



CWEA - Investment Opportunities

Thank you, for your interest and the possibility to invest in Cyprus's RES sector.

- We agree that each project has different characteristics and has to be analyzed separately, since there are other aspects also involved beyond the technical aspects, which in general can be solved. The licensing procedure usually requires a lot of effort not only from our part (Investor point of view) but also for the governmental and political aspect. In that section the involvement of our Association (me too personal) can help facilitate the discussions and the licensing procedure needed based on our past experience.
- As you might already know, the main technologies for Renewable Energy currently promoted in Cyprus electricity system is solar power, wind power and biomass. Wind power is a widely known technology to our association for Renewable Energy production since wind turbines, with capacity up to 30MW-40MW, is under licensing procedure (final steps).
- The Cyprus Wind Energy Association (CWEA) is a well-established association since 2006, with €350m investments by its members who are the second largest producers of electricity in Cyprus with 6 electricity production farms independently owned and connected to the grid, with a total output capacity of 157.5MW that contributing around 5% in electricity production in Cyprus, under a FiT scheme.
- The Ministry of Energy had made available two schemes which were ended in April 2018 and June 2019. Applications were submitted for a total of 41.7MW wind power electricity production farms; 12MW based on the first scheme and another 29.7MW (18 & 4.5 & 7.2) based on the second scheme. On top of that some of our Members are also involved in PV Installation. We strongly believe that the combination of two technologies can have even greater impact to the electricity market since such hybrid systems can really provide a lot of ancillary services to the Grid in the competitive electricity Market which is about to operate in few year from now (end of 2021).
- **Floating Wind Farm**
-In parallel, with the land-based wind power electricity production farms, the CWEA during the last few years, is planning and considering its member's commercial future activities, in the field of offshore wind power electricity production farms taking paradigm from other European countries. CWEA with the support of Cyprus government and especially the Ministry of Energy is planning to submit a request for a Project of Common Interest (PCI), claiming the granting of financial support from

the European Union and/or participation in NER400 scheme for an innovative Hybrid Sea Floating Wind Power Farm, within Cyprus' Exclusive Economic Zone.

-The first meeting was held on 06/08/2019 with the National Competent Authority for Projects of Common Interest (PCI) of the Ministry of Energy to agree on the road map. From April 2019 discussions were held for a common understanding with the Hellenic Wind Energy Association (HWEA/ELETAEN) in Greece. Our target is the prospect of cooperation between Cyprus and Greece with the aim to submit a joint proposal for a larger Sea Floating Wind Power Farm around 100 MW. A lot needs to be done in this respect and special infrastructure is required, like the EuroAsia Interconnect (<https://www.euroasia-interconnector.com/>).

-The Ministry of Energy is looking positively for the above initiative and it is something that it can be supported when the project will get mature.

- **CWEA: 10MW onshore W/F, Storage System, Centre for Research and Training/Education of RES**

As CWEA we have additional business plans for the immediate future;

-the construction of the 10MW wind power electricity production farm by Aeoliki Akti Ltd,

-the installation by the CWEA and other associations if possible, of at least a 10MW (or higher) energy storage system with the collaboration of Ministry of Energy, Cyprus Energy Regulatory Authority (CERA) and Transmission System Operator Cyprus (TSO Cy),

-the foundation for a Research and Training/Education of Renewable Energy Sources (RES), offering conclusive educational and scientific information to students of all ages and other individuals and corporations, thus creating a better culture and understanding.

-Furthermore, other matters are ongoing with Ministry of Energy, CERA and TSO which will support our efforts relating to the renewable energy technologies; e.g. the termination of the schemes for renewable energy projects, the right of collaboration of the licensed renewable energy producers with Suppliers, independently of any scheme in place, the introduction of more insurance provisions and additional penalties by Ministry and CERA for the licensed Suppliers in case they eventually are not established in a right operating manner and operate in time, securing that the Producers who have an agreement with the Suppliers, thus avoiding the formation of an oligopoly market, i.e. the Producers end up with only one or two Supplier options, the current status concerning the origin guarantee certificates and the usage rights of the systems from the Administration Committee of the RES Fund to the Producers, since these are issued by TSO and cancelled (and lost) after the elapse of 12 months.

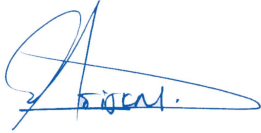
- Matters relating to the grid in Cyprus are the responsibility of the Administrators (Transfer and Distribution – under of Electricity Authority of Cyprus (EAC)). Even if the grid is constructed by private companies, thus winning some time, it is under the terms and conditions and standards set by the Administrators which are very strict for safety and stability reasons having in mind the island's size and isolated electricity system.



Coming to a conclusion, we'd like to have your views and business strategy/plans for a potential way forward with us, and possibly have a meeting (or telco) in order to setup up a Technical team and facilitate this process.

Remain at your disposal.

Kind regards,
for CWEA,

A handwritten signature in blue ink, appearing to read 'Christos Tsingis', with a large, stylized flourish above the name.

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