

PART III. NATIONAL REPORTING GUIDELINES FOR CSD-14/15 THEMATIC AREAS

B. ENERGY

Government focal point: Mr. Antoine Riolo, Chief Executive Officer,

Responding ministry/office: Malta Resources Authority, Ministry for Resources and Infrastructure

Decision-Making: Strategies, policies, programmes and plans, legislation, policy instruments and the regulatory framework; involvement of Major Groups

- Access to electricity and other energy services, through either grid extension or decentralized energy technologies, in both urban and rural areas, including main programme objectives, impacts and progress;

There is practically 100% access to electricity and other energy services.

- Efficient use of energy in the household and commercial sectors through, e.g., introduction of improved cook stoves or liquefied petroleum gas (LPG) for cooking, minimum energy performance standards for appliances and lighting, energy efficient building codes, and metering.

Various EU directives on energy efficient products, buildings and services have been transposed or is in the process of transposing into Maltese legislation. These include the following :

EU Directive	Maltese legislation	Responsible Agency
70/531/EEC applying to electric ovens Directive 79/350/EEC on the indication by labelling of the energy consumption of household appliances	LN 99/2002	Malta Standards Authority
78/170/EEC on the performance of heat generators for space heating and the production of hot water in new or existing non- industrial buildings and on the insulation of heat and domestic hot-water distribution in new non-industrial buildings		MRI
79/531/EEC applying to electric ovens Directive 79/530/EEC on the indication by labelling of the energy consumption of household appliances	LN 99/2002	Malta Standards Authority
92/42/EEC on efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels	LN 62/2002	Malta Standards Authority
92/75/EEC on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances	LN 99/2002	Malta Standards Authority
93/76/EEC to limit carbon dioxide emissions by improving energy efficiency (SAVE)		
95/12/EC implementing Directive 92/75/EEC with regard to energy labelling of household washing	LN 99/2002	Malta Standards Authority

machines		
95/3/EC implementing Directive 92/75/EEC with regard to energy labelling of household electric tumble driers	LN 99/2002	Malta Standards Authority
96/57/EC on energy efficiency requirements for household electric refrigerators, freezers and combinations thereof	LN 63/2002	Malta Standards Authority
96/60/EC implementing Directive 92/75/EEC with regard to energy labelling of household combined washer-driers	LN 99/2002	Malta Standards Authority
97/17/EC implementing Directive 92/75/EEC with regard to energy labelling of household dishwashers	LN 99/2002	Malta Standards Authority
98/11/EC implementing Directive 92/75/EEC with regard to energy labelling of household lamps	LN 99/2002	Malta Standards Authority
2000/55/EC \on energy efficiency requirements for ballasts for fluorescent lighting	LN 100/2002	Malta Standards Authority
2000/84/EC on summer time arrangements	LN 76/2001	
2002/31/EC implementing Directive 92/75/EEC with regard to energy labelling of household air-conditioners		
2002/40/EC implementing Directive 92/75/EEC with regard to energy labelling of household electric ovens		
2002/91/EC on the energy performance of buildings		

- Improved efficiency in energy supply (e.g. energy generation, transmission and distribution).
- Policies to facilitate the transfer of modern energy technologies, such as export promotion policies or establishment of an enabling environment for investments, including their objectives, the types of financing available and other incentives provided to facilitate technology transfer.
- Reform or restructuring of the energy sector within the last ten years to improve the functioning of energy markets.

Prior to 2005, the energy sector was dominated by a single government-owned entity - “Enemalta” Corporation, which is horizontally and vertically integrated undertaking (utility), with exclusive rights and public service obligations. “Enemalta” Corporation, established by virtue of the Enemalta Act (Cap. 272) of 1977, was divested of its exclusive and de iure monopoly for generation, transmission and distribution of electricity and for the importation, storage and distribution of petroleum products. The sector is being reformed and since 1st January 2005, new electricity producers may enter into the market.

The MRA Act 2000 provided the regulatory framework for the reform of the sector. The Malta Resources Authority was set up in accordance with the Malta Resources Authority Act, 2000 and is the authority responsible for regulating, monitoring and keeping under review all practices, operations and activities relating to energy resources. This Act separated the regulatory functions from the supply and commercial activities and provides for the progressive liberalisation of the sector.

EU Directive 2003/54/EC of the European Parliament and of the Council of the 26th June 2003 concerning common rules for the internal market in electricity and repealing Directive 96/92/EC has been transposed into Maltese legislation by LN 511/2004 – Electricity Regulations, 2004.

The new Electricity Regulations 2004, establish rules for the licensing of activities in the electricity sector. These Regulations also lay down the rules relating to the organisation and functioning of the electricity sector in Malta, access to the market, authorisation of new generation capacity, the operation of the system and the regulation of electricity tariffs, with a view to achieving a competitive, secure and environmentally sustainable market in electricity, and avoiding discrimination between the undertakings as regards either their rights or their obligations.

Currently all fuels in Malta for inland use are imported and stored by Enemalta Corporation. Enemalta is responsible for the importation, distribution and sale of all fuels for the inland and aviation markets. Enemalta Corporation markets these fuels in wholesale to retailers who are licensed by the MRA for the specific activity. The retail of fuel for automotive use, i.e. diesel and petrol (leaded and lead replacement petrol) is carried out by fuel-filling stations. Other fuels, namely kerosene, gas oil and light cycle oils are used by industry, commercial outlets, and households. These are served by a retail distribution system of ‘jobbers’ and ‘hawkers’.

Enemalta’s current monopoly in the importation, storage and wholesale marketing of fuels will cease in December 2005.

Oil bunkering and storage is undertaken by a number of operators and the market in this sector is liberalised.

- **Legal and regulatory frameworks related to overall energy policies that have been adopted.**

As noted earlier, the Malta Resources Authority was set up in accordance with the Malta Resources Authority Act, 2000 and is the authority responsible for regulating, monitoring and The functions of the Malta Resources Authority as established by the MRA Act include :

- **ensuring that international obligations entered into by the Government relative to the matters regulated by or under this Act are complied with;**
- **advising the Minister on the formulation of policy in relation to matters regulated by this Act, and in particular in relation to such international obligations;**
- **advising the Minister on any matter connected with its functions under this Act;**
- **formulating and implementing the policies and strategies with short-term and long-term objectives, in relation to the activities regulated by this Act;**

The Malta Resources Authority has been nominated by Government to draw up and advise on the National Energy Policy. It is responsible, *inter alia*, for the regulation of energy resources as one measure of implementing national policies and the fulfillment of international obligations.

Fuels

In November 2000, excise taxes on petroleum products were aligned with the provisions of Directive 92/81/EEC (harmonisation of the structures of excise duty on mineral oils). These changes resulted in a 40% increase of excise tax on automotive diesel, a 70% reduction of excise tax on liquefied petroleum gas, a 100% reduction of excise tax on gas oil used for electricity generation as well as a 15% reduction of the excise tax on unleaded gasoline. Despite this adjustment in excise tax, retail prices did not change until November 2001.

Price liberalisation started being introduced in November 2001 for automotive fuels where a fuel cost adjustment factor was introduced.

Tariffs for supply of electricity

Tariffs for supply of electricity are regulated by regulations 33, 34, 37, 38 and 39A of the Electricity Supply Regulations (as amended by Legal Notice 27 of 1999, Legal Notice 99 of 2003 and Legal Notice 132 of 2005). A fuel surcharge of 17% was introduced in 2005.

LN 99 of 2003 also establishes special electricity tariffs for heavy consumers exceeding 5 million units per annum having a power factor of not less than 0.9 lagging on the maximum demand.

- Participation of private companies in the electricity sector, their impact on electricity services and their involvement (e.g. generation; transmission; distribution).

The electricity generation sector was liberalized in January 2005. Currently there are no private enterprises involved in large scale electricity generation. There are a small number of small scale electricity generators using photovoltaic panels. Electricity distribution is the sole responsibility of Enemalta Corporation.

- Major Groups³ participation in energy decision-making, whether at the national or community level.

No known barriers exist to major group participation in decision-making.

- Women's participation in needs assessments or planning and policy formulation related to energy at the local and/or national levels; other means.

No known barriers exist to women's participation in needs assessments or planning and policy formulation related to energy at the local and/or national levels.

³ Major Group consists of: Women; Business and industry; Local authorities; NGOs; Children & Youth; Indigenous People; Workers & Trade Unions; Scientific & Technical Communities; and Farmers.

- Programmes designed to increase the share of renewable energy in the national energy supply mix, including information on their goals and targets.

Energy utilisation in Malta is characterised by a total dependence on imported petroleum products and fossil fuels, low efficiency utilisation and no penetration of alternative sources.

Efforts are being directed towards the identification and utilisation of appropriate alternative sources of energy, including solar energy. The Malta Resources Authority is drawing up a strategy for the exploitation of renewable energy sources.

Malta has transposed EU Directive 2001/77/EC through Legal Notice 186 of 2004 on Promotion of Electricity produced from Renewable Energy Sources Regulations, 2004. (Copy of this legislation may be downloaded from: http://www.mra.org.mt/energy_legislation.shtml)

Malta has established a national indicative target of 5% of electricity generated from renewable energy sources by 2010 and this target is being reviewed within the RES strategy.

The Authority in conjunction with Enemalta Corporation has in the meantime drawn up transitory arrangements for supporting small scale electricity generation from RES. Electricity generation using PV panels with a peak generation capacity of 3.7kW is permitted to connect to the electricity grid subject to established conditions.

As part of the transitory arrangements, the amount of electricity generated in such cases and supplied to the grid will be purchased by Enemalta Corporation at the rate of 2 c/kWh.

Investment subsidy

A one-time grant to households of a sum equivalent to 15.25% of the purchase price [up to a maximum of Lm 50 for purchase of solar heating energy savers for domestic use.

The network connection fee of Lm 70 is waived by Enemalta Corporation in the case of new households if these install a solar water heater.

- Measures and programmes adopted to improve fuel efficiency for transport vehicles. Such as vehicle fuel efficiency standards; vehicle inspection and maintenance programmes; introduction of cleaner fuels; any other.
 - **Government through the Ministry of Finance gives a once-only grant of a sum equivalent to 15.25% of the purchase price [up to a maximum of Lm 500] for purchase of an electric vehicle.**
 - **The EU Directive 2003/30/EC (promotion of the use of biofuels or other renewable fuels for transport) has been transposed through LN 528/2004. A national indicative target of 0.3% has been set for the proportion of biofuels placed on the**

market and calculated on the basis of energy content, of all petrol and diesel for road transport purposes by 31 December 2005

- A tax reduction of biodiesel applies as follows: Biomass content (i.e. percentage element) in biodiesel is exempt from the excise duty.
- During 2003, Government decided to proceed with testing the use of 100% biodiesel on its heavy plant. During 2004 and 2005, various Government entities have started to make use of biodiesel produced locally from vegetable waste oil. MEPA together with local producers of biodiesel launched an information campaign on the benefits of biodiesel.
- A local company has set up a waste oil collection scheme together with the MHRA for the collection of vegetable waste oils from hotels and restaurants and is then processing collected waste oils into biodiesel. Government has also launched a household collection scheme for vegetable waste oils.

Further details and submissions may be obtained from the Malta Transport Authority.

- Existence of nuclear energy programme and information on nuclear materials transported within or across national boundaries; national programmes that ensure nuclear safety; arrangements in place for public review and hearings.

Nuclear power is not considered as a feasible option.

Capacity-Building, Information and Research & Technologies

- Efforts to establish new, or strengthen or reform existing national and local institutions responsible for national programmes on energy for sustainable development.

The Malta Resources Authority was set up in accordance with the Malta Resources Authority Act, 2000. The functions of the MRA include:

- **carrying out studies, research or investigation on any matter relating to the resources regulated by or under this Act.**
 - **providing information and issuing guidelines to the public and to commercial and other entities on matters relating to the said resources;**
- Training or other capacity-building activities undertaken to strengthen energy planning, management of energy efficiency or development of new and renewable sources of energy.

The Institute for Energy Technology was set up under the Education Act (Cap. 327) with the aims :

- (a) **to assist in the development of national energy plans through studies in the use of new or renewable energy sources and methods of energy conservation;**

- (b) to originate and participate in teaching programmes and research projects in the field of energy technology;**
- (c) to disseminate appropriate methods and techniques relevant to the Institute's area of interest;**
- (d) to design equipment adapted to local condition.**

- Launching of public information campaigns and educational programmes to raise awareness of energy efficiency and environmentally sound energy systems.

Enemalta Corporation has also issued guide on safe and efficient use of energy through printed material to consumers and information posted on Enemalta website and with electricity bills to every consumer.

- Networking between centers of excellence on energy for sustainable development that has enhanced information sharing, capacity-building and technology transfer.
- Internet websites related specifically to the issues contained in these Energy Guidelines, provide homepage addresses (URL).

Enemalta's website: www.enemalta.com.mt

- Efforts to promote increased research and development of various energy technologies: renewable energy; energy efficiency; advanced energy technologies, including cleaner fossil fuel technologies; any other.

Malta Council for Science and Technology – website: www.mcst.org.mt

The Malta Council for Science and Technology is the national advisory body to Government on science and technology policy. The MCST is responsible for identifying and addressing major science and technology challenges and issues of strategic importance for Malta, thereby contributing to the development of coherent and sustainable policy visions and initiatives.

The MCST's main remit is to encourage investments and capacity building in science and research, with a view to promoting a culture for science, technology and innovation across the public, private and education sectors.

One of MCST's major initiatives is the setting-up of an Innovation Relay Centre (IRC) in Malta, which is now managed by Malta Enterprise, within the current Innovation Programme of the European Community.

The MCST is also the national agency responsible for the management and co-ordination of Malta's participation in the Sixth Framework Programme for Research, Technological Development and Innovation (FP6).

Various entities and institutions are involved in R&D in the energy field and include:

- **The Institute for Energy Technology**
- **University of Malta –website: www.um.edu.mt**
- **Institute of Energy Technology – website : <http://home.um.edu.mt/ietmalta/>**
- **Cleaner Technology Centre**
- **Private enterprise**

Financing

- Specific measures taken to establish an appropriate enabling environment conducive to attracting investments in the energy sector: pricing/subsidy reform; fiscal and financial incentives; power purchase agreements; other arrangements.

Electricity Directive 2003/54/EC of the European Parliament and of the Council of the 26th June 2003 concerning common rules for the internal market in electricity transposed into Maltese legislation by LN 511 of 2004. These regulations establish rules for the licensing of activities in the electricity sector and lay down the rules relating to the organisation and functioning of the electricity sector in Malta, access to the market, the operation of the system and the regulation of electricity tariffs, with a view to achieving a competitive, secure and environmentally sustainable market in electricity, and avoiding discrimination between these undertakings as regards either their rights or their obligations.

LN 99 of 2003 establishes special electricity tariffs for heavy consumers exceeding 5 million units per annum having a power factor of not less than 0.9 lagging on the maximum demand.

Cooperation

- Cooperation with neighbouring countries in energy trade and/or interconnection of electricity or gas networks, including through transnational pipelines; nature of such cooperation.

Not applicable