

Perspectives on Energy Poverty in Cyprus

Despina Serghides¹ and Ioanna Kyprianou²

The Cyprus Institute

¹ d.serghides@cyi.ac.cy and ² i.kyprianou@cyi.ac.cy

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Perspective on Energy Poverty in the policy debate of Cyprus

Cyprus is one of the few countries in the EU to have an official national definition of energy poverty (MCIT, 2013). However, the definition vaguely refers to energy poverty as the condition where “consumers may be in a difficult position” for attaining necessary levels of energy services due to personal circumstances and low incomes (as evidenced by their tax declarations). Additionally, the definition refers only to electric energy consumption needs, therefore ignoring use of natural gas and oil. Furthermore, there have been no official reports or databases (to our knowledge or at least publicly available) which specifically focus on the topic of energy poverty in Cyprus. The only currently available information on levels of energy poverty can be found in the European Statistics on Income and Living Conditions (EU-SILC) survey which is based on consensual proxy indicators of energy poverty (Eurostat, 2020b). Moreover, the Household Budget Survey (HBS), which is conducted every five years in Cyprus, offers information concerning income and costs related to energy and housing (Eurostat, 2020a). As for national estimates of the energy poor populations of the country, there have been numerical assessments in various reports over the past decade, however there have been contradictory results among them (Theodolulos Mesimeris et al., 2020; Theodoulos Mesimeris et al., 2019; Ministry of Energy Commerce Industry and Tourism, 2017).

Although a definition for energy poverty exists in national legislation, currently there is no policy debate or national action plan specifically regarding energy poverty. The definition itself lacks metric clarifications required to help determine what it means to be “in a difficult position”. Initially, the definition mentioned that vulnerable consumers are those affected by energy poverty, individuals relying on

mechanical support for their survival, individuals over 70 years old, individuals with serious health issues or mental and physical disabilities, and individuals residing in remote areas. Revisions of the law have stated that vulnerable consumers are determined based on the types of financial aid they receive through national welfare services. In 2015, the Ministry of Energy, Commerce, Industry and Tourism (MECIT) issued a ministerial order (Κ.Δ.Π 289/2015), in which energy poverty is mentioned and vulnerable consumers are those receiving financial stipends related to (MECIT, 2015):

- Minimum guaranteed income (Welfare Providence Management Services)
- Public aid (Social Welfare Services)
- Allowance for heavy bodily disability (Department for Social Inclusion of Persons with Disabilities)
- Allowance for retired individuals with very low incomes (Welfare Providence Management Services)
- Allowance for paraplegic individuals (Department for Social Inclusion of Persons with Disabilities)
- Allowance for quadriplegic individuals (Department for Social Inclusion of Persons with Disabilities)
- Allowance for blind individuals (Department for Social Inclusion of Persons with Disabilities)
- Large families (5-person or higher) receiving child support (Welfare Providence Management Services)

In addition, the ministerial order also states a set of measures aiming to tackle energy poverty and support vulnerable consumers. These are:

- A special electricity tariff
- Additional benefits to promote schemes for net metering
- Additional benefits to promote schemes for residential energy efficiency improvements and renewable energy sources (RES)
- Disconnection protection - only available to vulnerable consumers with serious medical conditions, subject to examination by a relevant medical board

The notions of vulnerable consumers and energy poverty are intertwined in Cyprus, since beneficiaries of energy poverty measures (e.g. the special electricity tariff) are detected through databases of vulnerable consumers receiving assistance from the national welfare services (own communication with Ministry officials). Moreover, there is no criterion related to the actual energy consumption of households (e.g. contract limitations such as in Spain) or the energy performance of dwellings.

In spite of the relatively misguided methodology and measures currently in place, and the lack of published information on the topic of energy poverty, the efforts of the government (even though largely uncoordinated) have resulted in a basic level of understanding for this issue in Cyprus. Furthermore, a framework of distribution of financial aid is already in place. This can be utilised to build a more accurate definition and detection methodology of energy poverty. Should the government be equipped with more targeted definitions and methodology to identify individuals and households in energy poverty, minor re-adjustments of the existing framework can result in major leaps in the field of energy poverty in Cyprus. This will be especially significant, due to the recent European Directive (EU) 2018/844 which stipulates that all Member States must develop national actions to mitigate energy poverty, integrated within national renovation strategies (The European Parliament and the Council of the European Union, 2018), as well as the new EU Green Deal which promises a “renovation wave” especially targeting the poorest households (European Commission, 2019). Nevertheless, Cyprus stands to improve current approaches, by conducting research and modifying policies according to the findings rather than blindly following generic recommendations.

Research perspective on energy poverty in Cyprus

Some researchers have focused on the urban heat island effects observed in the capital of Cyprus (Theophilou & Serghides, 2015), whereas others have focused on retrofitting existing multi-family buildings that meet nearly zero energy specifications (Serghides, Dimitriou, Katafygiotou, & Michaelidou, 2015; Serghides, Dimitriou, Michaelidou, Christofi, & Katafygiotou, 2017; Serghides, Michaelidou, Christofi, Dimitriou, & Katafygiotou, 2017). However, these investigations were not focused on energy vulnerable consumers. A limited number of researchers have focused on indoor and outdoor thermal comfort (Chatzinikola, Serghides, & Santamouris, 2015; Pignatta et al., 2017) and energy efficiency of buildings housing low-income populations (Fokaides, Polycarpou, & Kalogirou, 2017). The EU-funded project ELIH-MED (Energy Efficiency in Low Income Housing in the Mediterranean) resulted in energy upgrades of 25 low-income dwellings (ELIH-MED, 2014), whereas the IDEA (Innovative Direction in Energy Advising) project aims at two goals: (1) raising awareness of European citizens on the rising issue of energy poverty, and (2) developing a high quality educational approach which will be able to address both technical and social sides of the problem (IDEA, 2018). On the topic of energy poverty specifically, a few introductory studies have been conducted presenting the current status quo in the country and comparing some policy aspects with other EU countries (I. Kyprianou et al., 2019; Ioanna Kyprianou & Serghides, 2019).

Table 1. Relative ranking of the examined countries regarding their efforts to mitigate EP through measures, definitions for EP and vulnerable consumers. Source: See (I. Kyprianou et al., 2019), p. 52.

MS	EP definition	Energy vulnerable consumer	Consumer protection measures	Financial aids	Energy Savings	Information provision	Relative score
CY	X	X	X		XX		5
ES		XX	XX	X	XXX	X	9
PT		XX	X		XXXX		7
BG		X		X	X		3
LT		X	X	X	XX		5

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