

Last updated: date (03/04/2014)

## 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 regulation for disclosure is still under study/development by CERA and TSO-Cy. In the draft Disclosure Regulation under development 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.

#### 1.1.1 Disclosure Figures

No disclosure figures exist for 2012. However, in the draft Disclosure Regulation under development the RE-DISS Methodology of Residual Mix Calculation Issuance-Based Method is adopted. The disclosure figures will include the following attributes: renewable, fossil fuels, and other sources.

No environmental information exists for 2012. However, in the draft Disclosure Regulation under development the RE-DISS Methodology of Residual Mix Calculation Issuance-Based Method is adopted. Thus, the disclosed environmental information will include CO<sub>2</sub> emissions and radioactive waste.

#### 1.1.2 Environmental Information

The basis for environmental information is under study in the draft disclosure regulation.

#### 1.1.3 Suppliers Fuel-Mix Calculations

According to the draft Disclosure Regulation under development the Suppliers' Fuel-Mix calculation will be based on the RE-DISS BPR.

#### 1.1.4 Acceptance of GOs

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 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).

As disclosure Regulation is under review by AIB but has not been passed yet, GOs are currently only used as proof for support schemes (feed in tariffs). However, this is going to be changed in the Disclosure regulation being drafted. A non-transferable certificate, 'copy' of the original GO, is going to be issued by the Electronic Registry as proof for payment by support schemes. As the Registry is being changed to be compatible with the AIB hub, production support (feed in tariff) will also be stated on the GO.

Use of GOs is mandatory where an electricity supplier is required to prove the share or quantity of energy from RES in its energy mix for the purposes of Article 3(6) of Directive 2003/54/EC.

### 1.2.1 EECS

The GO Registry was established outside EECS and is currently being modified in order to be fully compatible with EECS and the AIB hub.

### 1.2.2 GO Statistics

The following table shows the GOs issued and expired in the years 2011, 2012 and 2013 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
Total	432407	218631

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

## 1.3 RES-E Support Schemes

The Cyprus government has 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 FIT 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	146,5 MW	175 MW
Photovoltaics	31,3 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

According to the RE-DISS Best Practise Recommendation, the following proposals regarding Disclosure are suggested:

- BPR [1a]: Metered production periods for issuing GOs, no longer than a calendar month, should be implemented. At the moment, RES-GO System measurement is monthly or bimonthly according to billing period. HE-CHP GO system measurement is annually as such plants are small in size (less than 5 MW consisting of biogas plants using ICE engines for CHP generation).
- BPR [7, 7a, 7b]: The GO Registry was established outside the EECS and is currently being modified in order to be fully compatible with EECS and the AIB hub.

### 2.2 Proposals regarding Disclosure

The draft Disclosure Regulation, which is under development, is strongly harmonised with the RE-DISS BPR. This should be implemented as soon as possible.

### 2.3 Proposals regarding RE-GO

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

- BPR [10]: GOs are currently being issued for total generation production. This is planned to be changed to be fully AIB Hub and EECS compatible.
- BPR [19]: No regulation exists for the possibility of end-consumers to be allowed to directly purchase GOs. Thus that should be created.

## 2.4 Proposals regarding CHP-GO

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

- BPR [15a]: For CHP plants which are using RES as the energy source, only one GO should be issued per unit of electricity. Currently one GO for RES and one GO for HE-CHP can be issued for the same production period.

## 2.5 Proposals regarding acceptance of GOs

According to the RE-DISS BPR, the following proposal regarding acceptance of GOs is suggested:

- BPR [21]: Rejection criteria for the recognition of GOs from other countries are almost in line. This should be fulfilled as soon as possible.

## 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	[7], [7a], [7b], [10], [15a]
Double counting of attributes in implicit tracking mechanisms	[21]
Double counting within individual supplier's portfolio	
Loss of disclosure information	[19]
Intransparency for consumers	
Leakage of attributes and/or arbitrage	[1a], [19]
Unintended market barriers	[7], [7a], [7b]

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