

EU-MORE



EUropean M0tor
REnovation initiative



Cyprus

Review of past and existing policy options for
the acceleration of electric motor renovation

EU-MORE

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List of Acronyms

Acronym	Text
SME	Small Medium Enterprises
EIT	European Institute of Innovation and Technology

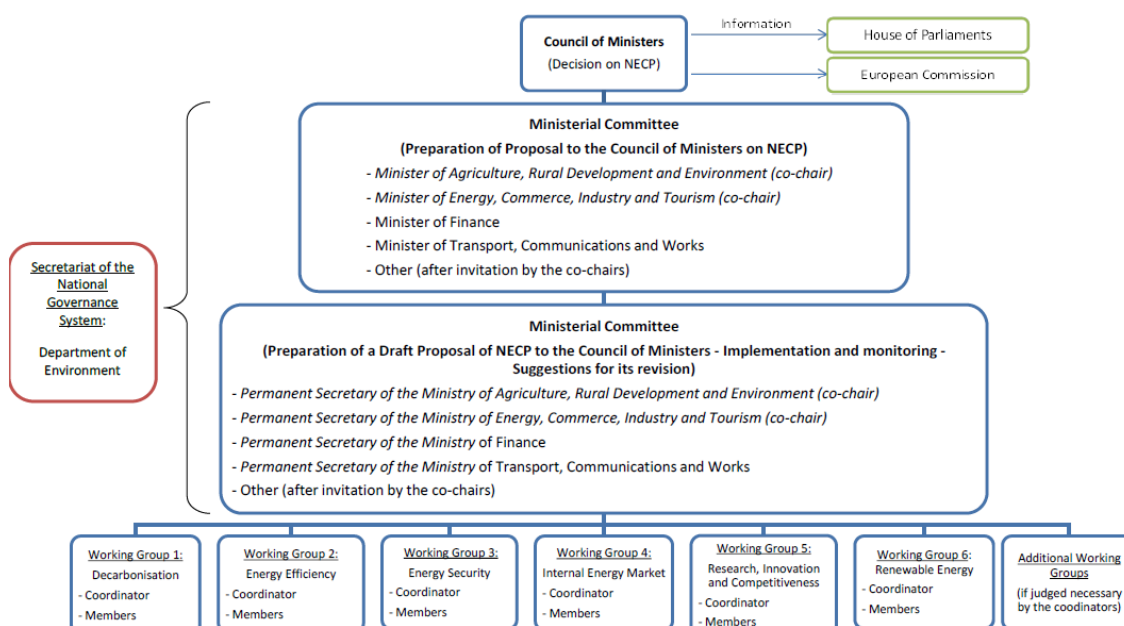


1. CYPRUS

Introduction and description of the national policy framework and important related national programmes, measures and/or developments:

The institution responsible for energy issues in Cyprus is the Ministry of Energy, Commerce, and Industry, while climate change is the responsibility of the Ministry of Agriculture, Rural Development and Environment and in particular the Department of Environment. The Ministry of Energy, Commerce and Industry is also responsible authority for the preparation of the National Energy and Climate Plan, with almost all the personnel within the Department of Energy contributing to the above effort.

For the purposes of achieving the 2030 and long-term objectives and targets of the Energy Union in line with the 2015 Paris Agreement a new structure for climate and energy governance has been approved by the Council of Ministers. The "National Governance System for Climate and Energy" is a Ministerial Committee, consisting of the Minister of Agriculture, Rural Development and Environment, the Minister of Energy, Commerce and Industry, the Minister of Finance and the Minister of Transport, Communications and Works. This committee must propose the National Energy and Climate Plan (NECP) to the Council of Ministers which takes the final decision. The proposal of the NECP is prepared by the Technical Committee, which consists of the Permanent Secretaries of the same Ministries. The Technical Committee also monitors the implementation of the NECP and makes proposals for its revisions when necessary. The Technical Committee is consulted by the following seven Expert Working Groups: Decarbonisation, Energy Efficiency, Energy Security, Internal Energy Market, Research, Innovation and Competitiveness, Renewable Energy and Transport. Transport is an additional working group created due to the significant contribution of the sector to the national emissions. Each Working Group has a coordinator. All working groups with the exception of decarbonisation are the responsibility of the Ministry of Energy, Commerce and Industry; decarbonisation is the responsibility of the Department of Environment (Ministry of Agriculture, Rural Development and Environment). The secretariat of the National Governance System for Climate and Energy is held by the Department of Environment. The structure of the National Governance System for Climate and Energy can be seen in the figure below.



Structure of the National Governance System for Climate and Energy

The strategic documents relevant to the climate and energy policy are the following:

- a) National strategy and action plan for the adaptation to climate change; adopted in May 2017 by the Council of Ministers (decision no. 82.555)
- b) National Action Plan for the improvement of air quality in Cyprus; adopted in May 2018
- c) EU Council conclusions of 13/12/2019 on climate neutrality by 2050

The national plan elaborates on the five dimensions of the Energy Union, i.e. decarbonisation (which is broken down into two distinct sections: greenhouse gas emissions and renewable energy sources), energy efficiency, security of energy supply, internal energy market, and research, innovation and competitiveness.

Cyprus' cumulative savings target of Article 7 of the EED is estimated to be 243.04 ktoe for the period 2021 to 2030 (NECP 2020). Cyprus plans to achieve these energy savings through a combination of an energy savings obligation scheme and several alternative policy measures. In the EEO scheme electricity and transport fuel suppliers are obligated to trigger energy savings actions at final customer level. The objective is to achieve 100 ktoe of cumulative savings for the period 2021-2030 under Article 7 of the EED (COM 2020)3. The wide range of alternative measures for the period 2021-2030 are listed in the box below (only the measures related to energy efficiency in the industry are listed below and the most relevant measures to EU-MORE):

- Energy efficiency obligation scheme for energy distributors
- Energy Fund of Funds providing soft loans for energy efficiency
- Individual energy efficiency interventions and energy efficiency retrofits in governmental buildings
- Support schemes/incentives for promoting energy efficiency in households, enterprises and wider public
- Promotion of energy efficiency in SME, through voluntary agreements
- Energy efficiency in water sector

Business 4 Climate

A financial support scheme is currently in development that was planned for implementation for 2020 to 2022, to encourage business to take measures towards their reduction of greenhouse gas emissions. The scheme started as an initiative, "Business4Climate" through which the Cyprus Employers and Industrialists Federation, the Cyprus University of Technology and the Department of Environment of the Ministry of Agriculture, Rural Development and Environment, aimed to commit businesses to more actively involved in climate action by reducing their greenhouse gas (GHG) emissions by 8% until 2030 through a voluntary commitment. Currently there are 64 signatories.

Legislation

Cyprus had set a list of policies and measures in order to achieve the national energy efficiency obligations by 2020. The major measures currently implemented and ongoing are:

- Legislation for energy efficiency (incl. energy efficiency in public sector, energy efficiency in metering and billing, transformation, transmission and distribution, energy audits).
- Legislation for regulating the market for energy auditing in buildings, industries and transport and the operation of Energy Service Companies (ESCOs).
- Legislation for energy labelling and market surveillance.
- Legislations for setting up an energy efficiency obligation scheme for energy companies.

Financial incentives and other measures

- €48.27m have been secured by the European and Structural Funds 2014-2020 for grant schemes and projects for energy efficiency investments in private and public buildings. €8.7m will be allocated for improving the energy efficiency for buildings used by SMEs, €18.4m energy retrofits in households, €20m for improving the energy efficiency in central government public buildings and €1.17m for pilot projects of combined heat and power generation in public and semi-public buildings. Projects under this package may be extended up until 2023.

- Grant Scheme for conducting energy audits in SMEs.
- Decision for the establishment of a new energy efficiency revolving fund /soft loan Financing Instrument to promote investments in the fields of Energy Efficiency and Renewable Energy Sources, targeting small and medium-sized enterprises, public bodies and households.
- Establishment of an energy efficiency network with voluntary agreements with businesses.
- Financing measures for energy efficiency investments in existing hotels.
- Financing measures in agriculture.
- Targeted measures in transportation and Integrated Fleet Management Systems.

Brief evaluation of the overall size and scope of national actions in relation to the replacement of electric motors and the EU-MORE project as a whole

There is not specific programme related to electric motors but projects related to energy efficiency such as financing energy efficiency related projects in SME, Hotels and Agriculture. Also the programme Bussiness4Climate to encourage businesses to the actions towards reducing their carbon footprint.

Industrial activity in Cyprus has been steadily declining. This has led to a drop in final energy consumption of the industrial sector. The fall in energy use has been accelerated by substantial energy efficiency improvements across the sector and mainly in the cement industry.

1.1 Measure 1: Grant Scheme for conducting energy audits in SMEs

	Overview
Short Description	Part of the wider NECP measure "Supporting Schemes operated by the RES and Energy Efficiency National Fund for promoting energy efficiency investments in Residential and Public sector and energy audits in SMEs. "
Responsible Authority	Management Committee of RES and Energy Efficiency National Fund.
Status	Ongoing
Issue Date	2019
Start Date	2019
Ending Date	Until end of available budget
Duration	
Reference:	https://www.fundingprogrammesportal.gov.cy/en/call/promotion-of-energy-audits-in-small-and-medium-enterprises/

1.1.1 Main Description

A detailed description of the policy measure and how it relates specifically to EU MOREs topic of electric motors – including references to (if applicable) anchoring national law, EU directives, other schemes

The Plan aims to promote the implementation of energy audits in the areas where they carry out their economic activity and in which energy is consumed (buildings, industrial facilities and processes, agricultural facilities and transport) by SMEs that are registered and operate in areas under the control of Republic of Cyprus. The measure aims to carry out an energy audit in as many SMEs as possible.

The SMEs in which an energy audit will be carried out are expected to receive detailed knowledge of their energy profile. They will also be informed about the prioritization and planning of cost-effective energy saving measures that they will be able to implement, based on the recommendations that the energy auditor will propose in his report. It is expected that the **SMEs that will carry out an energy audit** utilizing the provisions of this plan, will proceed to implement the energy saving investments proposed by the energy audit, utilizing other financial **tools and/or private funds and/or licensed Energy Service Providers (hereinafter "PEY").**

The Scheme exclusively covers part of the expenditure for carrying out an energy audit, provided that it is carried out by an Energy Auditor (hereinafter "EU") registered in the respective register in accordance with KDP184/2012.5 The EU register is posted on the website of the Energy Service of the Ministry of Energy, of Trade and Industry (hereinafter "YEED") (www.energy.gov.cy). The Scheme does not cover investments with retroactive effect.

	Characteristics
Budget	Total Call budget: 200,000€ The rate of public funding will be 30% of the cost of the energy audit . The maximum amount for each SME can be up to €2,000 .
Financing of the measure	The policy measure concerns the various subsidy/financing schemes that will be operated the next years by the Management Committee of the RES and Energy Efficiency National Fund (national funds).
Policy focus	Service
Intervention Type	Energy Audits
Main Barriers Addressed	<ul style="list-style-type: none"> • Lack of information • General financial viability
Key Driver(s)	NECP targets for Energy Saving
Replicability	High
EU Inclusion	Yes, Included in NECP
Related Characteristics	

1.1.2 Impacts

A detailed description of the final (expected) results of the measure implementation and any achievements related to the measure implementation. Where possible specific to electric motors

The direct impact of the Energy Audits alone is not available.

The Grant Scheme for conducting energy audits in SMEs is part of the wider NECP measure "Supporting Schemes operated by the RES and Energy Efficiency National Fund for promoting energy efficiency investments in Residential and Public sector and energy audits in SMEs.". The NECP foresees for this measure **37,28 ktoe** energy savings for the period 2021-2030. The total budget foreseen amounts to 190 mln €.

	Impacts
Case level impact	Low
Policy level impact	Low
Size	N/A
Energy	N/A
Impact evaluation	See above section

1.1.3 Lessons Learnt

Description of the lessons learnt and/or (initial) feedback gathered in response to the measure's implementation specific to electric motors. The main barriers that would hamper and/or the conditions that are necessary for the implementation of the measure.

No specific Information on the lessons learnt were found for this measure.

	Lessons Learnt
Key takeaways	
Recommendations	
Linked measures	
Reference(s)	
Other	
Thoughts, comments, considerations ...	

1.2 Measure 2: Business4Climate

	Overview
Short Description	Promotion of energy Efficiency in enterprises, through voluntary agreements under the "Business 4 climate" initiative.
Responsible Authority	Department of the Environment of the Ministry of Agriculture, Rural Development and Environment in collaboration with Cyprus Employers and Industrialist Federation
Status	Ongoing
Issue Date	September 2018
Start Date	September 2018
Ending Date	Not available
Duration	Not available
Reference:	https://www.oeb.org.cy/en/drasis/business4climate/ https://www.cea.org.cy/en/epichirisis-enonoun-dynamis-gia-tin-exikonomisi-energias-ke-ti-miosi-ekpobon-aerion-tou-thermokipiou/

1.2.1 Main Description

A detailed description of the policy measure and how it relates specifically to EU MOREs topic of electric motors – including references to (if applicable) anchoring national law, EU directives, other schemes

Business4Climate is an innovative idea developed in 2017-2018 by Cyprus Employers and Industrialist Federation, in collaboration with the Cyprus University of Technology (scientific advisor) and the Department of Environment of the Ministry of Agriculture, Rural Development and Environment. Climate4Climate initiative was developed as a pilot project (funded by the RIS Climate-KIC through the European Institute of Innovation and Technology (EIT)) to demonstrate how Cypriot enterprises can voluntarily commit and take action against climate change. Enterprises (other than those involved in the ETS) participating in the project have to sign of a voluntary declaration, to reduce greenhouse gas emissions by more than 8% by 2030. Up to date the declaration has been signed by 64 enterprises. It is foreseen that the implementation of the energy efficiency measures will start in 2020. It was decided that incentives are required for participating the enterprises in the project and step up their emissions reduction efforts by 2030. For mobilizing the enterprises, supporting schemes are under preparation from the Department of Environment of the Ministry of Agriculture, Rural Development and Environment, utilizing national funds. Enterprise that will manage to reduce their emissions, will receive as a reward, for each tCO₂eq. reduced in a specific year, the Carbon Market Price in that specific year. The NECP foresees that the total Investment cost taking into account private contribution, will amount to 37mln € until 2030.

Participating companies will develop and implement an action plan until 2030 in order to reduce their energy and natural resources consumption. Actions may include improvement of energy efficiency in buildings, use of renewable energy sources, energy saving and responsible waste management. By managing their resources in a more efficient and sustainable way, a company reduces their operating costs as well and thus becoming a more competitive one. Simultaneously, the participating companies become members of the Energy Efficiency Network for Businesses.

Eligible interventions foreseen among other: "Energy Saving Measures related to the production processes – Replacement of lamps, replacement of refrigerators, Heat-recovery systems, Insulation of hot-water pipes, efficient appliances, **Efficient electric motors/variable speed drives**, amongst others.

	Characteristics
Budget	37mln € until 2030 (foreseen in NECP)
Financing of the measure	<p>The <u>pilot project</u> has been funded by the RIS Climate-KIC through the European Institute of Innovation and Technology (EIT).</p> <p>The aforementioned 37mln € are expected to be secured by supporting schemes are under preparation from the Department of Environment of the Ministry of Agriculture, Rural Development and Environment, utilizing national funds.</p>
Policy focus	Mainly service ('soft') interventions
Intervention Type	<p>improvements in energy efficiency, use of renewable energy sources, energy saving and responsible waste management.</p> <p>Eligible interventions foreseen among other: "Energy Saving Measures related to the production processes - Replacement of lamps, replacement of refrigerators, Heat-recovery systems, Insulation of hot-water pipes, efficient appliances, Efficient electric motors/variable speed drives, etc</p>
Main Barriers Addressed	Lack of other relevant capacity building measures regarding energy efficiency in SMEs
Key Driver(s)	NECP targets
Replicability	high
EU Inclusion	Yes, included in NECP
Related Characteristics	

1.2.2 Impacts

A detailed description of the final (expected) results of the measure implementation and any achievements related to the measure implementation.

Expected cumulative end-use energy savings of the measure (2020-2030): 15,20 ktoe

No further information on the impact of the measure was found.

	Impacts
Case level impact	Low
Policy level impact	Low
Size	
Energy	
Impact evaluation	See above

(If available) Description of the method used for calculating the final energy- and/or cost-savings achieved by the measure and specific to that of electric motor replacement.

Not available

1.2.3 Lessons Learnt

Description of the lessons learnt and/or (initial) feedback gathered in response to the measure's implementation specific to electric motors. The main barriers that would hamper and/or the conditions that are necessary for the implementation of the measure.

No specific information on the lessons learnt were found for this measure

	Lessons Learnt
Key takeaways	
Recommendations	
Linked measures	
Reference(s)	
Other	
Thoughts, comments, considerations ...	

1.3 Measure 3: Supporting scheme for promoting energy efficiency investments in Small and Medium Enterprises (SMEs)

	Overview
Short Description	Supporting scheme for promoting energy efficiency investments in Small and Medium Enterprises (SMEs) through European Structural and Investment Funds
Responsible Authority	Ministry of Energy, Commerce and Industry
Status	Ongoing
Issue Date	June 2022
Start Date	Call for proposals opened in June 2022
Ending Date	Call open for proposals until end of 2023
Duration	Programming period 2021-2027
Reference:	https://www.industry.gov.cy/assets/modules/wnp/articles/202306/51/docs/1odigos.pdf https://www.industry.gov.cy/en/funding-schemes/64/51/?ctype=ar

1.3.1 Main Description

A detailed description of the policy measure and how it relates specifically to EU MOREs topic of electric motors – including references to (if applicable) anchoring national law, EU directives, other schemes

The funding scheme aims to promote energy saving investments in buildings and facilities, owned and/or used from SMEs and non-profit organisations.

The main objective of the Scheme is to achieve a reduction in the consumption of primary energy on average by at least 30 %.

The total budget for the scheme amounts to 40mIn € (public spending) and is financed by the Recovery and Resilience Mechanism of the European Union. The funding rate for the beneficiaries amounts to 40%. For the majority of the beneficiaries (SMEs) the maximum public spending per project will be 100,000€.

The Scheme is also included in the NECP as one of the measures related to energy saving in Cyprus (Measure #8 – “Supporting scheme for promoting energy efficiency investments in Small and Medium Enterprises (SMEs) through European Structural and Investment Funds (Programming Period 2021-2027).

Eligible interventions include energy saving actions for the building envelope, installation of RES, cogeneration units and (most importantly for EU-MORE) replacement of old motors by new and efficient ones.

According to the NECP, the expected cumulative end-use energy savings for the period 2021-2030 amount to 8,45 ktoe.

	Characteristics
Budget	The total budget for the scheme amounts to 40mln € (public spending) and is financed by the Recovery and Resilience Mechanism of the European Union. The funding rate for the beneficiaries amounts to 40%. For the majority of the beneficiaries (SMEs) the maximum public spending per project will be 100,000€.
Financing of the measure	Subsidy scheme
Policy focus	Product and service
Intervention Type	Energy saving measures for SME buildings (envelope energy saving measures), RES installations, replacement of old motors by new and efficient ones, cogeneration units etc
Main Barriers Addressed	High initial cost
Key Driver(s)	NECP targets
Replicability	high
EU Inclusion	Yes, NECP targets
Related Characteristics	

1.3.2 Impacts

A detailed description of the final (expected) results of the measure implementation and any achievements related to the measure implementation.

According to the NECP, the expected cumulative end-use energy savings for the period 2021-2030 amount to 8,45 ktoe (for all eligible interventions)

	Impacts
Case level impact	Low
Policy level impact	Low
Size	
Energy	
Impact evaluation	

(If available) Description of the method used for calculating the final energy- and/or cost-savings achieved by the measure and specific to that of electric motor replacement. For

1.3.3 Lessons Learnt

Description of the lessons learnt and/or (initial) feedback gathered in response to the measure's implementation specific to electric motors. The main barriers that would hamper and/or the conditions that are necessary for the implementation of the measure.

No further information on the measure was found during the review.

	Lessons Learnt
Key takeaways	Similar subsidy schemes are deemed essential in order to proceed with energy saving interventions at a large scale
Recommendations	
Linked measures	
Reference(s)	
Other	
Thoughts, comments, considerations ...	

Table 1: National Policy Measure Overview - CYPRUS

#	Measure Title	Short Description	Type of Measure	Start Year	End Year	Duration	Target Groups	Source link / Reference	Case Level Impact of the measure
1	Grant Scheme for conducting energy audits in SMEs	Part of the wider NECP measure "Supporting Schemes operated by the RES and Energy Efficiency National Fund for promoting energy efficiency investments in Residential and Public sector and energy audits in SMEs."	Subsidy scheme	2019	Until end of available budget	Until end of available budget	SMEs	Link	Low
2	Business4Climate	Promotion of energy Efficiency in enterprises, through voluntary agreements under the "Business 4 climate" initiative.	Voluntary agreements	2018	Unknown	Unknown	SMEs	Link	Low
3	Supporting scheme for promoting energy efficiency investments in Small and Medium Enterprises (SMEs)	Supporting scheme for promoting energy efficiency investments in Small and Medium Enterprises (SMEs) through European Structural and Investment Funds	Subsidy scheme	2022	~2030		SMEs	Link	Low

