

## How to fast-track Renewable Energy Communities in the Cypriot context?

### A Policy Learning Platform peer review

23-24/05/2023

### Final Report

#### 1. Brief presentation of the beneficiary and its motivation to host a peer review

The Cyprus Energy Agency (CEA) is an independent, non-governmental, non-profit organization, founded in 2009. CEA was co-funded by the European Commission, through the Programme "Intelligent Energy for Europe" and by the Cyprus Union of Communities, for its establishment and its first three years of operation.

CEA has become an information point for the local society, providing education and vocational training. It participates in projects in partnership with local, European and international organizations, contributing to innovation, research and sustainable development. It enhances the role of local authorities in sustainable energy planning, providing technical support for developing and implementing actions to mitigate and adapt to climate change.

Local authorities in Cyprus are recognized as important partners in the implementation of structural reforms and investments for accelerating the transition to a green economy. Local rural communities have committed to undertake actions for just, inclusive, decarbonized and climate resilient towns governed by the principles of sustainability. The existential crisis of the magnitude of climate change calls for equally bold actions, and so Community Councils plan to work together with stakeholders, the Cyprus Energy Agency and their own citizens, in the development of joint Sustainable Energy and Climate Action Plans (SECAPs), which will act as a roadmap towards their 2030 sustainability targets and beyond. A SECAP comprises both climate mitigation and adaptation actions and includes policies, investments, incentives, and activities to promote climate neutrality and adaptation.

Local Community Councils, however, are faced with several challenges that significantly impede their capacity to undertake sustainable energy and climate action. Increasing rates of rural to urban migration, low economic diversity, an ageing population, and fewer assets (including infrastructure) have resulted lack of technical expertise and resources in Community Councils.

Identifying the aforementioned challenges, the Cyprus Energy Agency (CEA) and the Union of Cyprus Communities have secured funds under Recovery and Resilience Facility (RRF) for supporting the Cypriot local authorities to develop SECAPs, thus transferring long term sustainability in their territory. The technical support is expected to be offered in 2023 and will last until the end of 2025, covering 349 Communities (small villages) with Joint SECAPs. The technical support will be provided by the Cyprus Energy Agency (CEA) with the support of the Union of Cyprus Communities. It is noteworthy that the Cyprus Energy Agency together with the Union of Cyprus Communities and the Union of Cyprus Municipalities are the official supporters of the Covenant of Mayor in Cyprus, promoting SECAPs in the local authorities (Communities and Municipalities).

RECs are important tool for achieving local energy and climate targets defined in the Joint SECAPs, reducing greenhouse gas emissions and providing environmental, social and economic benefits. It is the first time in

Cyprus that a legal framework allows local authorities to invest in Renewable Energy Sources, empowering society at local scale.

As there are no Renewable Energy Communities (RECs) currently in Cyprus, there are no tangible local examples or maturity to showcase the importance, the opportunities, and the benefits of the RECs and how they can constitute a strong instrument for implementing successful local strategies.

Thus, it is very important to analyze how local authorities can introduce RECs in their territory and overcome the “start” step as well as to identify potential financial mechanisms and business models for sustainable operation and future growth.

## **2. Specification of the policy challenge encountered**

RECs are already introduced to Cyprus Communities as a best practice for implementation and as tool for local energy transition. Moving forward into practice, Cyprus doesn't have any specific methodology or experience for creation, proper operation, and evolution of the RECs.

The peer review's main objective is to define tailored approach for fast tracking of RECs in CY local authorities aiming for successful implementation of the Joint SECAPs and achieving climate neutrality target. The desired results are expected to emerge from the following questions and topics for discussion:

### Legislation and Transparency

1. EU Legislations for RECs and important topics to address at national level !
2. Public procurement and conflict of interest when private sector is involved !
3. Risks and exposure of the REC - local authority and citizens (members) – in case of corruption/ fraud by some members?

### Action

1. Important preparatory actions for a successful initiation ?
2. Local authorities' leaders or important members of the RECs?  
Role as leaders, role as members ? What is the role of the Energy Agencies, leader, member, facilitator?
3. What kind of Community Energy projects are suitable for RECs?
4. How can Local Authorities achieve energy transition and social equality through RECs?
5. How to build a strong business model for Local Authorities?

## Growth

1. Funding opportunities and financial mechanisms for viable RECs? Examples from existing EU RECs.
2. Best practices from experienced regions that have already put RECs into practice. Examples of RECs with the involvement of the State?
3. Barriers and solutions from existing EU RECs?

### 3. Participants

#### - **Members of the beneficiary organisation**

*Myrto Skouroupathi - CEA*

*Savvas Vlachos - CEA*

*Charis Kordatos - CEA*

#### - **Local stakeholders involved**

*Nicolas Stylianou - Union of Cyprus Communities*

*Kalia Martide – Union of Cyprus Municipalities*

*Alexandros Stylianides - Ministry of Energy, Commerce and Industry*

*Marilena Ayiomamitou - Directorate General Growth, Ministry of Finance*

*Constantia Constantinou - Directorate General Growth, Ministry of Finance*

*Marilena Delenta - Cyprus Energy Regulatory Agency*

*Christina Zouvani - Cyprus Energy Regulatory Agency*

*Charis Tsioupis - Cyprus Energy Regulatory Agency*

*Dinos Nicolaidis - Cyprus Scientific and Technical Chamber & Industry chambers*

*Christos Maxoulis - Cyprus Scientific and Technical Chamber & Industry chambers*

*Stalo Demosthenous - Cyprus Chamber of Commerce and Industry*

*Fanos Karantoni - Cyprus Association of Renewable Energy Enterprises*

*Eleftherios Loizou - Nicosia Development Agency*

*Melina Philippou - MountMed Institute*

*Stavros Kazamias - MountMed Institute*

## **EU stakeholders involved**

*Aurélie Lechien - Directorate-General for Regional and Urban Policy, European Commission*

### **- Peers**

*Benjamin Dannemann - German National Office for Energy Cooperatives*

*Dimitri Vedel - Lake Constance Foundation, Germany*

*Karel Derveaux - Ecopower & RESCOOP, Belgium*

*Marcel Schweitzer - Austrian Energy Agency, Austria*

### **- Interreg Europe team**

*Astrid Severin - Interreg Europe Policy Learning Platform*

*Katharina Krell - Interreg Europe Policy Learning Platform*

*Thorsten Kohlisch - Interreg Europe Policy Learning Platform*

## **4. Policy Recommendations**

The final output of the peer review was the CEA to mobilize and facilitate the start of a REC around a first concrete pilot project following the steps/actions below:

- Create a live pilot site where the political representatives are actively involved (strong political signal)
- Gather a Small Group of interested local Stakeholders (citizens, entrepreneurs, associations) available to cope with the challenge (the front-runners)
- Find a renewable energy pilot project of max. 1 MW (start not too big!) – start with PV (easiest)
- Gather a local supply chain of designers/installers/maintainers who can find new business with RECs
- Prepare documents to support communication
- Implement the demonstrator: seeing is believing
- Start communication using the live pilot site as example and testimonials from the stakeholders
- Use social media & media (including TV and paper for local audience)

Although in Cyprus the Regulatory Framework for the RECs will be ready in 2024, the CEA can support preparatory actions that will lead to the first pilot REC project in Cyprus and mature local conditions until the Framework will be ready. The preparatory actions are summarized below:

- Capacity building

- Study Visit with local stakeholders and investigate of a real example of REC
- Awareness campaign (2 target groups: local authorities & citizens / potential members of RECs)
- Promote the idea for RECs in different meetings with local authorities and in SECAPs?
- Prepare guidelines for RECs
- Organise meetings + expert exchanges.
- Acquire funding (Interreg Europe, ERDF, National Funds, Local Funds etc.)
- Offer support and advice to the Cyprus Energy Regulatory Authority!
- Open call for local authorities to start a REC pilot.

## 5. Possible calendar of implementation

Below the main actions for implementation are presented.

Actions Foreseen	Timeframe and resources					
	July-September 2023	October-December 2023	January-March 2024	April-June 2024	July-September 2024	October-December 2024
Discussion of the Energy Communities establishment in the Ayia Marina - Kato Pyrgos Community	Resources: Covered by other EU initiatives)	Resources: Covered by other EU initiatives)				
Discussion of the RECs in the Troodos Communities (14 Local Authorities)	Resources: Covered by other EU initiatives)					
Meeting with the Regulator and catch up		Resources: Staff Cost				
Study Visit- REC in Germany			Resources: TBC - according to the local stakeholders			

			and CEA staff participating in the study visit (1000 EUR/person)			
RECs guideline				Resources: 4000 EUR Staff cost and printing - dissemination expenses		
Synergies with other activities of CEA for supporting REC concept (Joint SECAPs scheme, EUCEF, EPAH, etc)	Resources: Covered by other EU initiatives)					

## 6. Conclusions

The peer review was beneficial to the CEA but also to the local stakeholders participated in the meeting, among them policy stakeholders that can impact the overall upscale of the RECs in Cyprus. The CEA has requested through the Interreg Europe Programme support for organizing a study visit in Germany and investigate together with local stakeholders how a real REC functions. Parallel working sessions with the host organization and experts of the peer review will advance the knowledge experience.

Lefkosia, 04/08/2023