The European Green Deal and the National Energy and Climate Plan in Cyprus

An insight from within the island on the barriers for the development of energy efficiency in Cyprus’
• In the Energy Services business since 1996

• Our Only business

• Have been working in the ESCO business concept since our inception

• 4 legal entities: 2 in Cyprus (EEG Cyprus, EEG Int’l), Lebanon and KSA

• Worked in all sectors: Buildings (Healthcare, Hospitality, Offices,..) , Industries (Most vertical sectors)
• Complete Energy Services Lifecycle from the consulting works to the implementation of efficiency measures

• Performed more than 850 energy audits in 31 countries (>80 in Cyprus)

• Implemented more than 320 EE projects (>30 in Cyprus)
EEG Cyprus

MITSIDES Group & EEG Energy Services

EEG Cyprus
Founded in 2000
Some clients in Cyprus
• Energy efficiency was more like a curiosity with very low awareness

• No proper legislations in place

• No proper financial mechanism in place

• Market was all about individual push and networking / trust factors

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The entrance to the EU in 2004 was the beginning of the change
General Market Conditions – 2004 → 2013

- Policies and funding started to be put in place

- Law 33(I)/2003 (replaced by Law 112(I)/2013) → Fund to promote EE/RE with up to 30% subsidies

- 100M Euro allocated between 2004 and 2013. 17% in the non residential sector

- Private companies such as EEG had ‘easy’ access to project financing through local banks. But at normal interest rates
• European Directive 27/2012 (mandatory energy law) → Mandatory energy audit for non-SMEs

• Energy Performance Certificates

• ‘I SAVE I UPGRADE’ fund

• Financial Crisis in 2013 with long lasting impact → No banking funding

• Adapting a business model for energy services ?
Market creation or destruction?

End result?
General Market Conditions – 2020→To Date

• COVID → Virtually Killed the market for 2020 and most of 2021

• 2022 → Waiting for the rebound?
Barriers for the development of EE/ESCO

- Relatively small market size
- Lack of trust from end users
- **Subsidies are not the solution for a sustainable industry future**
- No Financial mechanism for Energy Services Providers or for their clients
- Market instability
- The Energy Services business has to be financially attractive.
Final Notes

- Which subjects are most important in the public debate in Cyprus?

- What narratives work best to encourage effective energy efficiency policy development in Cyprus?

- How do you see the progress of EE in Cyprus?