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1 Implementation of Tracking Systems

1.1 Electricity Disclosure

A disclosure system is not yet implemented in Cyprus. Whilst Directive 2009/28 has been transposed to national legislation in 2013, a draft Disclosure regulation was submitted in October 2014 to the Regulating Authority and is expected to be approved by the end 2015. In the draft Disclosure Regulation, the RE-DISS Methodology of Residual Mix Calculation Issuance-Based Method is adopted. An electronic registry for issuing RES-E and CHP GOs has been operational since 2011 (<https://gocy.dsm.org.cy/Default.aspx>). It should be noted that HE-CHP GO have not been issued yet (a single plant has applied for registration and its application is being processed). The Cyprus Energy Regulatory Authority (CERA) has been the competent body for disclosure since 2003. The Manuals of the Electronic Registry (<https://gocy.dsm.org.cy/Default.aspx>) represent additional technical guidelines used in Cyprus.

Prior to being submitted to the Regulator, the Disclosure regulation, had received the written approval of the AIB, during the Cyprus TSO application process into the organization. Cyprus-TSO was made a full member of the AIB, in September 2014.

1.1.1 Disclosure Figures

No disclosure figures exist for 2014. However, the draft Disclosure Regulation has adopted RE-DISS Methodology of Residual Mix Calculation (Issuance-Based Method). The disclosure figures will include the following attributes: renewable, fossil fuels, and other sources and a table format for providing the data is suggested and will be comparable to the national production mix. TSO-Cy will perform the calculation for each Supplier and this information will be centrally available at the TSO-Cy and the Regulator (CERA)'s website.

1.1.2 Environmental Information

According to the draft regulation, the environmental information will be given as CO₂ emissions. The data basis will be determined by TSO-CY and approved by the Regulator.

1.1.3 Suppliers Fuel-Mix Calculations

According to the submitted Disclosure Regulation the Suppliers' Fuel-Mix calculation will be based on the RE-DISS BPR. The Regulation provides for Product Fuel-Mix disclosure, as well.

1.1.4 Acceptance of GOs

Foreign RES-GOs are examined by the Cyprus Energy Regulating Authority. Foreign HECHP-GOs are examined by the Ministry of Energy, Commerce, Industry and Tourism. GOs should be issued by Authorized Issuing Bodies. Imported GOs issued by an accredited Body are not treated differently from national GOs when it comes to disclosure. RES-and CHP GOs issued outside Cyprus are examined by the Cyprus Energy Regulatory Authority and the Ministry of Energy, Commerce, Industry and Tourism, respectively. The major criterion is that GOs should be issued by Authorized Issuing Bodies. This criterion was implemented with the transposition of the RES directive into national legislation (Law 112/2013).



1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

The RES-E and CHP GO scheme have been operational since 2011 (<https://gocy.dsm.org.cy/Default.aspx>). The Cyprus Energy Regulatory Authority (CERA) is the competent body and the national Transmission System Operator (TSO-Cy) is the authorised issuing body, both since 2003.

Legal basis for RES-E GO is law N.112(I)/2013 (Law for the Promotion and Encouraging the Use of Renewable Energy Sources) implementing Directive 2009/28/EC into national legislation, law N.33(I)/2003 and subsequent amendments (Law for the Promotion and Encouraging the Use of Renewable Energy Sources and Energy Conservation). Law N.33(I)/2003 was enacted for harmonisation with Directive 2001/77/EC. Additional legal basis are the Cyprus Energy Regulatory Authority (CERA) Decision published on 12 Sept 2008, No 6271 and the Cyprus Energy Regulatory Authority (CERA) Decision No. 02/2010 published on 8 Oct 2010, available at <https://gocy.dsm.org.cy/docs/RES.pdf> (in Greek only).

Legal basis for CHP GO is Law N.174(I)/2006 (Law for the Promotion of Cogeneration of Power and Heat) and subsequent amendments. This law was enacted for harmonisation with Directive 2004/8/EC. Additional legal basis is the Regulative Administrative Act No. 185/2012 published on 25 May 2012, available at <https://gocy.dsm.org.cy/docs/CHPreg.pdf> (in Greek only).

The submitted Regulation provides that GOs are the only means for proving the origin of Electricity in Supplier Fuel Mix Disclosure. A non-transferable certificate, 'copy' of the original GO, is now issued by the Electronic Registry as proof for payment by support schemes.

1.2.1 GO Statistics

The following table shows the GOs issued and expired in the years 2011, 2012, 2013, and 2014 in the electronic register maintained by TSO-Cy.

Table 1: Data on issued GOs from the electronic registry maintained by TSO-Cy

| Year | Issued | Expired |
|-------|--------|---------|
| 2011 | 54333 | |
| 2012 | 155500 | 54333 |
| 2013 | 222574 | 164298 |
| 2014 | 182419 | 209160 |
| Total | 614826 | 427791 |

As there is no Disclosure regulation yet, GOs are not cancelled by suppliers but rather remain in the Electronic Registry until they expire.

The GO Registry was established outside EECS and is currently being upgraded in order to be fully compatible with EECS and the AIB hub. According to the contract signed for the Registry upgrade, all changes will be completed by July 2015.

1.3 RES-E Support Schemes

The Cyprus government launched, in 2004, public Support Schemes for the promotion of RES-E, based on feed-in tariffs. The Support Schemes are designed to achieve national targets on RES production and RES technology penetration. The Support Schemes are applied until today, and the feed-in-tariff is determined by Cyprus Energy Regulatory Authority (CERA).

The Support Schemes are prepared and administered by the Ministry of Energy, Commerce, Industry and Tourism under the "Special Fund for the promotion of RES and Energy Conservation". The "Special Fund" was established in 2003 under Law No.33(I)/2003 and it is now functioning under Law No.112(I)/2013. Revenue for the Special Fund comes from the Renewables Levy on electrical energy consumption.

RES producers receive the fuel avoidance cost from the Electricity Authority of Cyprus (EAC), as approved by CERA, and the rest of the feed in tariff premium from the Special Fund. If the fuel avoidance cost is higher than the feed in tariff premium, EAC pays the difference to the Special Fund.

The already installed RES plants operating under the different support schemes and the national targets for 2020 are shown below:

Table 2: FIT schemes and national targets for 2020

| | Installed | Target for 2020 * |
|---------------|---|-------------------|
| Wind Farms | 157,3 MW | 175 MW |
| Photovoltaics | 60 MW (Residential up to 7 kW and commercial up to 150 kW)) | 225 MW |
| Biomass | 9,7 MW | 15 MW |
| CSP | | 25 MW |

* Targets for 2020 are being continually evaluated

Up until 2012, the announced feed in tariff schemes covered biogas from landfill, biomass, residential PVs up to 7 kW, commercial PVs up to 150 kW, CSPs, small wind systems up to 30 kW, and large wind farms. Based on a bidding process in 2012, a feed in tariff scheme was determined for 50 MW of large commercial PVs up to 10 MW.

The feed in tariff schemes announced in 2013 covered small photovoltaics (20-150 kW) and use of landfill gas. Furthermore, CERA has launched the “net metering” scheme for domestic photovoltaics for a total of 15 MW, also in 2013.

Issuing of GOs to RES producers is independent of any support received, e.g. investment support or feed in tariff premium. Revenues from GOs will thus be an additional benefit to producers.

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

No proposals beyond the Disclosure Regulation that is expected to be approved by the end of May 2015 are suggested.

2.2 Proposals regarding Disclosure

The draft Disclosure Regulation is expected to be approved by the end of 2015 and is strongly harmonised with the RE-DISS BPR.

2.3 Proposals regarding RE-GO

According to the RE-DISS BPR, the following proposals regarding RE-GO are suggested:

- BPR [19]: No regulation exists for the possibility of end-consumers to be allowed to directly purchase GOs. That should be created.

2.4 Proposals regarding CHP-GO

No proposals beyond the Disclosure Regulation that is expected to be approved by the end of May 2015 are suggested.

2.5 Proposals regarding Acceptance of GO

No proposals beyond the Disclosure Regulation that is expected to be approved by the end of 2015 are suggested.

2.6 Further proposals regarding Disclosure

No further proposals regarding Disclosure will be suggested until the Disclosure Regulation has been put into force.

2.7 Matrix of disclosure related problems and country-specific proposals

| Problem | Country-specific proposal |
|---|---------------------------|
| Possible double counting in different explicit tracking instruments | |
| Double counting of attributes in implicit tracking mechanisms | |
| Double counting within individual supplier's portfolio | |
| Loss of disclosure information | BPR: [19] |
| Intransparency for consumers | |
| Leakage of attributes and/or arbitrage | BPR: [19] |
| Unintended market barriers | |

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