

**Malta's annual monitoring report for 2017 under Article 24(1) of
'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'**

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Contact person for the monitoring report:

Organisation: The Energy and Water Agency

Office of the Prime Minister (Energy & Projects)

Email: info-energywateragency.gov.mt; euaffairs.opm-energyprojects@gov.mt

Introduction

Article 24(1) of 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 (the EED) requires monitoring reports to be submitted by 30th April each year (first EED monitoring report submitted in 2015; progress report for 2013). In accordance with Part 1 of Annex XIV to the EED, the reports are to contain the following information:

1. a list of key energy monitoring indicators in the year n-2, n being the current year (2017 for this report);
2. in sectors where energy consumption remains stable or is growing, Member States analyse the reasons for such stability or growth and attach their appraisal to the estimates (relevant for subsequent reports);
3. henceforth the second and subsequent reports shall also include points (b) to (e) of Annex XIV Part 1 of the Directive 2012/27/EU.

(a) List of key energy monitoring indicators in the year n-2 (2015), n being the current year:

The list of monitoring indicators in the year n-2 is found in Annex 1. The Guiding Template_Annual Report 24_1 EED_2017 format was used for this report and data provided in the report is for the most part available from EUROSTAT database as indicated in guiding table. A note was inserted wherever the data provided originated from some other local entity. It should be noted that the National Statistics Office (NSO), as the entity responsible for compiling the data in line with EUROSTAT codes as indicated in the guiding template, has coordinated with various entities to validate and harmonise the data being reported to EUROSTAT.

The Co-Generation Annual Report 2015 included as Annex 2 with this report, forms the basis for the calculations of “electricity generated from CHP” and “heat generation from thermal power generation”. The Co-Generation Annual Report is prepared by the Regulator for Energy and Water Services (REWS) in line with the obligation specified in Regulation 24(3) of Subsidiary Legislation 545.16.

In accordance with the requirement expressed in Annex XIV Part 1, for sectors where energy consumption remains stable or is growing, Member States are required to analyse the reasons for such stability or growth and attach their appraisal to the estimates (relevant for subsequent reports);

Malta has since 2014 experienced sustained growth in its economy and population, also driven by more sustainable energy generation, delivering both cleaner power and lower tariffs. The 7.4 % growth in GDP and 1.2% population growth rate (without considering tourist arrivals which increased by 6% over 2014) has resulted in higher energy consumption in all sectors, especially in the services sector, where the gross added value increased by 10%. These figures, however, show an evident decoupling between GDP and energy consumption, as final energy consumption rose by 5.1% whereas GDP at constant prices increased by 7.4%.

(b) Updates on major legislative and non-legislative measures implemented in the previous year (2016) which contribute towards the overall national efficiency targets for 2020:

Legal Notice 236 of 2016 – Energy Efficiency and Cogeneration (Amendment) Regulations.

These amendments indicate the choice of using deep renovations and measures for behavioural change of occupants in order to achieve an amount of energy savings in eligible buildings owned and occupied by Government which is at least equivalent to that required by paragraph 1 of Article 5 of Directive 2012/27/EU. Furthermore the amendments indicate the choice of having high quality energy audits which are cost-effective and carried out in an independent manner by qualified and, or accredited experts according to qualification criteria.

Legal Notice 29 of 2016 – Electricity Market (Amendment) Regulations 2016. This included a recommendation by the regulator for electricity undertakings in order to optimise the use of electricity, the provision of a single point of contact for customers for all necessary information concerning their rights, current legislation and the means of dispute settlement available to them in the event of a dispute and the provision that historic consumption data will be passed on to the customer or their designated third party free of charge.

Legal Notice 30 of 2016 – Natural Gas Market (Amendment) Regulations, 2016. This included a recommendation by the regulator for natural gas undertakings in order to optimise the use of gas, the provision of a single point of contact for customers for all necessary information concerning their rights, current legislation and the means of dispute settlement available to them in the event of a dispute and the provision that historic consumption data will be passed on to the customer or their designated third party free of charge.

Legal Notice 31 of 2016 – Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) (Amendment) Regulations. This amendment specifies that the distribution system operator shall pay the balance due for the supply of electricity by the installation operator when two consecutive scheduled bills based on actual meter readings are shown to be in credit.

Legal Notice 237 of 2016 – Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) (Amendment No. 2) Regulations;

Legal Notice 346 of 2016 - Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) (Amendment No. 3) Regulations;

Legal Notice 369 of 2016 - Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) (Amendment No. 4) Regulations;

The above four amendments refer to updates to the feed-in tariffs scheme.

Legal Notice 370 of 2016 – Sale of Electricity generated from Cogeneration Units Regulations (Amendment) Regulations. This amendment includes updates to the marginal cost.

Government Notice 1185 of 2015 – Government Grant on the Purchase of Environment-friendly Vehicles and Government Notice 201 of 2016 - Government Grant on the Purchase of Environment-friendly Vehicles. These provide details of the grant scheme to incentivise the purchase of new M1 motor vehicles whilst at the same time reducing the number of old motor vehicles from the road.

Government Notice 1426 of 2016 – Extension of Scheme established by Government. This government notice extends the grant scheme for the purchase of systems for domestic use that reduce the consumption (roof insulation and double glazing) of energy till 31st December 2017.

Government Notice 1427 of 2016 – Extension of Scheme established by Government. This government notice extends the grant scheme for the purchase of solar water heater systems in the domestic sector till 31st December 2017.

- (c) the total building floor area of the buildings with a total useful floor area over 500 m² and as of 9 July 2015 over 250 m² owned and occupied by the Member States' central government that, on 1 January of the year in which the report is due, did not meet the energy performance requirements referred to in Article 5(1); and**
- (d) the total building floor area of heated and/or cooled buildings owned and occupied by the Member States' central government that was renovated in the previous year referred to in Article 5(1) or the amount of energy savings in eligible buildings owned and occupied by their central government as referred to in Article 5(6);**

As per Malta's notification in accordance with Article 5 of Directive 2012/27/EU, the estimated floor area of buildings owned and occupied by central government exceeding 250m² and having energy consumption higher than 107.5 kWh/m² amount to 31509m² from a total of 158701m² representing about 20% of the total floor area.

The implementation of Article 5 by the Building Regulations Board is an ongoing process. Walkthrough audits done by consultants to the Energy and Water Agency in December 2016 showed that significant changes to the buildings and their use have taken place making the results notified in December 2013 in need of updating.

(e) Energy savings achieved through the national energy efficiency obligation schemes referred to in Article 7(1) or the alternative measures adopted in application of Article 7(9). Savings for year (n-2), measures taken in year (n-1).

i. Energy Efficiency Obligation Scheme

Enemalta plc has achieved a total of 4,088 MWh during 2015 through the progressiveness of the domestic residential household tariff system and the incentive towards energy efficiency in the tariff structure (eco-reduction). The domestic residential household tariff system adopts a rising block tariff while the energy efficiency incentive provides a financial reward to households with consumption levels below a stipulated level. Enemalta has also retained those two measures for the year 2016.

ii. Alternative Policy Measures

Public Sector leading by Example

A total of 1,231MWh were achieved in 2015 through measures falling in the category ‘Public Sector leading by Example’. These included savings stemming from retrofitting of energy efficient measures in public schools, retrofitting of energy efficient measures at St Vincent de Paule – Rehabilitation Centre and Old Peoples’ Home and retrofitting of energy efficient measures at Malta Police Force Buildings.

Measures which were initiated in 2014 and 2015 were sustained in 2016. Measures which delivered new savings in 2016 include the energy efficiency project at tal-Qroqq National Pool Complex, energy efficiency project at MFSA offices and the lighting for reduced carbon footprint carried out by the University of Malta.

Financing Schemes and Instruments and Fiscal Incentives

A total of 56,024 MWh were achieved in 2015 through measures falling in the category ‘Financing Schemes and Instruments and Fiscal Incentives’. These included savings stemming from projects carried out in order to improve energy efficiency in Government-owned industry, savings as a result of incentives schemes for double glazing, roof insulation and solar water heaters, energy efficiency measures in low-income households, savings as a result of grant schemes to improve vehicle fleet efficiency and self consumption of PV generation.

Measures which were initiated in 2014 and 2015 were sustained in 2016. Measures which delivered new savings in 2016 include the energy efficiency improvement as a result of the rendering plant (autoclave) for animal waste and new uptake of incentive schemes.

Regulations and Voluntary Agreements

A total of 16,779MWh were achieved in 2015 through measures falling in the category 'Regulations and Voluntary Agreements'. Further energy efficiency measures were undertaken by non-SMEs in the year 2016.