

7th Mediterranean Conference and Exhibition on power Generation, Transmission, Distribution and Energy Conversion (MedPower 2010)

08 November 2010

Dear Under Secretary to the President of the Republic of Cyprus

Dear distinguished guests and participants,

On behalf of the Cyprus Energy Regulatory Authority firstly I would like to take the opportunity to welcome our guests to Cyprus and secondly to welcome all participants to this important Conference and Exhibition, which is related to power generation, transmission, distribution and energy conversion in the Mediterranean region.

Supplying adequate and affordable energy services is an essential element of sustainable development. Today's challenge is to develop those energy services that best support development and improve the quality of life while simultaneously minimizing health and environmental impacts of these activities. Clean technological solutions are the cornerstone to effectively address global risks, opportunities and challenges such as climate change, energy and water security, natural resource depletion and building sustainable communities.

The Cyprus Energy Regulatory Authority considers the expansion of electricity generation infrastructure as one of the main challenges facing the island of Cyprus at this moment for two main reasons. Firstly, a number of the existing generating units have already reached their useful life and secondly environmental concerns and climate change call for new sustainable electricity generation infrastructure.

In its energy strategy, the European Union has set as its priority, apart from Competitiveness and Security of Supply, to address and minimize the impact on climate caused by the increased emissions of greenhouse gases in the atmosphere. To achieve the above goal, a number of EU directives were issued regarding energy efficiency, emissions trading scheme and the RES directive. The target set by 2020, states that the EU must cover 20% of its energy demand through the use of renewable energy sources, while for Cyprus an ambitious target of 13% has been set for 2020. The Cyprus target for electricity is 16%.

In this context, the Cyprus Energy Regulatory Authority in cooperation with the Cyprus Government and other stakeholders, has drawn a comprehensive and detailed strategic plan for the development of renewable energy sources in the Electricity sector with a clear time schedule on how the target of 16% can be achieved step by step, up to 2020.

Historically, in Cyprus we have chosen heavy fuel oil fired energy. This method of electricity generation has been opted since 1952 for obvious reasons of low cost and easy handling. However, today Cyprus is facing two major challenges for the expansion of the current power generation system. The first is to succeed in the process of introducing liquefied natural gas to the island that will become the main conventional fuel for power generation during the next 25 years. The second is to achieve the 2020 target for the use of renewable energy sources. The Regulatory Authority has set as a priority the achievement of these targets without affecting Security of Supply and for the benefit of the consumers. The first wind park in Cyprus with a total capacity of 82MW is already fully

operational and the impact of its operation on the system stability is carefully monitored and studied by Transmission System Operator.

This year's MedPower Conference has a dual objective. It aims to present the research work taking place today by various Mediterranean research institutes in the area of renewable energy sources and their future role in the Mediterranean region. At the same time, the Conference will give the opportunity to participants to exchange views and ideas on the research and development about electricity sector in the region, the gradual deployment of smart grids, and the issues related to the market design and smart integration of renewable sources in the electricity markets.

I wish every success to the conference.