

The European Commission's science and knowledge service

Joint Research Centre



Technical support on evaluating the potential and defining a policy framework for DR, DG, RES and ES in Cyprus

Main Policy Recommendations

Directorate C - Energy, Transport & Climate
Unit C.3 - Energy Security, Distribution & Markets
Nicosia, 3 April 2019

EU Policy Framework

- Directive on common rules for the internal market in electricity (recast)
- Regulation on the internal market for electricity (recast)
- Regulation on the Governance of the Energy Union and Climate Action 2018/1999
- Revised Energy efficiency directive (2018/2002)
- Revised Renewable energy directive (2018/2001)
- Revised Energy performance of buildings directive (2018/844)

Current status in Cyprus

- Draft NCEP submitted
- RES-e to play crucial role (existing Wind/PV, new PV installations)
- Incomplete policy framework for DR, DG, ES, EV
- New T&S Rules in place
- **Energy market not operational**
- Security of supply considerations
- Many uncertainties (timeline for NG, EuroAsia Interconnector, CSP, EVs)

The central idea behind the Recommendations

PUT CUSTOMERS TO THE FOREFRONT OF ENERGY TRANSITION
FOR
ACHIEVING THE DECARBONISATION OF THE ENERGY SYSTEM IN
AN EFFICIENT WAY

The road to the goal

1. Correct price signals
2. Remove regulatory barriers
3. Promote enablers

Correct price signals

- The Temporal value of energy:
 - Net-billing instead of net-metering
 - ToUs and dynamic pricing contracts
- The Spatial value of energy:
 - Local flexibility markets

Remove regulatory barriers

- Remove network charges on self-consumption
- After-the-meter storage as a new category of market participant
- Regulatory framework for pumped-hydro (*MECI cannot do it alone!*)
- Level-playing field for all technologies in all market segments
 - Define products not service providers
 - Enable participation through non-exclusive eligibility criteria
 - Ensure compliance mainly through penalties
 - Promote/accept new business models/market players

Promote enablers

Grid

- Smart-meters roll-out

Operators

- DSO as a service platform provider

Regulator

- Incentive-based regulation of Network Operators

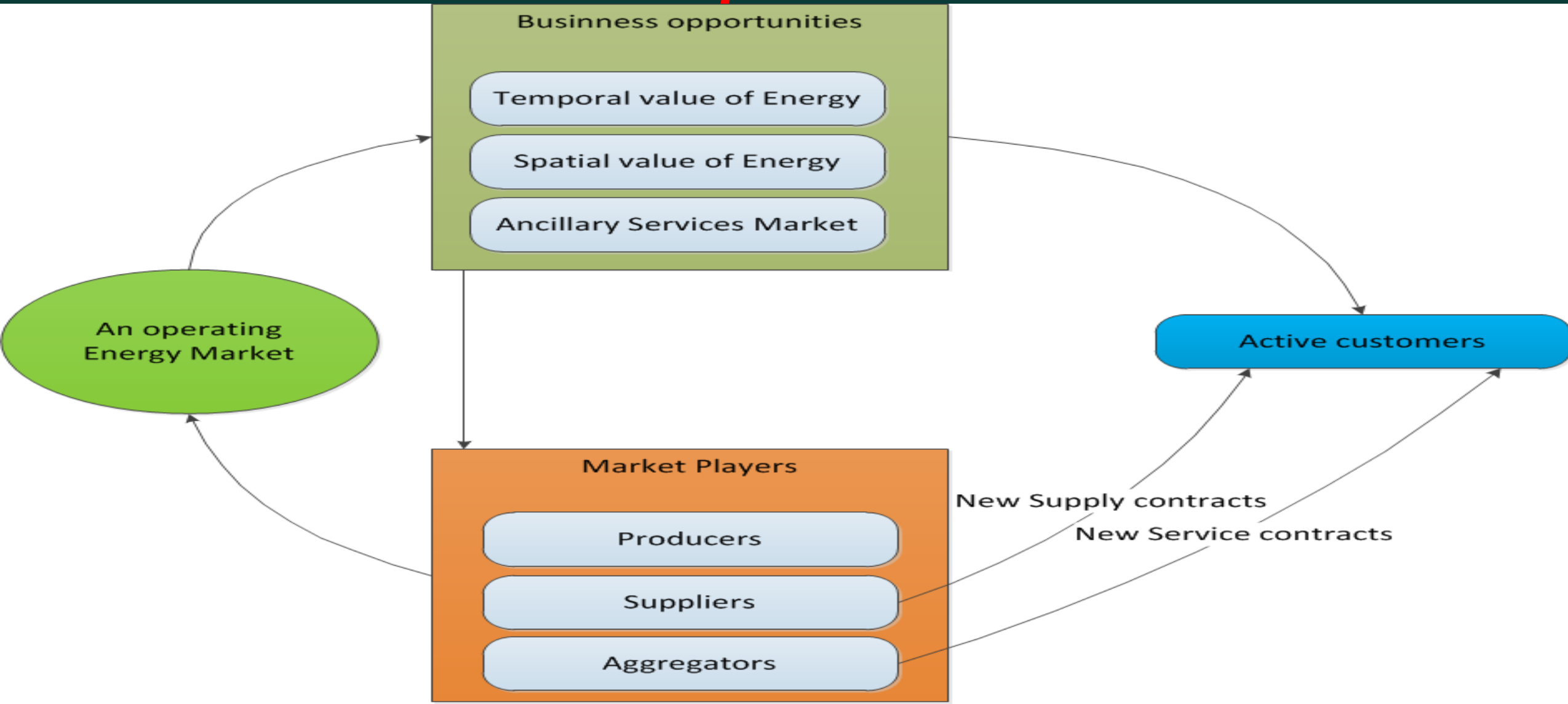
Policy makers and Regulator

- Aggregators
- Energy Communities

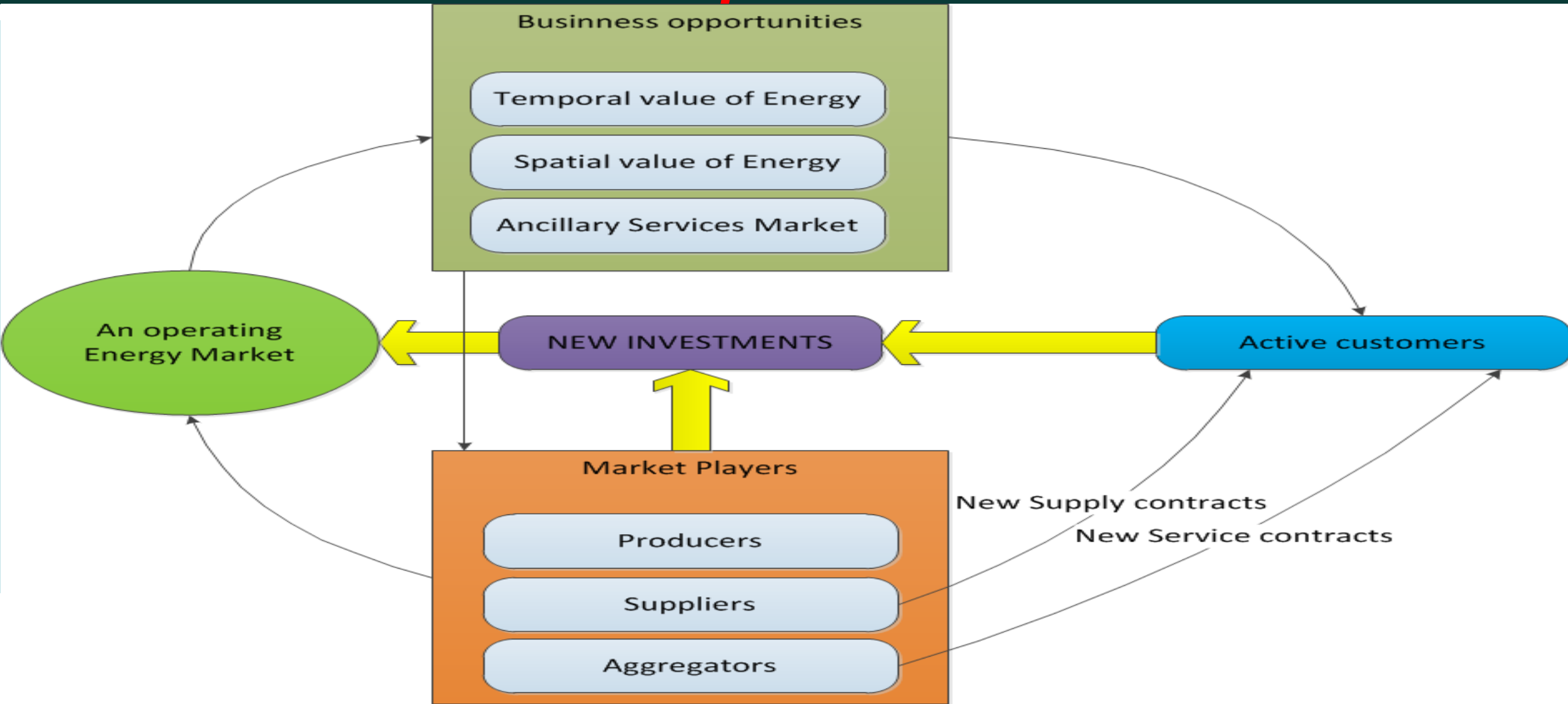
Main recommendations

	REMOVE BARRIERS	ENABLE	PROMOTE
POLICY MAKERS	<ul style="list-style-type: none">• Framework for pumped-hydro	<ul style="list-style-type: none">• Energy Communities• Aggregators	<ul style="list-style-type: none">• Net-billing• Active customers
REGULATOR	<ul style="list-style-type: none">• Charges on self-consumption• Undue charges to after-the-meter storage	<ul style="list-style-type: none">• Energy Communities• Aggregators	<ul style="list-style-type: none">• Incentive-based regulation of Network Operators• Active customers
NETWORK OPERATORS	<ul style="list-style-type: none">• Smart-meters	<ul style="list-style-type: none">• Local flexibility markets	<ul style="list-style-type: none">• Service platform
MARKET OPERATOR	<ul style="list-style-type: none">• Exclusion of technologies/market players from ASM products	<ul style="list-style-type: none">• Aggregation & active customer participation	<ul style="list-style-type: none">• Technology neutral product description

And make the Market operational the soonest possible!



And make the Market operational the soonest possible!





Any questions?