission and distribution. Trade and Settlement Rules (amending version 2.0.1) allow for the participation of Demand Response Aggregators (DRAs) that represent portfolios of loads of cumulative absorption capacity greater than or equal to 300 kVA each. Participation of DRAs is permitted at the Day Ahead Market, the Real Time Balancing Market and the provision of ancillary services.

EED Article	Implementation status
<b>Article 16</b>	Laws N.109(I)/2021, N.149 (I)/2015, N.31(I)/2006, N53(I)/2012 and Regulations K.D.P. 184/2012, K.D.P. 210/2014 and K.D.P. 344_2016 regulate issues related to qualification, accreditation and certification schemes. Such schemes are already in place for energy auditors, energy service providers and energy managers. Registers are publicly available for energy auditors and energy service providers. For all above cases, provisions for licensed professionals from other MS practising in the Republic are made in the legislation.
<b>Article 18</b>	<p>The Energy Service of MECL website distributes information to promote the market for energy services and access of small- and medium-sized enterprises to this market. Laws N.109(I)/2021, N.149 (I)/2015, N64(I)/2014 and K.D.P. 210/2014 regulate issues related to energy services. The legislation in place sets, amongst others, the qualification scheme for energy service companies (ESCOs), minimum elements to be agreed at the energy performance contracting and the procedure that has be followed for verifying savings. Standard energy service contract documents, the registry of the licensed energy service companies as well as an ongoing grants scheme for carrying out energy audits in SMEs are available on the website of the Energy Service (<a href="http://www.energy.gov.cy">www.energy.gov.cy</a>)</p> <p>More information is given in section 3.2.1.3 iii of the NECP.</p>
<b>Article 19</b>	<p>Laws N.109(I)/2021 and N.149 (I)/2015 regulate issues for other measures to promote energy efficiency. In 2016 the technical report titled 'Split incentives and energy efficiency in Cyprus' was prepared by the JRC for the Ministry of Energy, Commerce and Industry, which examines, amongst others, the split incentives between tenants and owners and in buildings with multiple owners.</p> <p>Based on the above-mentioned study, measures have already been adopted, such as the revision of the methodology for calculating the energy performance of buildings and establishing a registry of technical building systems and small-scale installers RES systems. In addition, the Support Scheme 'Save &amp; Upgrade' for enterprises and households that operated in the period 2014-2020 attempted to give solutions to the obstacles that prevent the energy upgrading of buildings rented and those owned by several owners. Buildings that were rented could also be eligible for finance. In the case of SMEs, the SME that was using the rented building was the applicant and beneficiary, regardless of whether it owned or rented it. In the case of households, rented buildings could also be included, but the application could be filed only by the owner. Moreover, there was special provision for including a multi-apartment building in the plan, whereby a management committee was the applicant and beneficiary of the grant. Similar provisions will be included in new financing schemes during 2021-2030. Additional measures to address split incentives will also be examined.</p>
<b>Article 20</b>	Its provisions are being implemented since they are in line with existing legislation (Laws N112(I)/2013,121(I)/2015, 157(I)/2015, 62(I)/2018).
<b>Article 21</b>	K.D.P. 438/2015 regulates issues related to the conversion factors. For the purpose of converting final energy to primary energy, the conversion factors set out in Annex IV are applied apart from the electricity coefficient where the conversion factor is determined in the framework of the NECP, where modelling results had been used.

## 2.2. Non-legislative provisions

The major non-legislative measures currently in place are:

1. Implementation of energy efficiency measures in the buildings occupied and used by the central government including deep renovations, utilising EU structural and cohesion funds. A working group has been established between the Ministry and the Public Works Department (Ministry of Transport and Works) for this purpose. More information on Article 5 is provided in paragraph 2.1 above.
2. Operation of the financing scheme “Save – Upgrade”, which is the main incentive in upgrading the energy efficiency of the existing private sector’s buildings. It is co-financed by EU funds and it targets deep renovation of households. The scheme promotes simultaneously all policy objectives, such as the involvement of qualified experts and auditors, extensive use of the Energy Performance Certificates by the market, the promotion of NZEBs, as well as higher subsidies for vulnerable consumers.
3. Promotion of projects of energy efficiency in street lighting utilising national funds.
4. Implementation of pilot projects for energy efficiency in public buildings in the framework of the co-funded EU programmes.
5. Implementation of measures in transport sector, utilising EU structural and cohesion funds.
6. Installation of smart meters.
7. Provision of information and training to the public sector aiming to raise awareness on more efficient energy use.
8. Certification of professionals in the field of energy efficiency.
9. Provision of information / education to energy professionals and final consumers about energy efficiency. This is done through the publication of promotional material and workshops, as well as the organisation of exhibition fairs, with the participation of all companies and organisations who are actively involved in the energy efficiency sector.
10. Promotion of buildings with higher energy efficiency than what’s legally demanded, by providing the incentive of an increase of the maximum space allowed by the building permits. This measure is implemented in collaboration with the Ministry of Interior.
11. Support Schemes operated by RES and Energy Conservation Fund. On the basis of the Support Schemes, financial incentives are provided in the form of subsidy or state grants to both individuals and businesses for investments in the field of RES and Energy Efficiency. The Support Schemes are approved by the Council of Ministers, after a proposal by MECI. Currently the available Support Schemes are: roof thermal insulation in dwellings, roof thermal insulation in dwelling in combination with the installation of PV, installation of PV systems in dwellings using the Net-Metering method, installation of PV systems in dwellings of vulnerable electricity consumers using the Net-Metering method, installation of PV systems and smart meters in households for charging electric or hybrid vehicles and promotion of Energy Audits in small and medium-sized enterprises.
12. Promotion of Energy Efficiency in Enterprises, through voluntary agreements under the “Business 4 climate” initiative. Enterprises (other than those involved in the ETS) participating in the project have to sign off a voluntary declaration, to reduce greenhouse gas emissions by more than 8% by 2030.
13. Supporting Scheme for promoting energy efficiency investments in small and medium-sized enterprises, municipalities, communities and the wider public sector through the European Structural and Investment Funds (Programming Period 2021-2027).

14. Energy Fund of Funds (EnergyFoF) providing soft loans for energy efficiency. As part of the National Operational Programme “Competitiveness and Sustainable Development 2014-2020”, the Directorate General for European Programmes, Coordination and Development (DG EPCE), has dedicated resources to the implementation of an Energy Fund of Funds (EnergyFoF) managed by European Investment Bank. The financial product that will be offered through the EnergyFoF is loans to legal or natural persons to materialise investments aiming to increase the energy efficiency.
15. Cyprus has included projects of more than 560 million euros in the field of green energy for funding under the [Recovery And Resistance Mechanism](#) and the European Cohesion Funds. The majority of the energy-related reforms and investments included are part of the key policies and measures of the National Energy and Climate Plan (NECP), aiming at the optimal attainment of the national energy and environmental objectives and considering the “energy efficiency first” principle. More specifically the measures and policies prescribed in the energy sector aim to trigger green investments in households, enterprises as well as in municipalities, communities, the wider public sector (including schools, hospitals, army buildings) and NGOs, in order to make buildings, other facilities and processes become more energy and resource efficient. Through improvement of the energy efficiency of the building stock and the financial support of green investments in housing, SMEs, NGOs and the wider public sector will enhance the country’s growth potential, stimulate sustainable economic activity and job creation, as the economy transitions into more digital and less carbon-intensive activity, both directly through the implementation of the required investments and indirectly through the resulting increased competitiveness of the economy.

### 2.3. Implementing bodies

MECI is responsible for the overall implementation of the EED in Cyprus. However, the Department of Public Works and the Department of Electrical and Mechanical Services are responsible for the implementation of the measures under Article 5. In addition, Cyprus Energy Regulatory Authority (CERA) is the implementing authority of the various provisions related to energy transformation, transmission and distribution (Article 15). The implementing bodies of the measures under Article 7 of the EED are described in Appendix 3 of the NECP of Cyprus.

### 3. Implementation of revised EED articles

The NECP includes information on implementing the revised EED articles. Moreover, legislation amendments took place in 2021. For full information on the changes see the EED notification to the Commission of 25th May 2021, notifying full harmonisation with revised EED articles. The information already given in sections 2.1 and 2.2 above is also relevant to this section.

### 4. Relevant information

Relevant information can be found on the websites of Energy Service ([www.energy.gov.cy](http://www.energy.gov.cy)) and Ministry of Energy, Commerce and Industry ([www.meci.gov.cy](http://www.meci.gov.cy)). More information on Support Schemes can be found on website of RES and Energy Conservation Fund (<https://resecfund.org.cy>). In addition, there is more information about the energy efficiency policies and the measures that will be implemented in the coming years in Cyprus Integrated National Energy and Climate Plan 2021-2030 ([https://ec.europa.eu/info/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans\\_en](https://ec.europa.eu/info/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans_en)).