

“The Great Subsea Power Interconnection”.. 10 Questions Explaining Cyprus’s Stalled Project



The Great Sea Interconnector project, which links southern Cyprus to the European grid, has entered a critical testing phase: will it finally become a real undersea cable, or remain a major project stuck between financing and politics?

The issue is no longer merely a promise to end Cyprus’s electrical isolation and open the way for a later connection with “Israel.” What is new is that, since April 2026, the project has been under financial and technical scrutiny from the European Investment Bank amid high costs, a delayed implementation schedule, and debate within the island over who will ultimately pay the bill.

For southern Cyprus, the cable represents an attempt to break a long isolation from European electricity networks, but it is an even tougher test for Europe: can Brussels turn Eastern Mediterranean energy maps into actual infrastructure, in a region where electricity intersects with sovereignty, financing, and the calculations of Turkey and “Israel”?

The following report explains what the project is, why it has become a dual test of money and sovereignty, why Turkey and “Israel” feature in its story, and what its future and implementation prospects are.

What is the Great Sea Interconnector project?

The Great Sea Interconnector project is an undersea high-voltage electricity cable aimed at linking the grid of the Greek island of Crete with the grid of southern Cyprus, with the possibility of extending it to “Israel” at a later stage.

The project relies on high-voltage direct current (HVDC) technology and aims to transmit electricity in both directions, with an initial capacity of up to 1,000 megawatts, expandable later to 2,000 megawatts.

The idea goes back to the EuroAsia Interconnector project, but the project’s management later changed. In October 2023, the Greek electricity transmission operator IPTO/ADMIE was appointed as the implementing and promoting body for the project, and in November 2023 the name was changed to Great Sea Interconnector.

In January 2024, a special-purpose company affiliated with IPTO was established to handle implementation and financing.

Where does the cable run?

In its first practical phase, the project runs from Crete to southern Cyprus over a distance of about 898 kilometers.

As for the broader route, it envisions linking Greece and southern Cyprus, and later “Israel,” through an additional section of about 310 kilometers, bringing the project’s total submarine length to around 1,200 kilometers, in addition to limited onshore sections, according to project estimates and international reports.

The cable will extend across the Mediterranean seabed at depths that may exceed 3,000 meters, making it one of the most complex submarine interconnection projects.

Nexans (a French company specializing in the manufacture and installation of power cables and high-voltage submarine interconnections) tested in March 2026 a 525kV MI HVDC cable at a depth of 3,000 meters as part of a sea trial, but this was a technical test of the cable, not the operation of the route between Crete and southern Cyprus.

Why does Cyprus need the project?

Southern Cyprus is the last EU member state not connected to the European electricity grid, and this isolation makes the island more dependent on a limited local electricity system and makes it harder to integrate renewable energy efficiently, because a small grid always requires a precise balance between production and consumption.

For the southern Cypriot government and the European Union, the cable is not an

infrastructure luxury, but an attempt to break long-standing electrical isolation. By connecting to Europe through Greece, southern Cyprus can import electricity when needed and export surplus power when its system produces more energy than local demand, especially from renewable sources.

But the project is not universally agreed upon within Nicosia. Cypriot Energy Minister Michalis Damianos said In April 2026, he said the project is important for security of supply, but at the same time stressed the need to know the true cost so that it does not lead to higher consumer bills instead of lowering them.

According to estimates cited by Cyprus Mail, southern Cyprus may bear 63% of the cost through electricity bills if the final cost rises.

Why is the European Union interested in it?

European interest does not stem from Cyprus alone, but from a broader strategy to connect isolated markets and enhance the resilience of electricity grids.

The European Commission places Great Sea Interconnector among the “energy highways” projects aimed at ending southern Cyprus’s electricity isolation and linking it to continental Europe.

The project is also listed among the European Projects of Common Interest (PCI), and it received funding from the Connecting Europe Facility worth 657 million euros for the Cyprus-Greece/Crete section.

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And the believes Commission and the implementing body see the cable as helping enable better use of renewable energy, reduce emissions, and create an alternative electricity route in the Eastern Mediterranean.

However, European support does not mean implementation is guaranteed, as the request by Greece and southern Cyprus for a due diligence study from the European Investment Bank means the project needs to prove its technical and financial viability before obtaining broader additional funding.

Why has the project become a financial problem?

The cost of the Crete–Cyprus section is about €1.9 billion, while the European grant covers roughly one-third of the cost. This is where the problem begins: who will pay the rest?

IPTO has limited capital compared with the scale of the project, and estimates by Cyprus Mail point to a financing gap of around €1 billion if the cost remains at €1.9 billion.

The main dispute within southern Cyprus concerns the final bill, as the government wants a project that lowers prices in the long term, while critics fear that the Cypriot consumer will become the primary financier of a project whose returns will not appear quickly.

This is why the request for a European Investment Bank study came as a kind of independent test: is the project economically financeable, or are its risks greater than its promises?

There is also the factor of time. Nexans won the cable contract worth €1.43 billion, but in January 2026 it acknowledged that the activity schedule was being reassessed with IPTO, and that delivery would be affected and would go beyond the previous target timeframe of late 2029 or early 2030.

In April 2026, Nexans said that its 2026 financial guidance did not assume execution of the project during that year. So the project has not collapsed, but it is no longer proceeding along a normal technical track.

Is the project stalled or ongoing?

The project remains in place politically and institutionally, but it is stumbling in execution and financing. The Greek and southern Cypriot governments and the European Union still speak of it as a vital project, and the official website describes the Cyprus–Crete section as under construction, while Nexans has also confirmed its continued contractual commitment.

But this does not mean that the cable is now being laid along its maritime route. There is a difference between contracts, manufacturing, and testing on the one hand, and actually beginning to lay the cable on the seabed route between Crete and Cyprus on the other.

As of 2025, IPTO told the Associated Press that 160 kilometers of cable had been manufactured, but cable-laying operations had not begun because marine surveys to determine the final route were still ongoing. In 2026, Nexans increased the signals of caution by excluding the project’s execution from its financial guidance for the year.

So the story is neither a “final stop” nor “business as usual.” There is a gap between political commitment, financing, and the practical timetable. Therefore, it can be said that the project is alive, but it is awaiting a major financial and executive decision.

Why is Turkey involved in the project?

Turkey’s presence in the discussion is tied to the overlap between energy, sovereignty, and recognition in the Eastern Mediterranean. Ankara does not deal with Nicosia as the representative of the entire island, and says that some

maritime works cannot proceed without its approval if they pass through areas it considers to be under its jurisdiction.

In 2025 reported the Associated Press, citing Turkish officials, as saying that the cable cannot move forward without Turkey’s approval “because it will pass through waters under Turkish jurisdiction.” An alternative proposal also emerged from the Turkish Cypriot side to connect Northern Cyprus to Turkey via a shorter cable.

But ENTSO-E (the European Network of Transmission System Operators for Electricity) clarified in April 2026 that the Great Sea Interconnector is the only interconnection project concerning Southern Cyprus included in the European network plan TYNDP, and that it will not consider any project that does not have the approval of the Cypriot transmission operator recognized under EU law.

What is “Israel’s” role in it?

“Israel” was part of the original concept for the EuroAsia Interconnector project, and it is still mentioned in the broader vision for the Great Sea Interconnector.

But the practical priority phase is focused on the Crete–Cyprus section, while the connection with “Israel” is proposed as a later phase, not as a part currently being implemented.

In terms of interest, “Israel” could in the future benefit from an electricity link to Europe, whether to export surplus electricity or to enhance security of supply.

But this possibility remains conditional on the success of the first section, securing financing, and overcoming geopolitical tensions in the Eastern Mediterranean. Therefore, the name “Israel” appears more in the future vision than in the current implementation.

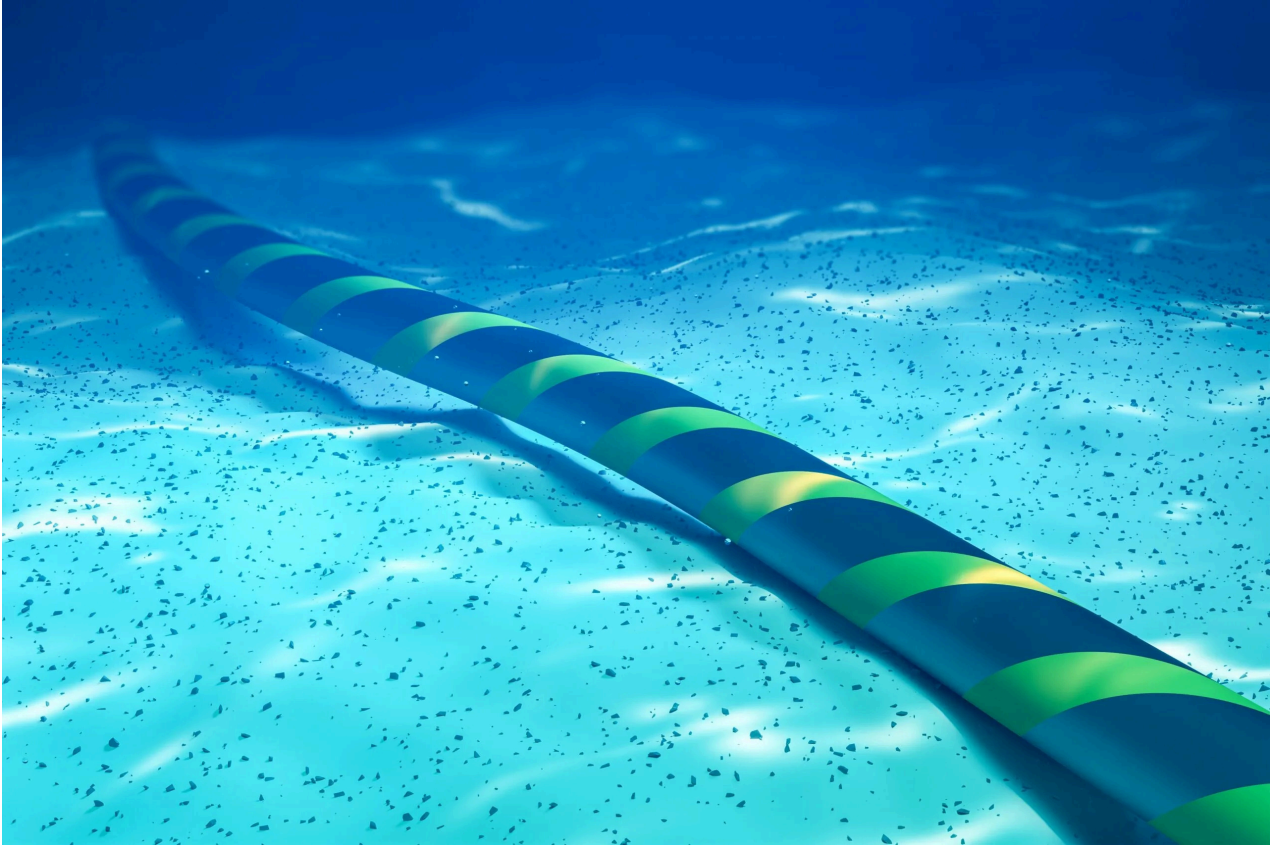
What risks threaten the project?

First, the financial risks: The project needs substantial financing beyond the European grant, while Nicosia fears consumers could bear high costs if the budget rises or the promised electricity savings fail to materialize. Potential financing from the European Investment Bank also remains contingent on the results of technical and financial due diligence.

Second, the execution risks : laying a subsea cable nearly 898 kilometers long, at depths reaching 3,000 meters, is no ordinary operation. It is true that Nexans’ test demonstrated significant technical capability, but that does not eliminate the challenges of manufacturing, converter stations, surveys, and the installation schedule.

Third, the geopolitical risks: the project is moving through a region where the

disputes involving southern Cyprus and Turkey, the sensitivity of maritime borders, Israel’s future role, and investors’ appetite for political risk all intersect, making financing and implementation more difficult.



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What are the main scenarios facing it?

The first scenario is moving forward after securing financing: if the European Investment Bank’s assessment comes out positive, that could open the door to a major loan and the participation of other investors, including parties that have previously shown interest, such as the UAE’s TAQA, and perhaps American investors as well, according to Cypriot reports. At that point, the project could shift from a political commitment to a clearer path of implementation.

The second scenario is a prolonged delay: in this case, the project remains present in political statements and European plans, but without a real leap in execution.

This scenario becomes more likely if the European Investment Bank’s review drags on, if disagreements over cost-sharing persist, or if the rescheduling of the Nexans contract continues.

The third scenario is redesign or downsizing: new reviews could lead to changes



in capacity, the timetable, risk allocation, or the postponement of linking Israel to a later date, and then It is turning from a broad regional vision into a more modest link between Greece and southern Cyprus first.

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