

# D9: EED implementation in Malta

The target of 3% energy end use savings for 2010 (established in the first National Energy Efficiency Action Plan (NEEAP)) has been achieved, and marginally exceeded – the target was 126GWh and the achievement was 153GWh. So far, improvement in energy efficiency has been mainly achieved from the industrial sector (including early actions in the water sector), the domestic sector (due to schemes to replace appliances, change lighting systems and install solar water heaters), as well as in the transport sector (due to changes in the national car fleet composition brought about by changes in the vehicles registration system). The uptake of Government grants for energy efficiency and renewable energy sources was very positive with more people realising the benefits of investing in such technologies.

## Legal context

Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC has been transposed by means of Legal Notice 289 of 2008 (Subsidiary Legislation 423.34, Energy End-use Efficiency and Energy Services Regulations).

With regards to Malta's current Europe 2020 targets for the energy sector, Malta has set the following targets.

- A maximum increase of greenhouse gas emissions not falling within the scope of the European Union Emissions Trading Scheme of 5% by 2020 (compared to 2005 levels particularly emissions from transport, mainly road transport, waste, agriculture and fuel combustion in industry and commercial and residential buildings).
- A commitment to achieve by 2020 a share of energy from renewable sources in gross final energy consumption of 10%.
- A commitment to achieve by 2020 a target of 10% of energy consumed in all forms of transport from renewable sources.
- A commitment to achieve an energy end use efficiency target of 9% by 2016.
- An indicative achievement of 22% energy or 237,019toe of energy saved in primary energy by 2020. (The baseline for this target is 3% or 23,231toe of energy saved in primary energy in 2010. According to the 2<sup>nd</sup> NEEAP, Malta has an indicative target of 22% energy or 235,254toe savings target by 2020 with an intermediate target for 2014 of 15% or 144,876toe.)

## Status of the implementation

In accordance with Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, hereafter the 'Energy Efficiency Directive' or the 'EED', Malta submitted to the European Commission the following deliverables:

- its report in terms of its indicative national energy efficiency target;
- its notification of the proposed methodology for the operation of its energy efficiency obligation schemes and planned alternative policy measures;

- its notification of the measures it plans to adopt in order to achieve the required level of energy savings in eligible buildings owned and occupied by central Government; and
- its notification of exemptions from the requirement for thermal electricity generation installations to be subject to a cost benefit analysis.

In accordance with Article 3 of the EED, Malta submitted its report in terms of its indicative national energy efficiency target.

The calculations in the second NEEAP submitted by Malta and Annex 1 of the above-mentioned document indicate that the target of 3% for 2010 has been achieved, and marginally exceeded. It has been reported in the second NEEAP that mainly results have been achieved from the industrial sector (including early actions in the water sector), the domestic sector (due to schemes to replace appliances, change lighting systems and install solar water heaters), as well as in the transport sector (due to changes in the fleet composition that brought about changes in the vehicle registration system). Primary energy savings assumes that the power extension and the interconnector count towards the target and that in primary energy, aviation is capped at 4.12%. In line with Article 3(a) of Directive 2006/32/EC of the European Parliament and of the Council of the on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC, national navigation is included in the calculation. Final energy consumption does not include maritime bunkering. Final energy savings do not include the power station extension and the interconnector savings, as these are primary energy savings, which do not feature in final energy savings. Moreover, aviation is capped at 4.12%, in line with Article 5(6) of Directive 2009/28/EC of the European Parliament and of the Council on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directive 2001/77/EC and 2003/30/EC. Finally, it should also be pointed out that maritime bunkering is excluded from the calculations.

Year	Primary Energy Projections (in absolute terms (toe))		Final Energy Projections (in absolute terms (toe))	
	Savings	Consumption	End-use Savings	Consumption less end-use Savings
2020	237,019	825,492	30,358	493,473

Table 1 – Overview of 2020 Target and Projections

The indicative target for 2020 is based on primary energy consumption for Malta, capped for aviation in the same manner as the target for renewable sources of energy. It is based on national models of energy consumption projections and assumes primarily that the energy end use savings envisaged in the NEEAP are achieved and that the new interconnector with Sicily is commissioned.

- Indicative National Energy Efficiency target 2020: 22% or 237,019toe in primary energy
- Baseline 2010 Energy Efficiency: 3% or 23,321toe in primary energy

The basis for this target is that aviation is capped at 4.12% in line with Directive 2009/28/EC on the promotion of the use of energy from renewable sources. The business as usual scenario assumes that the power station conversion efficiency of 30.31% of 2009 remains unchanged.

Malta notified the European Commission as required by Article 7(9) and point 4 of Annex V of the EED. Malta opted to achieve the targets by establishing an energy obligation scheme on the only distribution system operator and the only licensed electricity supply company in Malta, making it the designated entity obligated to:

- roll out a smart meter scheme that covers 100% of consumers connected to the national grid, and including monitors for effective communication with consumers in due course;
- use these smart meters in innovative ways;
- maintain a tariff for electricity consumption designed to promote energy efficiency amongst its consumers; without prejudice to the provision of electricity at the most competitive rates.

The energy efficiency obligation scheme is supplemented by other measures, namely:

- financing schemes or instruments and fiscal incentives;
- training and education, including energy advisory programmes;

- Government leading by example;
- direction to the public sector through the budgeting process; and
- regulation.

Malta calculated its obligation according to the provisions in sub-paragraphs (a) and (d) of paragraph 2 of Article 7, such that the target to be achieved resulted in 673GWh over the period 2014 to 2020. Moreover, two intermediate periods were identified as follows:

- Intermediate period 1 – January 2014 to December 2017 - during which 45% of the target should be achieved; and
- Intermediate period 2 – January 2018 to December 2020 - during which the remainder should be achieved.

In line with the ‘alternative’ approach set out in Article 5(6) of the EED, Malta notified the European Commission of the measures it plans to adopt in order to achieve the required level of energy savings in eligible buildings owned and occupied by central Government. Malta has opted for the ‘alternative’ approach because of its flexibility in achieving the savings through a combination of different measures such as deep renovations and behavioural changes. The basis of the calculation for the savings in buildings owned and occupied by central Government is described in the report submitted.

Malta notified the European Commission of exemptions from the requirement for thermal electricity generation installations to be subject to a cost benefit analysis, in line with Article 14(6) of the EED.

The energy sector of Malta is in continuous progress with the aim of achieving further development of the Maltese Islands in a sustainable manner. In the comprehensive assessment to be forwarded by 31 December 2015, Malta will have more information on the viability of certain embedded installations and the most feasible heating and cooling technologies for the Maltese context identified. Thus Malta reserves the right (as per Article 14(4)) in that where the national comprehensive assessment proves that the application of high-efficiency cogeneration and/or efficient heating and cooling benefits do not exceed the costs, installations concerned are exempted from Article 14(5).

As regards the equipment mentioned in Article 14(6) it is not currently envisaged that in the near future new peak load and back-up electricity generating installations, nuclear power installations, geological storages of carbon dioxide, industrial installations with a total thermal input exceeding 20 MW generating waste heat, and new district heating and cooling network with a total thermal input exceeding 20 MW are installed in Malta. Thus, an exemption is not required.

However energy policies develop and thus Malta reserves the right that in the foreseen National Energy Efficiency Action Plan to be submitted by 30 April of 2014, and every three years thereafter, if required reference is made to the exemption listed in Article 14(6) and changes in the Malta position taken within this document are notified to the Commission as indicated in the final sub-paragraph of Article 14(6).

The process to continue the implementation of the Energy Efficiency Directive is ongoing, especially but not only, with respect to the upcoming deliverables, according to the respective Articles, namely:

- the second annual report, in line with Article 24(1) of the EED;
- the first NEEAP, in line with Article 24(2) of the EED; and
- the transposition, in line with Article 28 of the EED.

## Additional efforts

The Government is liaising with all the applicable local entities to seek the best way forward for tapping of applicable funding to ensure the implementation of measures promoting energy efficiency. This process shall include the undertaking of a cost benefit analysis.

## Future planning

The Maltese Government will be setting up a 'Sustainable Energy and Water Conservation Unit', which shall carry out functions related to the design, implementation, and dissemination of water, conventional energy and alternative energy policy. This Unit shall be responsible for:

- the design, development and cohesive coordination of conventional and alternative energy policies and measures together with water policy and secure governance across and within Ministries, Departments and Government entities;
- the monitoring, reviewing and updating of conventional energy, alternative energy and water policy in accordance with European Union and international requirements;
- leading and coordinating co-funded projects relating to conventional energy, alternative energy and water across Ministries; and
- the design, development and management of a sustained knowledge, education, information and communications framework directed to influence behaviour with regard to alternative energy use.

This 'Sustainable Energy and Water Conservation Unit' will be coordinating and chairing a cross-Ministerial team of experts, made up of representatives of the National Statistics Office (NSO) and various other relevant local entities such as the Institute for Sustainable Energy (ISE) within the University of Malta, and the Malta Intelligent Energy Management Agency (MIEMA) charged with collecting and analysing information and data in order to have a better understanding and quantitative assessment of energy consumption patterns and better identification of trends. This team will also carry out more robust monitoring of impacts of policies and measures and other investigations as necessary.

## Relevant information

Ministry for Energy and the Conservation of Water: [www.mecw.gov.mt](http://www.mecw.gov.mt)

Malta Resources Authority: <http://mra.org.mt>