Country Sections

Cyprus

Handbook Update CLR II

Support service for citizens led renovation projects - ENER/2023/OP/0036

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Contents

Introduction 3

Current Outlook 3

Overview of Building Stock 3

Energy Efficiency of the Existing Stock 4

Renovation Status of the Building Stock 5

Status of Citizen and Renewable Energy Communities 5

Energy Communities in Cyprus 6

Overview of Cyprus' Progress and Current Trends 6

Challenges and Opportunities for Energy Communities in Cyprus 8

Challenges and Gaps 8

Opportunities and Enabling Factors 8

Further Action 9

Relevant Legislation 10

EU Directives Transposition in Cyprus 10

Renovation-Related Legislation 10

Legislation on Engagement of Neighbours and Volunteers in the Renovation 10

Funding Bodies and Schemes 11

Funding Bodies in Cyprus 11

Funding Schemes in Cyprus 11

Special Grants for Vulnerable Households 12

Increased grant for PV installation (net metering / virtual net metering) in residences where vulnerable electricity consumers reside. 12

Increased grant rate for roof thermal insulation in homes where vulnerable electricity consumers reside (reduces upfront barrier for envelope works). 12

Increased grants for integrated solar water heating systems for homes with vulnerable electricity consumers (noting scheme caps and call closure when budget is exhausted). 12

Useful Tools 13

Building Energy Performance 13

Funding and Application Gateways 13

Renewable Self-Consumption Schemes (PV) 13

Joint Ownership and Neighbour Coordination 13

"One-stop-shop" Information 13

Introduction

The European Union's Renovation Wave sets out a strategy to accelerate building renovation across Europe, aiming to improve energy performance, reduce energy bills, and tackle energy poverty, while supporting EU climate objectives. A key reference is the European Commission communication COM(2020) 662 ("A Renovation Wave for Europe").

Citizen-led renovation is central to this effort because it helps households, housing communities, cooperatives, municipalities and local intermediaries to **organise renovation projects, access support schemes, and implement collective approaches**, especially in multi-apartment buildings and neighbourhoods, often combining renovation measures with rooftop PV and (where feasible) shared self-consumption models.

In Cyprus, the building-renovation framework is anchored in the national Energy Performance of Buildings implementation and the **Energy Performance Certificate (EPC)** system, led by the Energy Service (Ministry of Energy, Commerce and Industry) and its EPC guidance. At the same time, Cyprus enables renewable self-consumption and electricity "sharing-like" arrangements in practice through schemes administered by the Electricity Authority of Cyprus (EAC), including Net Metering and virtual variants such as Virtual Net Metering and Virtual Net Billing.

Cyprus has also introduced a legal basis for **Renewable Energy Communities (RECs)** and **Citizen Energy Communities (CECs)** through the renewables promotion framework (notably Law 107(I)/2022), creating a pathway for more structured, citizen-driven participation in producing, consuming, storing and potentially selling energy under an enabling framework overseen by the national regulator.

This country chapter is a **practical reference** for citizens, condominium owners, municipalities and one-stop-shop (OSS) actors who want to move from interest to implementation in Cyprus.

It helps readers:

1. Understand the national context for citizen-led renovation and energy sharing (buildings, renovation and community energy landscape)
2. Navigate the key institutions, rules and administrative entry points (with direct links)
3. Identify the main funding routes and tools that can support project preparation and delivery, including emerging EU-level social support frameworks such as the Social Climate Fund (Regulation (EU) 2023/955).

Current Outlook

Overview of Building Stock

Cyprus' building stock is primarily residential, and its renovation challenge is shaped by two structural features: (i) a very large share of homes built before modern energy performance requirements, and (ii) a housing stock that includes a significant number of vacant/seasonal dwellings (which can affect how quickly renovation programmes translate into "occupied-home" energy savings).

According to the **Census of Population and Housing 2021 - Final Results**, Cyprus enumerated **492,931 housing units**, of which **354,818** were **usual residences** and **138,113** were **vacant or for temporary/seasonal use**. The same source reports that **60.5%** of housing units were in **urban areas** and **39.5%** in **rural areas**, indicating that renovation demand and delivery capacity will often differ between urban apartment contexts and rural/small-town single-dwelling contexts.

At strategy level, Cyprus' updated planning documents describe a stock of roughly **473,000 residential buildings** and **over 34,000 non-residential buildings**, with a typology where "almost half" of residential buildings are **single-dwelling** buildings, important for citizen-led renovation because decision-making and project coordination are typically simpler for single dwellings than for multi-owner apartment blocks. (See the **Updated National Energy and Climate Plan (NECP) 2021-2030**)

1 Aerial view of Nicosia, Cyprus

Energy Efficiency of the Existing Stock

The energy performance profile of Cyprus' buildings is strongly driven by their construction period. The national **Long-term Strategy for Building Renovation (Cyprus)** notes that **40%** of homes were built **before 1981** and **54%** were built **between 1981 and 2006**, meaning that most homes were erected when **no minimum energy performance requirements** were in force. The same strategy states that **91% of buildings** were built **before** the establishment of minimum energy performance requirements.

In practice, this typically translates into a stock with low or inconsistent insulation levels and limited passive design features, which increases both heating and (especially) cooling needs and pushes up bills. Cyprus implements an **Energy Performance Certificate (EPC)** system under the national EPBD framework; the most practical entry point is the **Energy Performance Certificates (EPC) portal of the**

Energy Service (Ministry of Energy, Commerce and Industry), which also links to the broader Energy Performance of Buildings framework.

Renovation Status of the Building Stock

Cyprus' policy direction is clear: the pace and depth of renovation must increase to meet 2030 targets and the longer-term trajectory towards a highly energy-efficient, decarbonised building stock. The **final updated** National Energy and Climate Plan (NECP) 2021-2030 (submitted in 2024) sets out the country's updated measures and targets, including the ambition to scale renovation activity across private dwellings, businesses and the public sector.

A concrete planning signal is the ambition to reach around **3,000 building renovations per year** during the second half of the decade, an indicator of the "order of magnitude" Cyprus is aiming for and the pipeline that citizen-led renovation support services (local intermediaries, cooperatives, OSS-type actors) would need to help create and manage. (See the Cyprus national reporting in Odyssee-Mure: Energy Efficiency in Cyprus - National Report.)

For citizen-led renovation, the key practical implication is that scaling is less about awareness and more about delivery capacity: streamlined project preparation, trusted technical support, and financing navigation that reduces friction from first interest to completed works.

Status of Citizen and Renewable Energy Communities

Cyprus has strong household familiarity with renewables, most notably through solar thermal and growing prosumer PV, and is progressively building the formal framework for energy communities. The Long-term Strategy for Building Renovation (Cyprus) reports very high household uptake of solar water heaters and a substantial base of residential PV systems, which matters because Cyprus' renovation value proposition often strengthens when renovation packages are combined with self-consumption (where technically feasible).

On collective and "community" participation, citizens can already engage through self-consumption schemes operated by the Electricity Authority of Cyprus (EAC) - Renewable Energy / Net Metering, including Virtual Net Metering and Virtual Net Billing. These schemes are practical pathways to "shared benefit" arrangements (subject to scheme conditions), even when formal energy community structures are still maturing.

At the regulatory level, Cyprus has moved to define and enable **Renewable Energy Communities (RECs)** and **Citizen Energy Communities (CECs)** in national law, with the regulator Cyprus Energy Regulatory Authority (CERA) responsible for regulatory development and oversight. For legal anchoring in the handbook, the most practical reference point is CERA's legislative portal for the renewables framework, including the Renewables Law - CERA legislation page.

European regulators' reporting also notes progress on implementation: the Cyprus country profile in CEER National Report (Cyprus) indicates that CERA started work on the framework to facilitate, among other aspects, the establishment of citizen and renewable energy communities, alongside active customers and self-consumers.

Energy Communities in Cyprus

Overview of Cyprus' Progress and Current Trends

Energy communities in Cyprus are transitioning from a landscape dominated by individual prosumers and scheme-based self-consumption towards more structured **Renewable Energy Communities (RECs)** and **Citizen Energy Communities (CECs)**. The legal basis exists, but the "how it works in practice" (procedures, market access modalities and operational rules) is still developing, which explains why most citizen participation has historically happened through **self-consumption schemes** rather than formal community entities.

On the legal and regulatory side, Cyprus has introduced provisions enabling energy communities under the renewables framework, notably via **Law 107(I)/2022**, which supports the creation of energy communities and recognises their ability to generate, consume, store and sell renewable energy (subject to conditions). In parallel, EU transposition tracking highlights that Cyprus' electricity market law includes REC/CEC definitions and assigns responsibilities to the **Cyprus Energy Regulatory Authority (CERA)** to draft enabling framework elements through regulatory decisions, so communities can participate without discrimination.

In the near term, the most tangible "citizen-facing" entry points remain the operational self-consumption mechanisms administered through the **Electricity Authority of Cyprus (EAC) - Net Metering** framework and its variants, including **Virtual Net Metering** and **Virtual Net Billing**. These are particularly relevant for citizen-led renovation because PV self-consumption (where technically feasible) can strengthen the renovation business case by reducing operational energy bills.

Momentum for "formal" energy communities is visibly increasing through local flagship initiatives and municipal involvement. For example, the **Lefkothea Energy Community** is publicly described as the first energy community to be officially established, following a municipal founding process and outreach to residents, SMEs and neighbouring municipalities. In rural areas, initiatives such as **MoRECo Troodos** position energy communities as part of a broader territorial resilience agenda (clean energy generation plus longer-term ambitions around efficiency and local services).

Energy Community Case Studies

Active Energy Communities

Energy Community / Project	Location	Project Type	Key Facts	Public Link
Lefkothea Energy Community	Nicosia	Municipality-enabled energy community (citizens + SMEs + civil society + municipalities)	Publicly reported as "officially born" in 2025 following a founding process initiated by the municipality; designed to lower electricity costs, expand local generation and enable direct citizen/business participation.	**Energy Cities coverage**

MoRECo Troodos	Troodos mountain region	Rural energy community / cooperative model (PV + storage; broader services ambition)	Initiative aiming to generate, store and distribute clean energy to mountain communities, initially focused on affordability and resilience; described with a pathway to expand into energy efficiency and other local sustainability services.	**MountMed initiative**

Planned / Pipeline Initiatives

Initiative	Scope	Relevance	Public Link
Kato Pyrgos "energy self-sufficient community" initiative	Local project aiming to combine solar generation and storage to cover community needs	Illustrative pipeline initiative for remote/rural areas; highlights practical constraints still to be solved (e.g., smart metering and grid capacity for PV, storage framework).	**Kathimerini Cyprus (KNEWS)**
Municipal fast-tracking of RECs	Peer review / implementation support focused on municipalities and regional actors	Documents Cyprus-specific barriers and recommended steps (governance models, financing mechanisms, municipal role) to accelerate REC development.	**Peer review report (PDF)**
European Energy Communities Facility Support	EU-level project development support accessible to Cyprus-based initiatives	Not Cyprus-specific, but relevant because Cyprus initiatives (e.g., Lefkothea) have publicly reported approvals, making it a practical option for early-stage project preparation.	**Example public coverage (Lefkothea approval)**

Challenges and Opportunities for Energy Communities in Cyprus

Challenges and Gaps

- **Enabling framework still "operationalising"**: REC/CEC concepts exist in law, but clear, step-by-step, user-friendly procedures (incorporation, licensing/market roles, grid connection, compliance) are still evolving, which slows replication at scale.
- **Scheme-driven participation dominates**: many citizen benefits currently come via **net metering / virtual arrangements** rather than a stable "community operating model", which can limit scalability and long-term bankability once programme rules change.
- **Grid constraints and curtailment risk**: increasing PV penetration without sufficient flexibility/storage can create unpredictability for revenues/savings, weakening the investment case for community-scale generation.
- **Apartment-building governance friction**: multi-owner decision-making, roof rights, common areas, and cost/benefit allocation are hard to solve without standardised governance templates and trusted facilitation.
- **Limited local project-development capacity**: many initiatives lack affordable access to specialist legal, technical and financial structuring support (business models, procurement, O&M contracting, risk allocation).
- **Financing gap for "mid-size" community projects**: projects can be too small for mainstream project finance but too complex for simple household loans, especially when combined with storage or multi-meter arrangements.

Opportunities and Enabling Factors

- **Strong renewables familiarity**: Cyprus has long-standing household adoption of solar solutions, which makes the public more receptive to community renewables and bill-reduction narratives.
- **Existing self-consumption routes**: net metering and virtual variants provide immediate, practical pathways for shared benefit models (within defined scheme conditions), which can also complement renovation packages.
- **Regulatory direction is supportive**: the system is moving towards clearer rules for active customers and energy communities, which can unlock repeatable community participation models over time.
- **Municipal convening potential**: municipalities can act as anchors (public roofs/land, aggregation of demand, trusted local outreach), reducing first-mover risk and accelerating uptake.
- **Clear social relevance (energy poverty)**: community energy can be structured to prioritise or include vulnerable households, strengthening social legitimacy and alignment with future social climate measures.
- **Growing ecosystem of intermediaries**: Cyprus has capable civil-society and energy-transition actors who can provide training, facilitation and replication support (especially if standard tools/templates are shared).

Further Action

To help energy communities scale in Cyprus, a few key areas still need to be strengthened:

- **Make the framework usable for non-experts**: publish a simple "how-to" pathway covering eligible legal forms, permitted market roles, metering/connection requirements, compliance duties, and consumer protections, so citizen groups can navigate without bespoke legal work each time.
- **De-risk projects under grid constraints**: accelerate flexibility solutions (storage, demand response), clarify curtailment rules and treatment, and provide transparent grid-connection guidance to protect project economics and citizen trust.
- **Standardise apartment-building solutions**: introduce practical templates for condominiums (decision rules, roof/common-area agreements, cost-benefit allocation, dispute resolution) to unlock the largest collective-renovation segment.
- **Strengthen municipal "delivery" roles**: equip municipalities with repeatable toolkits (statutes, member agreements, procurement packs, O&M contracting models) and a clear mandate to aggregate citizens and host assets.
- **Build project-development support**: expand access to technical assistance for feasibility studies, business planning, permitting and procurement, so initiatives can move from concept to investable projects.
- **Link energy communities with renovation pipelines**: promote integrated packages (efficiency + self-consumption) and coordination mechanisms so that community energy is not a stand-alone activity but a driver of deeper renovation impact.

Relevant Legislation

EU Directives Transposition in Cyprus

- **Energy Performance of Buildings Directive (EPBD) recast - Directive (EU) 2024/1275**: sets updated EU requirements for building energy performance; Member States must adopt the main national measures by **29 May 2026**; Cyprus' EPBD backbone is implemented nationally through the **Energy Performance of Buildings Law (N.142(I)/2006)**.
- **Energy Efficiency Directive (EED) recast - Directive (EU) 2023/1791**: updates EU-wide energy efficiency obligations (including public sector leading-by-example and energy savings obligations); transposition deadline **11 October 2025** (as set in the Directive).
- **Renewable Energy Directive (RED II) - Directive (EU) 2018/2001**: provides the EU basis for **Renewable Energy Communities** (Article 22); Cyprus reflects REC/community provisions within its renewables framework via **Law 107(I)/2022 (CERA legislation portal)**.
- **Electricity Market Directive - Directive (EU) 2019/944**: establishes the EU concept of **Citizen Energy Communities**; Cyprus' market-law transposition is commonly referenced through the electricity market regulatory framework and CERA's role in enabling rules (see **Cyprus overview in REScoop transposition tracker** as a practical consolidated reference).

Renovation-Related Legislation

- **The Regulation of the Energy Performance of Buildings Law (N.142(I)/2006)**: Cyprus' core national EPBD transposition law covering the **Energy Performance Certificate (EPC)** system and the legal basis for minimum energy performance requirements and related compliance mechanisms.
- **EPBD implementation notes (Cyprus) - "Implementation of the EPBD in Cyprus"**: practical reference on how EPBD requirements have been implemented nationally (including the rollout of minimum requirements and the certification framework).
- **Law 107(I)/2022 on the Promotion and Encouragement of the Use of Renewable Energy Sources**: the main renewables framework relevant to renovations when works include PV/self-consumption and (where applicable) community energy provisions.

Legislation on Engagement of Neighbours and Volunteers in the Renovation

- Immovable Property (Tenure, Registration and Valuation) Law, Cap. 224: includes the legal basis for buildings under joint ownership, which is typically what governs decision-making for renovations affecting common areas (roof, façade, shared systems) in apartment/condominium contexts.
- Department of Lands & Surveys - Registration of regulations of a jointly owned building: explains the registration and scope of building regulations for jointly owned buildings (rights/obligations, management rules), which can be used to formalise renovation decisions and responsibilities.
- Safety and Health at Work Law 89(I)/96: sets baseline workplace safety duties that can constrain "volunteer" participation in renovation works; practical compliance is typically guided via the Department of Labour Inspection.

Funding Bodies and Schemes

Funding Bodies in Cyprus

Funding Body	Role & Target Groups
Renewable Energy Sources and Energy Conservation Fund (RESEC Fund)	Main national body running **grant support schemes** for renewables and energy conservation/efficiency investments; targets **households and other eligible beneficiaries**, with dedicated categories for **vulnerable electricity consumers**.
Energy Service - Ministry of Energy, Commerce and Industry (MECI)	Public authority responsible for national energy efficiency/renewables policy implementation and related **funding programmes**; targets **households, businesses and public actors** depending on the call/scheme.
Funding Programmes Portal (Government of Cyprus)	Central official gateway publishing Cyprus **funding calls and scheme pages** (including renovation programmes); targets **citizens, SMEs, NGOs, local authorities** depending on the call.
Government service for RESEC Fund grant schemes (application entry point)	Official e-service entry point pointing applicants to the RESEC Fund grant scheme submission route; targets **applicants to RESEC schemes** (incl. households).
Electricity Authority of Cyprus (EAC)	Not a grant funder, but a key enabling actor for funded PV/self-consumption measures (grid connection / scheme participation via net metering arrangements).

Funding Schemes in Cyprus

Funding scheme	What it supports (and who it's typically for)
RESEC Fund - Support Schemes open for applications	The most "future-proof" reference page: lists **currently open RESEC schemes** (cycles open/close). Typically for **households and eligible beneficiaries** depending on the scheme.
"Saving - Upgrading Houses" Programme	Grants for **extensive energy upgrade of existing houses** (purchase/installation of new equipment/materials); typically for **households** applying under the programme rules.
Save - Upgrade Homes Grant Scheme	Grants for upgrading existing homes to achieve **at least 60% energy savings** (call cycles open/close); typically for **households** in areas under the control of the Republic of Cyprus.

Grant Scheme to encourage the use of Renewable Energy Sources and Energy Saving in Homes (2024-2025 call page)	Example of a recent household scheme cycle covering **PV and energy-saving measures**; useful as a reference instrument even when the specific window is closed.

Special Grants for Vulnerable Households

Special grant / instrument	Why it is specifically relevant for vulnerable households
RESEC Fund - Category A2 (PV for vulnerable electricity consumers)	Increased grant for **PV installation** (net metering / virtual net metering) in residences where **vulnerable electricity consumers** reside.
RESEC Fund - Category B2 (Roof insulation for vulnerable electricity consumers)	Increased grant rate for **roof thermal insulation** in homes where **vulnerable electricity consumers** reside (reduces upfront barrier for envelope works).
RESEC Fund - Category H2 (Solar water heating for vulnerable electricity consumers)	Increased grants for **integrated solar water heating systems** for homes with **vulnerable electricity consumers** (noting scheme caps and call closure when budget is exhausted).

Useful Tools

The tools below are practical entry points for households, community groups and municipalities in Cyprus planning renovations and/or community energy projects. They help you understand a building's current performance, find relevant funding windows, and navigate the administrative steps that typically slow projects down.

Building Energy Performance

To understand a home's starting point and identify priority measures, the most relevant reference is the **Energy Performance Certificates (EPC) portal (Energy Service, MECI)**. For wider context on how Cyprus implements building energy performance rules (and related institutional information), see **Energy Performance of Buildings**.

Funding and Application Gateways

For household grants and the most frequently used national instruments, the most future-proof reference is **RESEC Fund - Support Schemes open for applications**, which is updated as schemes open and close. For renovation programmes published through government/EU funding, the official **Funding Programmes Portal** is the main directory; the most relevant housing-renovation pages are typically the **"Saving - Upgrading Houses" Programme** and the **Save - Upgrade Homes Grant Scheme** (noting that specific call cycles may be open or closed at any given moment).

Renewable Self-Consumption Schemes (PV)

Where renovation projects include PV (or are bundled with PV to improve bill savings), the practical starting point in Cyprus is the **EAC net metering framework** and its virtual options, including **Virtual Net Metering** and **Virtual Net Billing**. These are often the most immediately usable routes for "shared benefit" arrangements under defined scheme conditions.

Joint Ownership and Neighbour Coordination

For apartment buildings, the most useful references are the Department of Lands & Surveys (DLS) guidance pages that explain how jointly owned buildings are registered and how building regulations can be formalised. In practice, the two most relevant entry points are **Registration of regulations of a jointly owned building** and **Registration of jointly-owned building**. If you need other related forms, the fastest route is the **DLS application forms index**.

"One-stop-shop" Information

For initiatives moving beyond a single household, such as municipal projects or organised community initiatives, the Energy Service hosts information on the **online One-Stop-Shop for Renewable Energy Sources projects**, which becomes relevant once projects enter licensing/permit workflows.