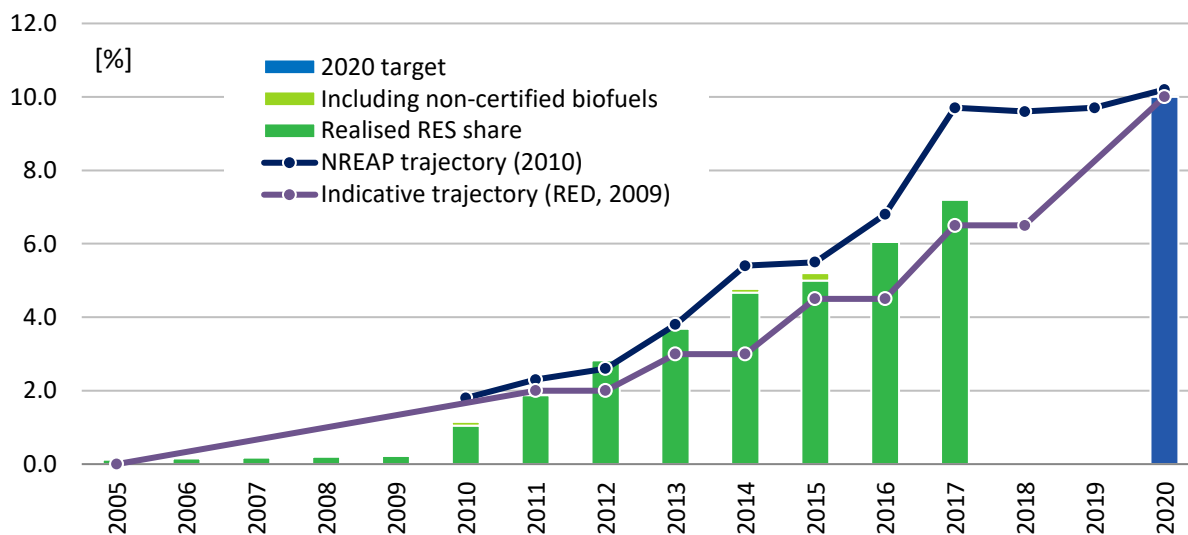


Summary

Electricity generated by PV installations is supported by feed-in tariffs. Project developers of PV installations of 1 MWp or higher capacity have to participate successfully in tenders to become eligible. Solar water heaters and aerothermal heat pumps for domestic use is stimulated by investment subsidies. Biofuels for transportation are fostered by a biofuels quota scheme.



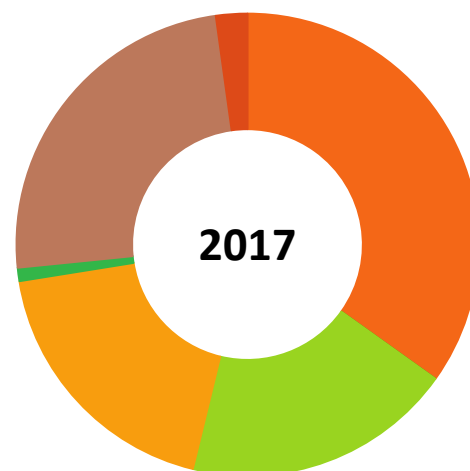
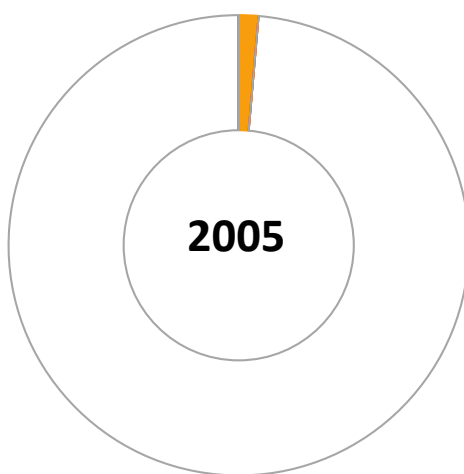
Source: EEA, Eurostat

Abbreviations used:

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

Data for 2017

Overall RES share:	7.2%	Avoided fossil fuels:	0.06 [Mtoe]
Overall RES 2020 target:	10.0%	Avoided fuel expenses:	0.04 [billion euro]
Share RES-E in electricity:	6.6%	RES Turnover:	110 [MEUR]
Share RES-T in transport:	6.8%	RES Employment:	1200 [jobs]
Share RES-H/C in heating:	19.8%		



- Hydropower
- Wind power
- Solar PV, CSP and water heaters
- Solid biomass
- Biofuels in transport
- Renewable heat consumed
- Renewable heat derived
- Heat pumps
- All other renewables
- Gap towards 2017

Source: Eurostat, 2019.

	2005		2017		
	Energy		Energy	Employment	Turnover
Hydropower	0.0 ktoe		0.0 ktoe	<100 Jobs	<10 MEUR
Wind power	0.0 ktoe		0.0 ktoe	<100 Jobs	<10 MEUR
Solar PV, CSP and water heaters	0.0 ktoe		13.3 ktoe	400 Jobs	30 MEUR
Solid biomass	0.0 ktoe		0.0 ktoe	100 Jobs	10 MEUR
Biofuels in transport	0.0 ktoe		7.2 ktoe	<100 Jobs	<10 MEUR
Renewable heat consumed	0.5 ktoe		7.1 ktoe		
Renewable heat derived	0.0 ktoe		0.4 ktoe		
Heat pumps	0.0 ktoe		9.3 ktoe	<100 Jobs	<10 MEUR
All other renewables	0.0 ktoe		0.8 ktoe		
Gap towards 2017		37.8 ktoe			

Source: Eurostat, EurObserv'ER, 2019.

Hydropower jobs & turnover only covers 'small hydropower'. 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 autoproducer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).



CURRENT RENEWABLE ENERGY POLICY

Malta launched a National Energy Policy in December 2012, aimed at diversifying the energy mix used in Malta while accelerating a shift in the energy culture. The national energy policy is based on the principles of diversification, security of supply, efficiency and affordability.

Malta aims to achieve its 2020 renewable energy target through different technologies, mainly solar, heat pumps, biofuels and waste to energy projects.

In its national reporting on the progress towards the 2020 binding RES target, Malta points out that, due to several major technology-related developments, it has revised the original RES mix which was presented in the National Renewable Energy Action Plan (NREAP). Among others, the large offshore wind farm, which was expected to be a major contributor to the RES target in the original NREAP is not being considered further. Additionally, the significant price reduction for PV systems since 2005, mainly due to the cost of modules, has provided an alternative, cost-effective path for Malta to reach its 2020 RES target. The Maltese Government's policy is to prioritize investment in PV systems installed on rooftops and brown field sites (land that has been used for industrial and commercial purposes and is now derelict and possibly contaminated, or previously developed land that has the potential for being redeveloped).

Malta enjoys an abundance of sunshine and mild temperatures. This, coupled with other factors such as the existence of flat roofs as the standard way of building and the recent trend of increased power consumption in summer due to air conditioning, also favours the application of solar PV on a wide scale.

For the promotion of *renewable electricity*, Malta has a feed-in tariff scheme in place for PV systems targeted at households. After successful participation in dedicated tenders, also PV and windpower installations ≥ 1 MW can benefit from a feed-in tariff on a pay as bid basis. So far, two tenders for a total of 50 MW capacity each were organised in October 2017 and October 2018 respectively. Generally, eligibility to feed-in tariffs is capped at 1600 kWh/kW_p/year. Any network injection in excess of this cap has to be marketed by the project operator concerned.

For *renewable heating*, grants for solar water heating systems and aérothermal heat pumps to private householders are provided for 50% of the investments costs up to 700 euros.

Support for *renewable energy in the transport sector* is provided through a biofuels quota scheme imposed on importers and wholesalers of fossil fuels.

In addition, subsidy and tax mechanisms are provided for the purchase of battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) by a package of measures, including:

- Subsidies on the purchase of a BEV, a PHEV or an electric quadricycle
- Highly concessional registration tax for a BEV amounting to €10
- Ownership tax for BEVs is €10/year
- A range of corporate tax benefits for purchase and operation of company BEVs, PHEVs and electric quadricycles
- Incentives in some local areas such as Valetta (no CVA charge, use of priority lanes)
- Investment subsidy for company chargers of €2000 per charger for up to 5 chargers per company
- Reduced electricity rates for households with home chargers.

OVERVIEW OF MAIN SUPPORTING POLICIES

An overview of the main RES support measures applied in Malta are shown in Tables 1 and 2 below. See the previous section for more details.

Table 1: Overview of support schemes to promote renewable energy in Malta

	NON-FISCAL SUPPORT SCHEMES					FISCAL AND OTHER STATE FUNDED INCENTIVES		
	Feed-in tariffs	Heat bonus for CHP	Quota obligation without certificates system	Tendering	Net-metering/ net-billing	Subsidy (Energy Aid) and/or Investment Aid	Tax regulation mechanism	Loans
RES-E								
- Offshore wind								
- Onshore wind	x			x				
- Solar	x			x				
- Hydro								
- Geothermal								
- Solid biomass								
- Biogas								
RES-H/C								
- Solar thermal						x		
- Geothermal								
- Biomass								
- Biogas								
- Aerothermal heat pumps						x		
- Small scale installations, e.g. solar thermal collects, heat pumps, biomass boilers and pellet stoves								
- Others								
RES-T								
- Biogasoline			x					
- Biodiesel			x					
- Biogas								

Sources: RES Legal, EurObserv'ER

Table 2: Brief description of key policy instruments aimed at promoting RES in Malta

<i>Instrument</i>	<i>Description</i>
Feed-in tariffs for grid-connected PV systems and ≥ 1 MW onshore wind systems	A (capped) feed-in tariff is paid for the production of renewable electricity from solar PV installations. Project promoters of PV and windpower installations ≥ 1 MW have to successfully participate in tenders.
Grant schemes for solar water heaters and aerothermal heat pumps in the domestic sector	Private households are eligible for a once-only grant per eligible installation.
Biofuels quota scheme	Importers and wholesalers of automotive fuels shall include a pre-set percentage of biofuels, applicable for the year concerned, in marketed automotive (diesel and gasoline) fuels

For further information:

The 2012 National Energy Policy for the Maltese Islands, <http://cdz.com.mt/wordpress/wp-content/uploads/2012/12/ENERGY-POLICY-I.pdf>

Member State Progress Report, available at the Renewable Energy pages of the European Commission, <https://ec.europa.eu/energy/en/topics/renewable-energy/progress-reports>

Eurobserv'ER 16th annual overview barometer, <https://www.eurobserv-er.org/category/all-annual-overview-barometers>

EEA charts on progress of renewable energy sources for EU and per Member State, <https://www.eea.europa.eu/data-and-maps/indicators/renewable-gross-final-energy-consumption-4/assessment-1>

International Energy Agency (IEA) database on policies and measures , <https://www.iea.org/policiesandmeasures/renewableenergy/?country=Malta>

RES Legal database: <http://www.res-legal.eu/search-by-country/malta>

Global Status Report by REN21, <http://www.ren21.net/gsr-2017>

https://ec.europa.eu/commission/sites/beta-political/files/energy-union-factsheet-malta_en.pdf
(European Commission/ DG ENER, Energy Union Factsheet Malta, November 2017)

European Alternative Fuels Observatory, <http://www.eafo.eu/content/malta> ;
<http://www.eafo.eu/eu>

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 depression", 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 depression 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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Disclaimer

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