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# Support Schemes for Energy Conservation and Promotion of Renewable Energy Sources 2009-2013

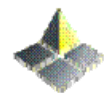
Ioannis (Yiannis) Economides  
Industrial Extension Officer

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Energy Service  
Ministry of Commerce, Industry and Tourism



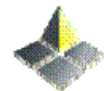
«Intelligent Energy, Protecting the Environment»  
Hilton Hotel Lefkosia (Nicosia)  
**18 June 2009**



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# Contents

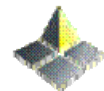
1. Overview of support schemes for EC and RES
2. Overview of total support awarded 2004-2008



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# SCOPE

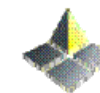
**To provide financial incentives for the promotion of investments in the field of Energy Conservation and Renewable Energy Sources**



# RES & Energy Conservation Support Schemes

## Main RES Categories supported:

- Solar Thermal Systems (space heating/cooling & Water heating)
- Photovoltaic Systems (stand-alone & grid Connected electricity production)
- Wind Systems (electricity production & water pumping)
- Solar thermal Plants (electricity production)
- Biomass (space heating/cooling & electricity production)
- Geothermal Heat-Pumps (space heating/cooling)



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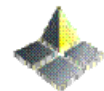
## RES & Energy Conservation Support Schemes

### Main Energy Conservation Categories Supported:

Energy conservation in Enterprises

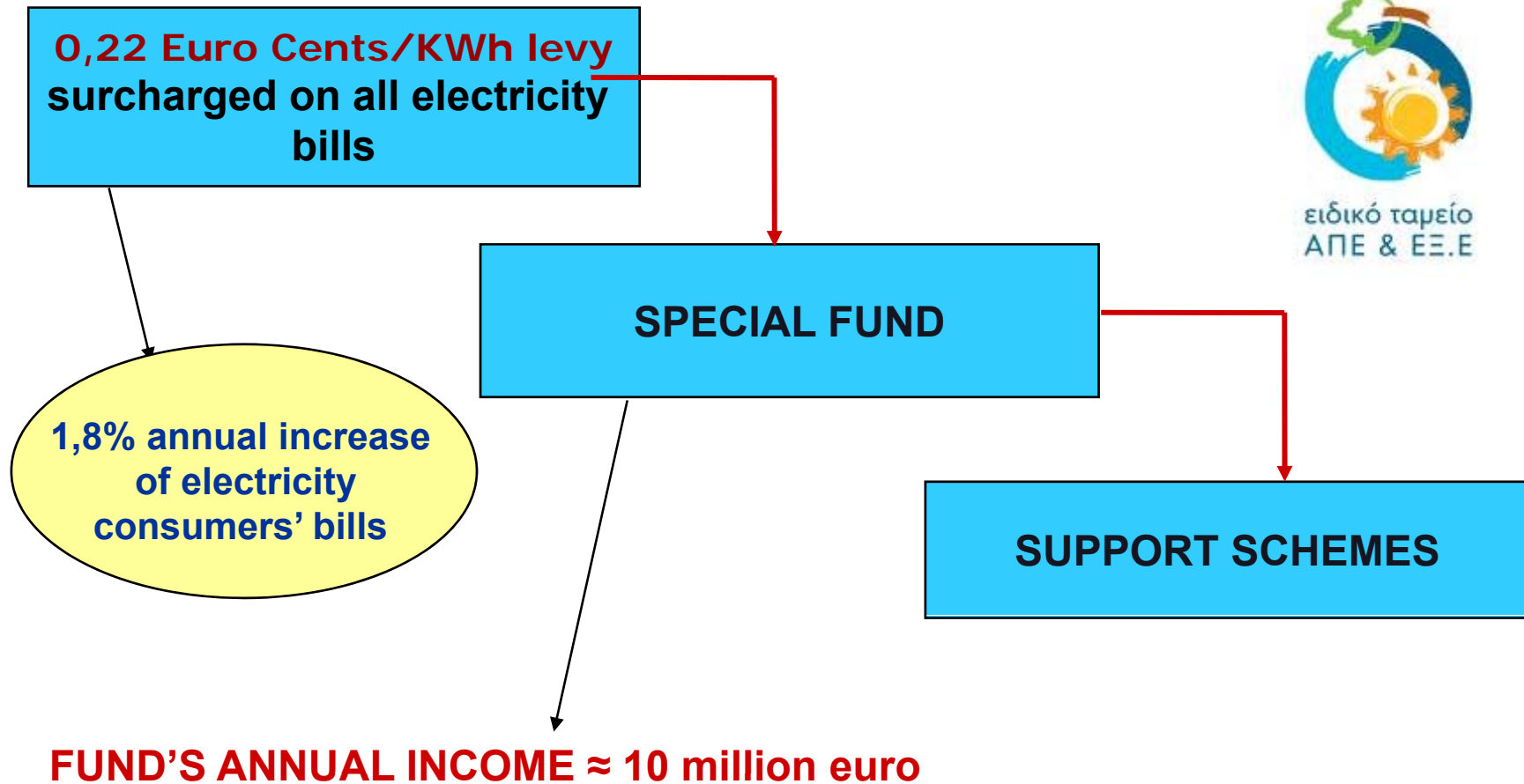
Housing Sector – Thermal Insulation

Transport (Low emission vehicles: Hybrid, Electric, Dual Propulsion / Flexible Fuel and Low CO2 emissions)

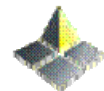


# SPECIAL RES FUND

The Law (N.33(I)/2003) for the promotion of Energy Conservation and RES



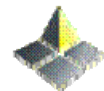
«Intelligent Energy, Protecting the Environment»  
Hilton Hotel Lefkosia (Nicosia), 18 June 2009



# 2009 SUPPORT SCHEMES

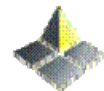
## *PARALLEL OPERATION OF 3 SCHEMES*

1. Support Scheme for the promotion of **Electricity Production** from large (>30KW) commercial wind farms, solar thermal and photovoltaic systems, the utilization of biomass (subject to the approval of DG Competition, expected within the next few weeks) - Operating aid in the form of guaranteed feed in tariffs.
2. Support Scheme for the promotion of Energy Conservation and the Renewable Energy Sources for Individuals (Natural Persons) and not-for-profit Organizations that **do not exercise economic activity** – Investment aid or a combination of investment and operating aid.
3. Support Scheme for the promotion of Energy Conservation and the Renewable Energy Sources for Individuals and Legal Entities as well as Public Sector Entities that **exercise economic activity** – Investment aid or a combination of investment and operating aid.



# 2009 SUPPORT SCHEMES

1. Support Scheme for the promotion of **Electricity Production** from large (>30KW) commercial wind farms, solar thermal and photovoltaic systems, the utilization of biomass – Operating aid

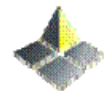


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# Support Schemes

## Large Scale Investments for Electricity Production

- Operating aid in the form of guaranteed Feed-in Tariffs
- Support Type : **ENVIRONMENTAL**
- Subject to the approval of EU DG Competition**
- Priority to **mature projects** which obtain all necessary permits and certificates
- Applications : **PRIOR** the implementation of the investment (ordering of equipment of commencing of work)

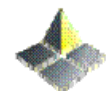


# Support Schemes

## Large Scale Investments for Electricity Production

CATEGORY	Feed-in Tariff (€)/ kWh	Maximum CAPACITY that can be subsidized by 2013 (MW)
Wind Farms	0.166	165
Large Photovoltaic Systems (21-150KW)	0.34	14 (2 MW per year)
Small Photovoltaic Systems (up to 20KW)	0.36	-
Solar Thermal System	0.26	25
Biomass Utilization	0.135	4
Biogas Utilization	0.1145	3

- Feed-in Tariff duration: 20 years
- Compensation benefits 2% of annual income shall be paid to the communities in the vicinity of the facilities (WIND, SOLAR THERMAL and BIOMASS only)
- Certificate of guarantee of origin should be issued by TSO.



# Support Schemes

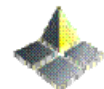
## Large Scale Investments for Electricity Production

- **Beneficiaries:**

- Any natural or legal entity as well as public service entities and local government administrations that exercise any commercial activity have the right to file an application. Eligible applicants must not be liquidated or be in the process of liquidation or be under prosecution.

- **Cumulation:**

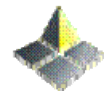
- The subsidies of the present scheme cannot be cumulated with other community or state funds for the same eligible costs.



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## 2009 SUPPORT SCHEMES

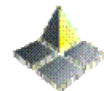
2. Grant Scheme for the promotion of Energy Conservation and the Renewable Energy Sources for Individuals (Natural Persons) and Organizations that **do not exercise economic activity.**



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## 2009 SUPPORT SCHEMES

3. Grant Scheme for the promotion of Energy Conservation and the Renewable Energy Sources for Individuals and Legal Entities as well as Public Sector Entities that **exercise economic activity.**



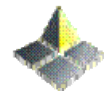
# LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

## BENEFICIARIES

Any natural or legal entity that exercise economic activity have the right to apply.

For an application to be submitted, the beneficiaries must:

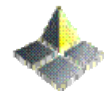
- not be in the process of undergoing liquidation or have undergone liquidation in the past
- not be in the process of prosecution and
- be established in locations under the control of the Republic of Cyprus.
- satisfy the eligibility requirements stated on the Scheme



# LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

## Aid Types :

- de-Minimis**
  - 200.000 euro / 3-year period (100.000 for transport)**
  
- Regional,**
  - Area allocated for Regional Aid**
  
- Agricultural**

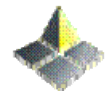


# REGIONAL AID

## LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

**Regional Aid cannot be received by companies that are involved with:**

- ❑ the activities of fishery and agriculture sectors
- ❑ primary production of agricultural products that are listed in appendix 1 of the EU treaty
- ❑ preparation and production of products that are considered to be imitation or substitutes for milk and dairy products as described in article 3 paragraph 2 of Regulation EEC no 1898/87.
- ❑ Companies considered to be in difficulty according to article 1 item 7 of Commission Regulation (EC) no 800/2008.

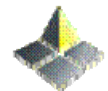


# de minimis Aid

## LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

**The de minimis regulation shall not apply to companies that have:**

- activities in the fishery and aquaculture sectors.
- activities in the primary production of agricultural products
- the acquisition of road freight transport vehicles which are subsidized for businesses which carry out freight transfers for third parties
- enterprises considered to be problematic as defined in the community guidelines regarding public aid for the salvage and reforming of problematic enterprises (EE C244 11/10/2005, page2).

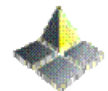


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# Agricultural Aid

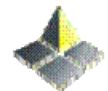
## LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

- ❑ **Beneficiaries can be only small and medium sized businesses that have been established for the primary production of agricultural products can receive Agricultural aid.**
- ❑ **Beneficiaries of the Agricultural aid are considered those that use the majority of energy produced from RES (greater than 50%) for the requirements of their own agricultural installations.**
- ❑ **Any beneficiaries that will sell the majority of energy they produce to third parties, will not receive Agricultural aid but instead the Regional or De-minimis aid.**



# LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

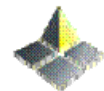
- Applications : Must be submitted **PRIOR** the Commencement of works**
- Own Contribution : At least 25%**
- Cumulation is prohibited**



# LEGAL ENTITIES THAT EXERCISE ECONOMIC ACTIVITY

## **Commencement of works:**

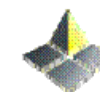
“Commencement of works” means either the commencement of construction works or the first legally binding undertaking for the purchase of equipment not including the preliminary studies, depending on which of one of the above comes first.



# RES Support Schemes

## Solar Energy (thermal)

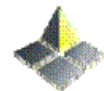
CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERCISE ECONOMIC ACTIVITY		FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERCISE</b> ECONOMIC ACTIVITY	
	GRANT %	MAXIMUM GRANT AMOUNT €	GRANT %	MAXIMUM GRANT AMOUNT €
Central Hot Water Heating Solar Systems	45	26,000	30 (de minimis) 15-30 (regional)	20,000
Solar Systems for Space Heating and Cooling	55	120,000	40 (de minimis) 15-30 (regional)	85,500



# RES Support Schemes

## *Solar Energy (Photovoltaics)*

CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERCISE ECONOMIC ACTIVITY			FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERCISE</b> ECONOMIC ACTIVITY		
	GRANT %	MAXIMUM GRANT AMOUNT €	Total KWh purchase price €	GRANT %	MAXIMUM GRANT AMOUNT €	Total KWh purchase price €
Grid Connected Photovoltaic Systems up to 20KW	55 or 0	65,000 or -	0.225 or 0.383	40% or 0%	50,000 or -	0.205 or 0.36
Stand Alone Photovoltaic Systems up to 20KW	55	65,000	-	40 (de minimis) 15-30 (regional)	50,000	-
Water Pumping Photovoltaic Systems	-	-	-	40 (de minimis) 15-30 (regional)	50,000	-



# RES Support Schemes

## Wind Energy

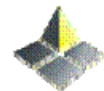
CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERCISE ECONOMIC ACTIVITY			FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERCISE</b> ECONOMIC ACTIVITY		
	GRANT %	MAXIMUM GRANT AMOUNT €	Total KWh purchase price €	GRANT %	MAXIMUM GRANT AMOUNT €	Total KWh purchase price €
Wind Systems up to 30KW	55	51,500	EAC purchase price	40 (de minimis) 15-35 (regional)	45,000	EAC purchase price
Windmills for Water Pumping	-	-	-	40 (de minimis) 15-35 (regional)	20,000	-



# Support Schemes

## Energy Conservation

CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERCISE ECONOMIC ACTIVITY		FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERCISE</b> ECONOMIC ACTIVITY	
	GRANT %	MAXIMUM GRANT AMOUNT €	GRANT %	MAXIMUM GRANT AMOUNT €
Energy Conservation Systems	30 (Except residential sector)	85,500	30 (de minimis) 15-30 (regional)	175,000 250,000
Thermal Insulation of residential premises in non Mountainous Areas (altitude <600m) <b>(Construction permit issued PRIOR 20/12/08)</b>	30	1,750	-	-
Thermal Insulation of residential premises in Mountainous Areas (altitude >600m) <b>(Construction permit issued PRIOR 20/12/08)</b>	100% for the first €1,4007 30% for the rest of the investment	2,600	-	-



# Support Schemes

## Energy Conservation

CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERCISE ECONOMIC ACTIVITY		FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERCISE</b> ECONOMIC ACTIVITY	
	GRANT %	MAXIMUM GRANT AMOUNT €	GRANT %	MAXIMUM GRANT AMOUNT €
Hybrid Vehicles, Flexible Fuel / Dual Propulsion Vehicles	1,200 lamp sum	1,200	1,200 lamp sum	8,400
Electric Vehicles, Low CO <sub>2</sub> emissions (<120g/Km) Vehicles	700 lamp sum	700	700 lamp sum	4,900
Geothermal Heat Pumps	55	20,000	40 (de minimis) 15-30 (regional)	200,000 850,000

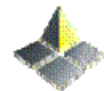
*Each residential premise receives 6 CFL lamps for free*



# Support Schemes

## *Other Categories*

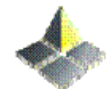
CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERCISE ECONOMIC ACTIVITY		FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERCISE</b> ECONOMIC ACTIVITY	
	GRANT %	MAXIMUM GRANT AMOUNT €	GRANT %	MAXIMUM GRANT AMOUNT €
Biomass Utilization (for space heating/cooling)	55 Except Residential Sector	19.000	40 (de minimis) or 15-25- 35 (regional)	200,000 680,000
Biogas production for the transport sector	-	-	40 (de minimis) or 15-25- 35 (regional)	200,000 680,000
Hydroelectric Systems	-	-	40 (de minimis) or 15-25-35 (regional)	105.000
Desalination from RES			40 (de minimis) or 15-25-35 (regional)	175.000



# Support Schemes

## Cogeneration of Electricity – Heating/Cooling

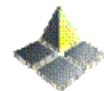
CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERISE ECONOMIC ACTIVITY			FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERISE</b> ECONOMIC ACTIVITY		
	GRANT %	MAXIMUM GRANT AMOUNT €	Total KWh purchase price €	GRANT %	MAXIMUM GRANT AMOUNT €	Total KWh purchase price €
Cogeneration of Electricity – Heating/Cooling	45%	€85.500	Day price: 6,53c/KWh subsidy = 6,53c-2,93c = 3,5c/KWh	15-25-30% regional.  Or  30% de-minimis	€171.000 per unit	Day price: 2,93 c/KWh
			Night Price: 5,73c/KWh subsidy = 5,73c-2,57c = 3,16c/KWh			Night Price: 2,57 c/KWh



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## Support Schemes

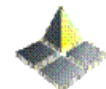
In case of permanent shut down or ineffective operation of the system before a period of 5 years has passed from the date of signing the agreement, without the prior approval of the Fund Management Committee, the undepreciated value of the investment will have to be returned. The coefficients depreciation are set by the Director of Inland Revenue Department.



# Support Schemes

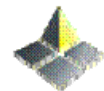
## Cogeneration of Electricity – Heating/Cooling

CATEGORY	FOR INDIVIDUALS AND ORGANIZATIONS THAT <b>DO NOT</b> EXERISE ECONOMIC ACTIVITY			FOR INDIVIDUALS AND LEGAL ENTITIES AS WELL AS PUBLIC SECTOR ENTITIES THAT <b>EXERISE</b> ECONOMIC ACTIVITY		
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Cogeneration of Electricity – Heating/Cooling	45%	€85.500	Day price: 6,53c/KWh subsidy = 6,53c-2,93c = 3,5c/KWh	15-25-30% regional.  H  30% de-minimis	€171.000 per unit	Day price: 2,93 c/KWh
			Night Price: 5,73c/KWh subsidy = 5,73c-2,57c = 3,16c/KWh			Night Price: 2,57 c/KWh



## **EXPECTED CONTRIBUTION OF RES BASED ON 2009-2013 ACTION PLAN**

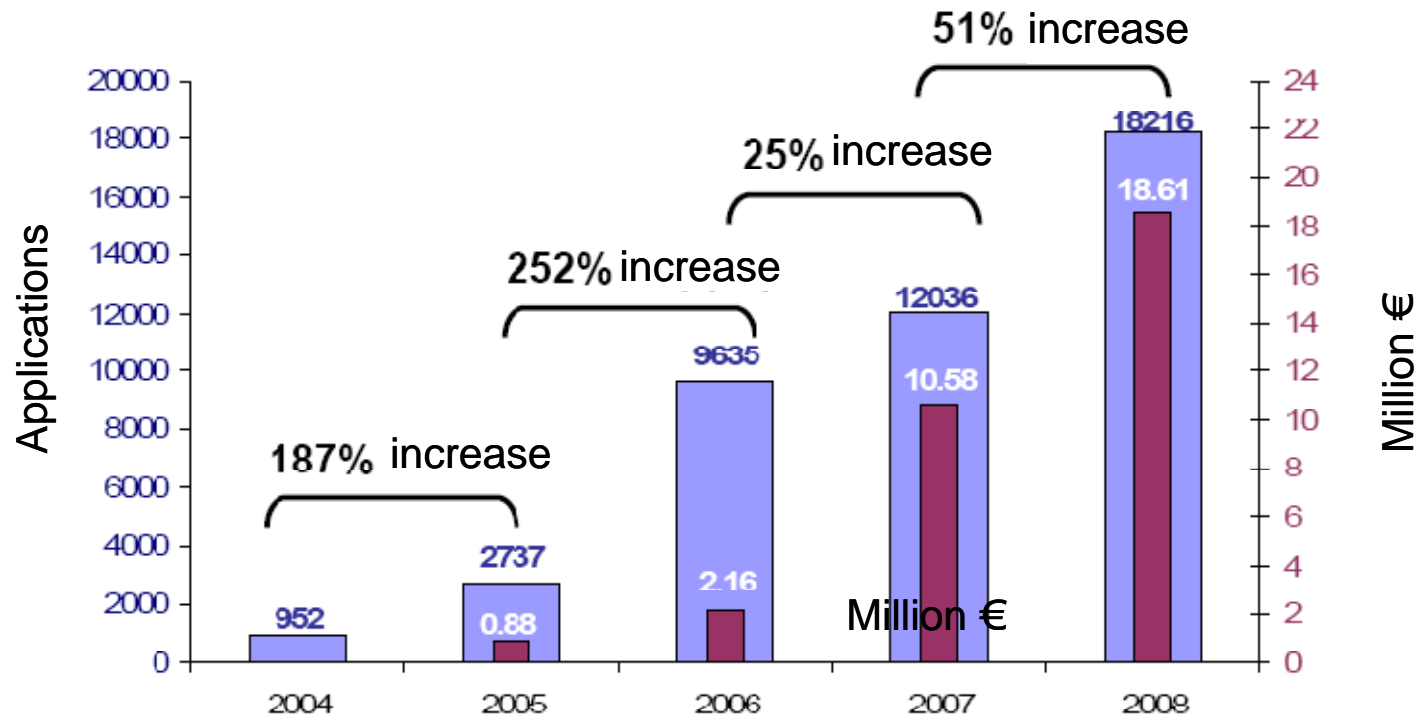
**The contribution of RES systems to the total final consumption of the island by 2013 is expected to be 8,37%**



# RES & Energy Conservation Support Schemes

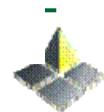
## OVERVIEW OF 2004-2008 SUPPORT SCHEMES:

- Total Applications: More than 43,000
- Total amount given (2004-2008) : 32,2 million euro
- Amount of grants given in 2009 (May): 2,9 million euro



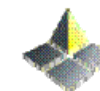
■ Applications ■ Grant Amount  
«Intelligent Energy, Protecting the Environment»

Hilton Hotel Lefkosia (Nicosia), 18 June 2009



# APPLICATIONS

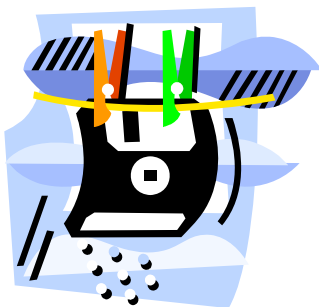
Last submission day for 2009 applications :  
**18<sup>th</sup> December 2009**



# APPLICATION FORMS

## HARD COPIES:

CYPRUS INSTITUTE OF ENERGY  
MINISTRY OF COMMERCE, INDUSTRY AND TOURISM ,  
AND THE DISTRICT OFFICES OF THE MINISTRY



## ELECTR

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CIE WEBPAGE

[www.cie.org.cy](http://www.cie.org.cy)



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# Thank You for your attention!

