

## Malta's National Progress Report submitted to fulfil the requirements of Article 10(2) of Directive 2004/8/EC on the promotion of cogeneration based on a useful heat demand in the internal energy market

### **I. Transposition of the legal text of Directive 2004/8/EC**

*1. Has your country already sent in notifications of transposition to the Commission? Please indicate which document you sent on which date, and which Article was transposed in this way, and where it can be found in the document. (Background: there are Member States which transpose (parts of) Articles in a general energy law of many pages, making it hardly possible to do a check or specific translation)*

The Cogeneration Regulations (LN2/07) completely transpose Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC. The Commission was notified as per established procedure on 17 January 2007.

*2. What is the timeline for the remaining parts of the transposition of the Directive? Please indicate how this will take place (revision of a general energy law, a specific law, decree, regulation, ....), at what stage in the legislative process your country is for this part, what the expected reasonable timeline until adoption will be, and what the obstacles are, if any.*

See reply to question 1 above.

*3. Will your country use any option that is described in Article 12? If so, which one?*

Malta will not be using any option that is described in Article 12 of Directive 2004/8/EC.

*4. Will (parts of) the transposition be done by regions? If so, which parts? And by which regions?*

Transposition was not done by regions, in fact the Cogeneration Regulations (LN2/07) apply to the entire Maltese territory.

### **II. Transposition of Commission Decision 2007/74/EC on harmonised efficiency reference values and related issues**

*1. What is the timeline for the transposition of the Commission Decision of 21 December 2006? Please indicate how this will take place (revision of a general energy law, a specific law, decree, regulation, ...).*

The Cogeneration (Amendment) Regulations (LN196/08), which came into force on 22 August 2008, transpose Commission Decision 2007/74/EC of 21 December 2006 establishing

harmonised efficiency reference values for separate production of electricity and heat in application of Directive 2004/8/EC of the European Parliament and of the Council.

*2. Article 5 requires Member States to ensure that accurate and reliable guarantees of origin can be issued according to objective, transparent and non-discriminatory criteria not later than 6 months after the adoption of the harmonised efficiency reference values. Please indicate how your country is making progress towards meeting this deadline. Can you already indicate which will be the "one or more competent bodies" mentioned in Article 5.2?*

Currently, the Maltese authorities are conducting consultations with interested parties on the draft national legislation intended to regulate the issue of Guarantee of Origin certificates for high-efficiency cogeneration. However, in the light of the agreement reached at Council and the European Parliament in December 2008 on the Proposal for a Directive on the promotion of the use of energy from renewable sources, a decision was taken to also include in the draft legislation Guarantee of Origin certificates from renewable sources. The legislation has been redrafted to include these new provisions and consultation on the revised draft legislation is also being carried out. The Malta Resources Authority is the competent body with respect to co-generation issues as indicated in the Cogeneration Regulations (LN2/07).

*3. Is it already known if your country will adopt the model developed by the Commission and the European Association of Issuing Bodies? If not:*

- Is the national scheme similar enough to allow a transition to this model in the coming years?*
- Can you indicate how the national scheme is matching the safeguards of fraud-resistance, accuracy and reliability that are provided by the Commission model?*

The current consultation draft of the legislation, which is to transpose Commission Decision 2007/74/EC, follows the model developed by the Commission and other Member State authorities.

*4. Will (parts of) the transposition be done by regions? If so, which parts? And by which regions?*

Transposition was not done by regions. The legislation will apply to the entire Maltese territory.

### **III. Reporting Obligation**

*1. Article 9.1 requires an evaluation on the existing legislative and regulatory framework with regard to authorisation and other procedures, applicable to high efficiency cogeneration units. Article 9.2 requires Member States to provide indications on the stage reached in coordination between administrative bodies, on guidelines for reduced and/or simplified authorisation procedures and the reduction of barriers, as well as the designation of authorities able to mediate in disputes between applicants for cogeneration authorisation with issuing authorities.*

The Electricity Regulations (LN511/04) exempt producers of electricity from cogeneration plants with a total peak generation capacity of less than 10kW from the requirement to request an

authorisation or to hold a licence issued by the Malta Resources Authority. However, such generators are still required to notify the Malta Resources Authority and submit such information as the Authority may request from time to time. This measure is intended to facilitate the installation and possible connection of combined heat and power (CHP) units to the electricity grid.

If a development permit would be required for the installation of a co-generation unit and its auxiliaries, a development planning application would be initially referred to the Malta Environment and Planning Authority. Such co-ordination between administrative bodies is regulated through the Development Planning Act (Cap. 356).

In case of disputes related to a decision taken by the Malta Resources Authority, the applicant can appeal to the Resources Appeals Board established under the Malta Resources Authority Act (Cap. 423).

*2. Articles 6.1 and 6.2 require Member States to establish an analysis of the national potential for the application of high-efficiency cogeneration, including high-efficiency micro-cogeneration. This has to be based on well-documented scientific data. It has to identify all potential for useful heating and cooling demands as well as fuels and other energy resources, including waste heat. It also has to include a separate analysis of barriers, in particular relating to prices and costs of and access to fuels, grid system issues, administrative procedures, internalisation of external costs.*

The Malta Resources Authority carried out a basic preliminary assessment with the co-operation of UK's Department for Environment, Food and Rural Affairs (DEFRA) officials under a TAIEX programme to assess the technical potential of CHP technology. From this assessment it was concluded that:

- currently there are no CHP technologies in Malta; and
- a wider project is required for the Authority to establish the technical and economic potential of CHP, especially since documented scientific statistics are lacking and a thorough exercise has to be done to gather this data.

Following the TAIEX programme, the Authority has started an exercise to gather the information required and thus be in a position to provide this analysis. Other Member States who already have conducted such exercises could also be consulted.

*3. When can the report referred to in Articles 5.3 and 10.1 and related to Chapter II of this template be expected?*

The report should be sent to the Commission by the second quarter of 2009.

*4. Will (parts of) the reporting obligations be fulfilled by regions? If so, which parts? And by which regions?*

All reporting obligations will be fulfilled by the Maltese Government.

#### **IV. Support schemes**

*1. Does your country already have support schemes for CHP (operational and/or investment aid)? Have these schemes been notified to and approved by the Commission (DG COMP)? If so, please give references. Until when are these schemes running? What kind of support is provided (feed-in tariffs, certificates and quota, priority access to the grid, ...)? How much money on a yearly basis has been provided in this way in the past years to the promotion of cogeneration in general and to the promotion of high efficiency cogeneration in particular?*

Malta does not have any support schemes for CHP since currently there is no CHP technology installed in the Maltese islands. During the TAIEX visit mentioned previously, it transpired that more information is required by the industrial sector on the benefits of CHP and barriers to the use of such technology. First indications from the feasibility report indicate that the new tariffs which came into effect from 1 October 2008 will make the take up of CHP technology more economically feasible.

*2. Is your country in the process of developing or introducing new support schemes to promote cogeneration? Will these be reserved for high efficiency cogeneration units based on Directive 2004/8/EC and Commission Decision 2007/74/EC? What kind of support is planned? Which sectors will be targeted (agricultural and / or industrial and/or heating cogeneration)? Will these measures be general or based on certain principles or criteria? If so, which? Have they been based on an assessment, including cost-effectiveness, of earlier support schemes in your country or elsewhere, and if so, which ones? Are they designed to provide stable long-term investment conditions? At which stage in the legislative process are these new schemes? When are these new schemes expected to be notified to the Commission?*

*How much money is expected to be made available on a yearly basis to the promotion of high efficiency cogeneration in the coming years?*

See reply to question 1 above.

*3. Will there be regional support schemes? If so, please answer these questions for each of them.*

Any eventual support schemes would apply to the entire Maltese territory without regional distinctions.

#### **V. Statistics**

*Do you have any comments regarding the requirement under Article 10.3 of Directive 2004/8/EC that Member States shall submit statistics on national electricity and heat*

*production from cogeneration, in accordance with Annex II? Does your country also submit statistics on primary energy savings achieved by cogeneration in accordance with Annex III, or does it plan to do so in the future? If so, when?*

No statistics are submitted since currently there is no 'high efficiency' CHP technology installed in Malta.

## **VI. Concrete progress**

*Can your country already show progress in high efficiency cogeneration since the publication of the Directive on 21 February 2004 which can be ascribed to either EU or national legislation and support schemes? If so, please inform the Commission of the details (success factors, problems, risks, ....). If regions are responsible for (part of the) legislation and support schemes please specify your answer at the level of these regions as well.*

Currently there is no 'high efficiency' CHP technology installed in Malta. However, the dissemination of information by the Malta Resources Authority to the Maltese industry is seen as an important first step in the implementation of this technology.