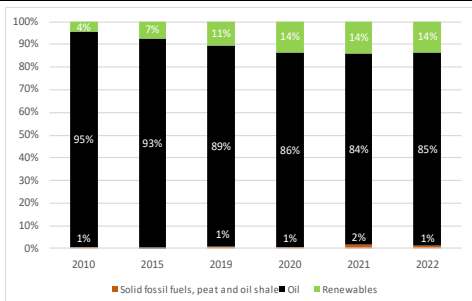




REPowerEU Two Years on_Cyprus

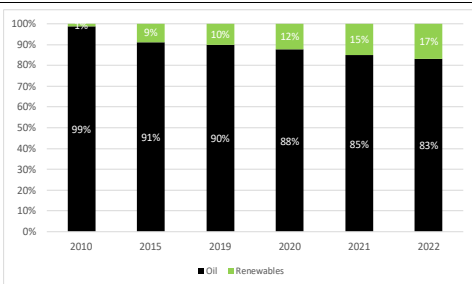
Key energy figures

Graph 1: Energy mix



Source: Eurostat

Graph 2: Electricity mix



Source: Eurostat

Save energy

1. KEY ENERGY SAVINGS MEASURES

Cyprus is implementing energy efficiency measures to contribute to energy security further, such as:

- An **aid scheme** was launched in December 2021, providing a grant to vulnerable consumers to replace energy-intensive domestic appliances, particularly air

⁽¹⁾ Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage.

conditioners and refrigerators, with new efficient high energy-class appliances. The measure is expected to lead to the replacement of 11,500 energy-intensive domestic appliances.

- An **information campaign to promote an energy-saving culture** was launched, providing households and businesses information on simple actions that have zero or minimal cost as well as on existing grant schemes for high-cost energy savings investments.

2. GAS DEMAND REDUCTION

Cyprus does not use natural gas in its energy mix.

Diversify energy supplies

1. KEY ACTIONS

Cyprus relies on petroleum products that are entirely imported for more than 80% of its energy needs, but it has managed to substantially reduce its energy import dependency on non-EU countries, from 48% to 31%. Ending Cyprus' energy isolation will accelerate the green transition, boost renewables in power generation and reduce energy prices for consumers.

2. GAS INFRASTRUCTURE DEVELOPMENTS

Besides the gas discoveries in its exclusive economic zone (EEZ), Cyprus aims to include natural gas in its energy mix and is in the process of developing an LNG terminal at the Vasilikos port. The project has suffered significant delays and the completion date is July 2024.

3. GAS STORAGE

Cyprus has no underground gas storage facility and is exempted from the regulation on gas storage⁽¹⁾.

Energy platform

- In the **four EU tenders** for joint gas purchase organised **under AggregateEU in 2023**, 113 companies across the EU expressed gas demand of over 54 bcm. 48 suppliers replied with bids of more than 61 bcm, resulting in **over 42 bcm of demand matched**.
- In the **first mid-term tender of 2024**, 19 companies expressed 34 bcm of gas demand for the next 5 years, with **97.4 bcm offered by suppliers**.
- According to the indicative data obtained through AggregateEU, companies from **Cyprus aggregated gas demand of 0.00 bcm** in 2023 under the EU Energy Platform.

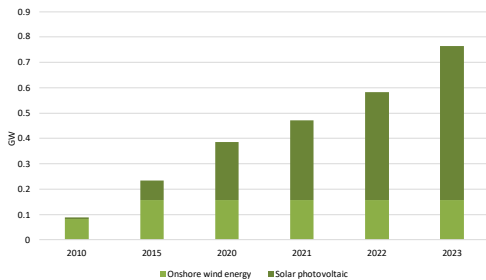
Produce clean energy

1. INSTALLED RENEWABLE ELECTRICITY CAPACITY, IN WIND AND SOLAR

In **2023**, Cyprus installed 182 MW of renewable electricity capacity, bringing the total to **778 MW** (vs. 485 MW in 2021).

In **2023**, the annual growth rate of installed renewables power capacity rose to **30.6%** compared to 21.4% in 2021.⁽²⁾

Graph 3: **Installed solar and wind power capacity (in GW)**



- (1) The renewable power capacity data reflects the capacity installed and connected at the end of the calendar year.
- (2) In 2023, Cyprus installed 0.5 MW of wind power capacity (vs. a decrease of 0.2 MW in 2021).
- (3) In 2023, Cyprus installed 182 MW of solar photovoltaic capacity (vs. 85 MW in 2021).

Source: IRENA, Renewable capacity statistics, 2024

2. ELECTRICITY INFRASTRUCTURE DEPLOYMENT

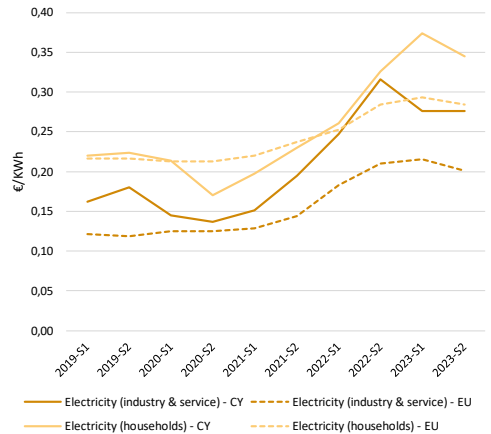
The Great Sea Interconnector (former EuroAsia) project which will connect the Cypriot power grid to the Greek/European electricity market has experienced delays but positive developments took

⁽²⁾ International Renewable Energy Agency (2024). Renewable capacity statistics 2024.

place at the end of 2023. Smart meters rollout plan is also late on schedule.

Energy price developments

Graph 4: **Cyprus' energy retail prices for households and industry & service**



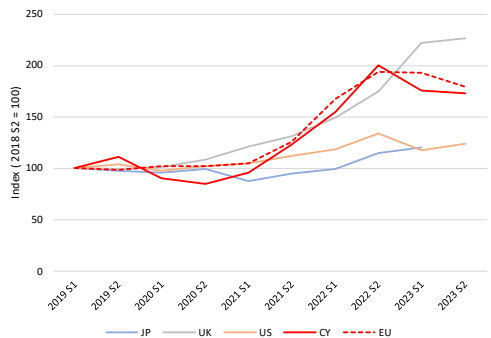
(1) For industry, consumption bands are I3 for gas and IC for electricity, which refer to medium-sized consumers and provide an insight into affordability

(2) For households, the consumption bands are D2 for gas and DC for electricity

(3) Industry prices are shown without VAT and other recoverable taxes/levies/fees as non-household consumers are usually able to recover VAT and some other taxes

Source: Eurostat

Graph 5: **Trends in electricity prices for non-household consumers (EU and foreign partners)**



(1) For Eurostat data (EU and CY), the band consumption is ID referring to large-sized consumers with an annual consumption of between 2 000 MWh and 20 000 MWh, such as in electricity intensive manufacturing sectors, and gives an insight into international competitiveness

(2) JP = Japan

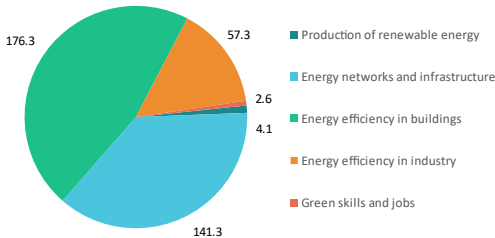
Source: Eurostat, IEA

Smartly combine investments and reforms in the RRP

Amended Recovery and Resilience Plan (RRP), including a REPowerEU chapter:

- Approved by Council: 8 December 2023
- Total amount: EUR 1.22 billion
- Amount allocated for energy: EUR 0.38 billion
- Climate tagging: RRP: 45.1 %; REPowerEU chapter: 94.2 %

Graph 6: **Energy-related investments in the RRP (in EUR million)**



Source: European Commission

Tangible results: reforms & investments

- **Energy efficiency in buildings:** Promoting extensive energy upgrading of housing stock. The renovation programme shall lead to a 30% reduction in the Primary Energy Demand of the at least 1100 buildings renovated.
- **Renewables:** Digital One-Stop Shops to streamline renewable energy projects.
- **Infrastructure:** contribution of EUR 100 million to building a cross-border electricity interconnector with a total length of 1,208 km between Crete, Cyprus and Israel.
- **Energy efficiency in industry:** Scheme of at least EUR 10 million for the enhancement of the competitiveness and the energy efficiency of large enterprises in Cyprus. It is dedicated to support energy efficiency investments undertaken by large enterprises, such as investments for improving the energy performance of buildings, for energy efficiency measures related to production processes, for renewable energy and cogeneration systems, as well as for circular economy.

Highlights of the National Energy and Climate Plan

- The **draft updated NECP** was submitted to the European Commission in July 2023.
- Member States are due to submit their **final updated NECP by 30 June 2024**, taking into account the Commission recommendations.
- For more information see the dedicated [webpage of the European Commission on the NECPs](#).

Strengthening competitiveness with the Net Zero Industry Act

Due to its economic and geographical characteristics, Cyprus has limited potential for the development of a fully-fledged Net-Zero supply chain and remains dependent on imports for renewable energy deployment.

Cleantech initiatives are currently limited, with the majority of examples being start-ups or pilot projects (e.g. design of innovative technologies for renewable natural gas).

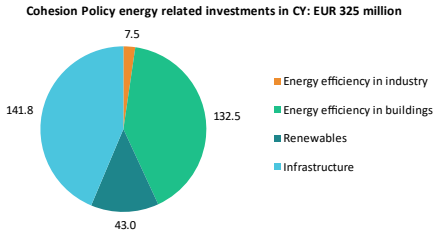
Regarding key materials for clean technologies, Cyprus is home to a hydrometallurgical plant in the area of Skouriotissa which processes laterite to recover nickel, an essential material for battery manufacturing. The plant has been operational since 2021, with an expected annual production capacity of 50 000 tonnes of nickel sulphate.

Other EU initiatives

Cohesion Policy provides significant support to REPowerEU in all EU MS, with a total of EUR 89 billion worth of investments focusing on regions most in need in the energy transition.

Most resources concentrate on energy efficiency in the buildings sector (i.e. 720 000 dwellings across the EU will be renovated and public buildings will decrease their energy consumption by 6000 GWh/year) and on energy infrastructure (i.e. 4.9 GWh of additional electricity storage deployed), followed by renewables (e.g. 9.5 GW of additional renewable energy capacities installed).

Graph 7: **2021-2027 energy-related investments in the Cohesion Funds supporting REPowerEU**



Source: Cohesion Open Data⁽³⁾

⁽³⁾ <https://cohesiondata.ec.europa.eu/d/hgyj-gyin>