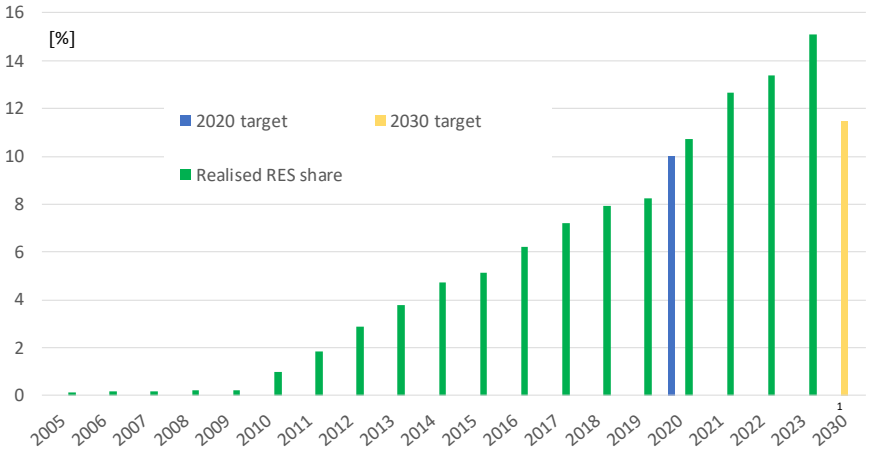
# Renewable Energy Policy Factsheet

April 2025

# Malta

## Renewable energy status

Share of energy from renewable sources in total gross final energy consumption



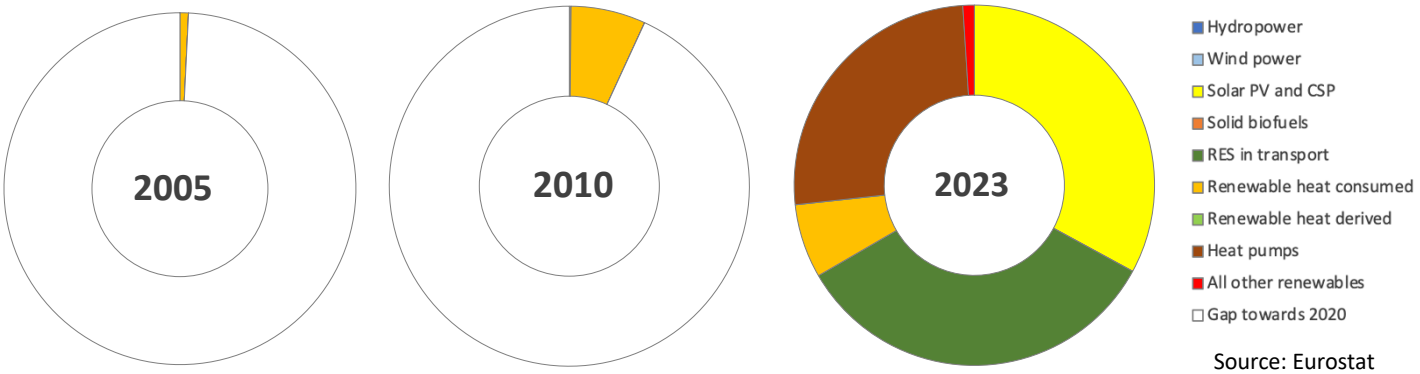

Source: Eurostat

**Abbreviations used:**

RES: renewable energy sources
RES-E: renewable electricity
RES-H/C: renewable heating/cooling
RES-T: renewable transport fuels

**Data for 2023**

| | | | |
|---|---|---|---|
| Overall RES share: | 15.1% | Avoided fossil fuels: | 0.1 [Mtoe] |
| Overall RES 2020 target: | 10.0% | Avoided fuel expenses: | 57 [MEUR] |
| Overall RES 2030 target: | 11.5% | RES Turnover: | 460 [MEUR] |
| Share RES-E in electricity: | 10.7% | RES Employment: | 4 200 [jobs] |
| Share RES-T in transport: | 10.7% | RES imports[2]: | 5 [MEUR] |
| Share RES-H/C in heating: | 47.5% | RES exports[2]: | 0 [MEUR] |




Source: Eurostat

| | 2005 | 2010 | 2023 | | |
|---|---|---|---|---|---|
| | Energy in ktoe | Energy in ktoe | Energy in ktoe | Employment in FTE | Turnover in MEUR |
| Hydropower | 0.0 | 0.0 | 0.0 | <100 | <10 |
| Wind power | 0.0 | 0.0 | 0.0 | <100 | <10 |
| Solar PV, and CSP | 0.0 | 0.1 | 26.6 | 200 | 20 |
| Solid biomass | 0.0 | 0.0 | 0.0 | <100 | <10 |
| Ren. energy in transport[3] | 0.0 | 0.0 | 27.2 | <100 | <10 |
| Renew. heat consumed | 0.5 | 4.3 | 5.4 | | |
| Renew. heat derived | 0.0 | 0.0 | 0.0 | | |
| Heat pumps | 0.0 | 0.0 | 20.7 | 3 200 | 260 |
| All other renewables | 0.0 | 0.0 | 0.8 | 400 | 40 |

Source: Eurostat, EurObserv'ER

FTE = Full time equivalent, PV=Photovoltaics, CSP=Concentrated Solar Power. Biofuels in transport only covers compliant fuels (employment and turnover additionally cover the non-compliant biofuels). Derived heat includes heat produced in main activity producer plants and heat sold produced in auto-producer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).

[1] From Integrated National Energy Climate Plan

[2] Referring to the International Trade chapter from the publication: EurObserv'ER - *The State of Renewable Energy in Europe, 2024 edition*

[3] Employment and turnover are only referring to biofuels in transport.

# CURRENT RENEWABLE ENERGY POLICY

## RES-E

Malta employs various support schemes to foster the development of renewable energy sources – electricity (RES-E), particularly solar photovoltaic (PV) systems, which are the most viable in the country. Solar PV is expected to account for 42% of Malta's renewable energy contribution by 2030. Additionally, other renewable energy sources receive support through tender processes. According to Malta's National Energy and Climate Plan (NECP, pg. 40-41), Malta has set a target for RES-E to reach 11% by 2030. The competent authorities overseeing these initiatives are the Regulator for Energy and Water Services and the Ministry for Energy and Conservation of Water.

The subsidy for PV installations, known as the PV grant, is available for new solar PV systems connected to the grid, aiming to help investors in both residential and non-residential sectors overcome cost barriers. Electricity generated by PV installations with capacities less than 400 kWp is supported through a feed-in-tariff scheme specifically for electricity generated from solar photovoltaics installations. Installations with capacities exceeding 1,000 kWp are promoted through tenders, and this support is available for new photovoltaic and wind energy installations that have not received other forms of support. Additionally, Malta offers a premium tariff awarded through tenders conducted by the Ministry for Energy and Water Management for renewable energy installations with capacities between 400 kWp and 1,000 kWp.

## RES H&C

In the heating and cooling sector, Malta mainly supports the installation of solar water heaters. They proceed these initiatives through various subsidy schemes. The support schemes include subsidies for heat pump water heaters, solar water heaters, and solar water heaters and collectors. The share of renewable heating and cooling is expected to rise to 25.71% by 2030 as mentioned in Malta's NECP.

## RES-T

The RES-Transport share in Malta is anticipated to grow primarily through increased biofuel consumption and a higher share of electric vehicles in the road transport fleet. It is expected to reach 15% by 2030 (NECP, pg. 42). To support this growth, Malta has implemented a biofuel quota, imposing a substitution obligation on importers and wholesalers of fossil fuels. Additionally, there are grant schemes available for the purchase of electric vehicles.

Electric vehicles in Malta benefit from several incentives, including an exemption from registration tax and the annual road license fee. There is also an ongoing pilot project for residential charging of electric vehicles. A subsidy program, such as the Renewal of Scrappage Scheme 2018, further supports the adoption of electric vehicles. The competent authorities overseeing these initiatives include the Ministry of Transport, Infrastructure, and Capital projects, the Authority for Transport in Malta (Transport Malta), the Regulator for Energy and Water Services, and Enemalta plc.

Table 1: Brief description of key policy instruments aimed at promoting RES in Malta

| *Instrument* | *Description* |
|---|---|
| Malta's Sustainable Development Strategy for 2050 (2022) | The Maltese government, with support, developed the Sustainable Development Strategy 2050 to implement Malta's Sustainable Development Vision for 2050, aligned with the UN Agenda 2030. Efforts are underway to incentivize emissions reduction through the adoption of innovative low-carbon and energy-efficient technologies across public, private, and civil society sectors. This initiative also promotes the widespread use of electric vehicles and alternative transportation methods while prioritizing projects that leverage renewable energy sources and aim for climate neutrality. Additional investments are earmarked for waste-to-energy facilities and enhancements to power and water distribution networks to promote energy and water conservation. By 2030, these efforts aim to achieve specific targets:<br>• Achieve an 11.5% share of renewable energy in gross final energy consumption;<br>• Reduce the modal share of car drivers to 41% compared to 1990;<br>• Introduce around 65,000 electric vehicles, including plug-in-hybrid EV. |
| Integrated National Energy and Climate Plan (NECP), 2021 - 2030 | As of October 2023, Malta updated its plans as per EU Member States requested. There is no solar-specific target since Malta is committed to increasing its share of renewable energy apart from placing a strong emphasis on established sectors (solar PV, renewable water heating technologies, biofuels, heat pumps, and bio-waste to energy). Malta is focusing on emerging renewable energy sources like offshore wind and solar. The key targets include:<br>• National target/contribution for renewable energy: Share of energy from renewable sources in gross final consumption of energy in 2030: 10.6 – 13.3%<br>• National contribution for energy efficiency in 2030: Primary energy consumption 1.2 Mtoe, Final energy consumption 0.9 Mtoe |
| Subsidy for PV installations | The subsidy is designated for new solar PV installations that are grid-connected, aiming to assist investors in both residential and non-residential sectors in overcoming current cost obstacles. |
| Feed-in tariffs for grid-connected PV systems and ≥ 1 MW onshore wind systems | A capped feed-in tariff is provided for the production of renewable electricity from solar PV installations. PV systems approved under the Second Schedule LN 69 of 2022 must be equal to or greater than 1,000 kWp but less than 400 kWp. The currently available feed-in tariff schemes include PV applications from the 2020 FiT Scheme update on 7 December 2021 and the PV Capping Status 2024 as of 19 June 2024. |
| Tenders for PV and Wind plants | Installations exceeding 1,000 kWp in capacity are promoted through competitive tenders. Eligible projects include new photovoltaic and wind energy installations that have not received other forms of support. |
| Tenders for small installations | Malta's premium tariff is awarded through a tender organized by the Ministry for Energy and Water Management. It is available for renewable energy source (RES) installations ranging in capacity from 400 kWp to 1,000 kWp. |
| Energy price controls and household subsidies | In 2022, Malta responded to the global energy crisis by implementing measures aimed at shielding consumers from rising energy prices. These included maintaining price controls on gas, petroleum, and electricity through tax cuts, along with providing temporary monetary transfers to households. These subsidies are amounting to €350 million, with plans to sustain until 2026. Additionally, specific government funding was allocated to compensate the state-owned company affected by the termination of its fixed-price LNG contract due to shifting market conditions. |
| Grant schemes for an installation of solar water heaters | Support for Heat Pump Water Heaters: Private households can receive a one-time grant per eligible installation. The grant covers 50% of the costs of the Heat Pump Water Heater itself, including VAT, and capped at €1000. The 2021 Solar Water Heater Scheme has been extended until December 31, 2024, as indicated by Government Notice 15 of 2024. |

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| | Support for Solar Water Heaters: The scheme aims to promote energy efficiency in households by offering grants to assist in purchasing and installing solar water heaters. Eligible applicants can receive up to 75% of the solar water heater costs, including VAT, capped at €1,400. Additionally, after 5 years, a further grant of €500 is available to cover maintenance costs upon submission of a receipt from the supplier. |
| Tax and other financial benefits for electric vehicles | For Electric Vehicles, there is no registration tax, resulting in additional savings ranging from €1,000 to €3,000. Owners of Electric Vehicles pay an annual ownership tax of €10. In Malta for 2024, grants include €500 for each new pedelec, €2,000 to €6,000 for each new electric motorcycle, tricycle, or quadricycle, and up to €11,000 for electric cars and vans. A scrappage scheme also offers incentives such as €500 for motorcycles, €1,000 for cars, €30,000 for minivans, and €50,000 for coaches older than 10 years. |
| Pilot project for residential charging of electric vehicles | Electric vehicle (EV) owners will benefit from a fixed rate of €0.1298 per unit when charging at home during off-peak hours (00:00 - 06:00). Enemalta covers installation and equipment costs during the pilot phase, with daytime consumption added to the household's overall usage. This initial offering is limited to the first hundred (100) EV owners on a first-come-first-served basis, with plans to expand nationwide pending successful implementation. |
| Alternative fuel infrastructure incentives | New car importers and fleet management companies can apply for grants up to €25,000 to modernize their service garages or provide staff training. |

## *For further information:*


Clean energy for EU islands. Policies in Malta. (n.d.). https://clean-energy-islands.ec.europa.eu/countries/malta/legal

Energy price controls and household subsidies 2022. (n.d.). IEA. https://www.iea.org/policies/16507-2022-energy-price-controls-and-household-subsidies

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Financial incentive 2024. Purchase of new electric vehicles 2024. (n.d.). https://www.transport.gov.mt/Land/Sustainable-Transport/Financial-Incentives-2024/New-Electric-Vehicles-6667

Maas, S. (2023). Towards a fossil free Malta. Friends of the Earth Malta. https://parlament.mt/media/123501/dok-75-l33.pdf

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National energy and climate plans. (n.d.). European Commission. https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans_en

Policies | Clean energy for EU islands. (n.d.). https://clean-energy-islands.ec.europa.eu/legal/country/4945/category_legal/223

PV Capping Status, Feed-in Tariff Scheme. Regulator for Energy and Water Services. (n.d.). https://www.rews.org.mt/#/en/a/82-pv-capping-status

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Tax benefits and purchase incentives. (n.d.). https://acea.auto/files/Electric_cars-Tax_benefits__purchase_incentives_2023.pdf

Towards a sustainable future – Transport Malta launches €15 million financial grant for the purchase of new Electric Vehicles. (n.d.). Transport Malta. https://www.transport.gov.mt/news/pr-06-2024-6676

## *What is meant by …?*

| | |
|---|---|
| Auctions for granting renewable energy support | An auction is a process of granting production or investment support to renewable energy projects based on the lowest bids by eligible project developers. |
| Feed-in tariff (FiT) | A support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive. In addition, feed-in tariffs often include "tariff degression", a mechanism according to which the price (or tariff) ratchets down over time. |
| Feed-in premium (FiP) | A scheme which provides for a support level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating rate. The premium is typically adjusted periodically to exactly offset change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval. |
| Grants | Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org) |
| Green public procurement | In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org) |
| Renewable quota scheme (RQS) | A RQS mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs. |
| Sliding feed-in-tariff | A FiT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a degression rate is used indicating the %/annum decrease in the rate level. |
| Soft loans | Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies. |
| Tax credits | These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities, for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment. |

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