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**Installation and Operation of Heat Networks in Cyprus – a Code of Practice**

**Project Introduction**

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Installation and Operation of Heat Networks in Cyprus – a Code of Practice

## Project Brief




In order that any future DHC systems in Cyprus are developed following recognised good practice for installation and operation, Ricardo have been appointed to provide technical support to MECIT in two respects

- 1. Development of a draft Code of Practice
- 2. Development of appropriate Rules and Policies




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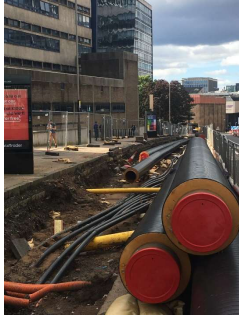
## Draft Table of Contents



An initial consideration of these suggest the topics to be covered in the Draft Code of Practice should include;



- Introduction*
- Project Commissioning*
- Feasibility*
- Design*
- Construction and installation*
- Network Commissioning*
- Operation and Maintenance*
- Customer Obligations*




Each section of the Code describes the reasoning behind each Code requirement, the minimum standards that are expected to be achieved, and if appropriate, if there is a best practice approach that should be targeted

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## Rules and Policies Report



We shall explore the following areas in the context of the rules and policies study;


- **Licensing of developers and operators** of DHC networks and the requirements for such licensing.
- Encouragement of investments – **rules and incentives**.
- Different **ownership and operator models**, including **public vs. private sectors**, the potential for split or perverse incentives.
- Ensuring **efficiency in DHC design and operation**, e.g. through adherence to particular technical standards.
- Treatment of Direct **sales of CHP electricity**.
- DHC competition and consumer protection issues, including:
  - Existing consumer rights.
  - Supplier obligations to offer a connection.
  - Consumer obligations to connect.
  - Metering and billing, including the implementation of Energy Efficiency Directive Articles 9, 10 & 11.
  - Heat/cooling tariffs and other charges.
  - System reliability / security of supply.
  - Overall quality of service to consumers.
  - Contracts for heat / cooling provision.

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## Relevant sources to inform the assignment

We will research a number of reference documents and resources to enhance this Code of Practice.



Examples from:


- Denmark - The heat supply Act
- Germany – AGFW rules for district heating
- Finland – District heating of buildings, Regulations and Guidelines
- Sweden – District Heating Act
- UK – Heat Networks Code of Practice
- Plus others

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## Relevant sources to inform the assignment – Current Practices


The specific Cypriot context is essential - Need to understand/summarise current practices and regulations for heating and cooling systems in Cyprus



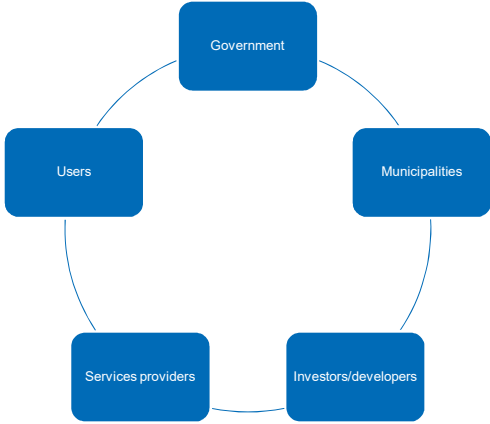
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## Stakeholder contribution




- This is where you come in!



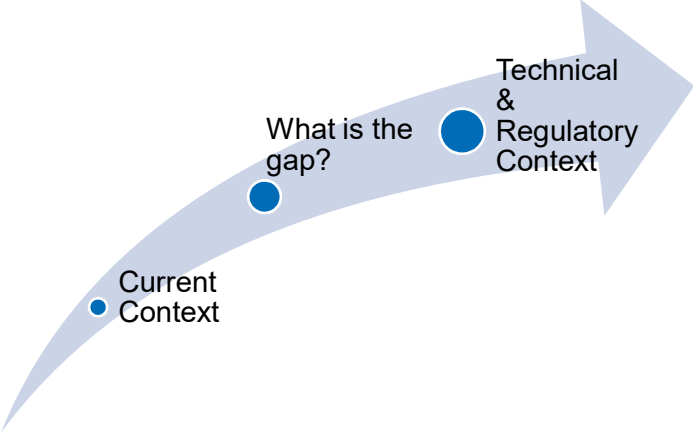
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## Why?




- To ensure we can draw appropriate conclusions for as complete a technical and regulatory/policy context as possible, we need to gather information on the current practices and interventions.



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**Key Discussion Points**




- What are the level of skills available in Cyprus for the design, installation and operation of networks?
- For existing HC systems;
  - Who is responsible for maintenance?
  - What are supplier obligations?
- How do these compare with obligations in place for utility supply that could transfer to DHCN?
- What are supplier (utility) obligations for connections and metering?
- How does a developer go about specifying an energy supply system?
- What drives the decision of a consumer to choose
  - One energy system over another?
  - An energy supplier?

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**Key Discussion Points**




- Where are the main sources of finance?
- Is there access to government backed finance?
  - requirements
  - limitations
- Are there financing mechanisms in place that govern projects?
- What are the current approaches to procurement of energy systems and/or infrastructure projects?
- Is there access to preferential borrowing rates (public finance)?
- What are typical desired rates of return/payback/project longevity?

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**Key Discussion Points**




- How might the planning system encourage or incentivise HC Networks?
- How is land ownership organised?
  - Roads/pathways
  - O&M responsibility
  - Construction works

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**Key Discussion Points**



- What form do energy services/supply contracts currently take?
- What are metering and billing obligations on suppliers?
- How engaged are consumers with their energy consumption and energy contracts?
- What are the expectations of consumers for;
  - System reliability/security of supply?
  - Quality of service?

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**Thank you**

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