

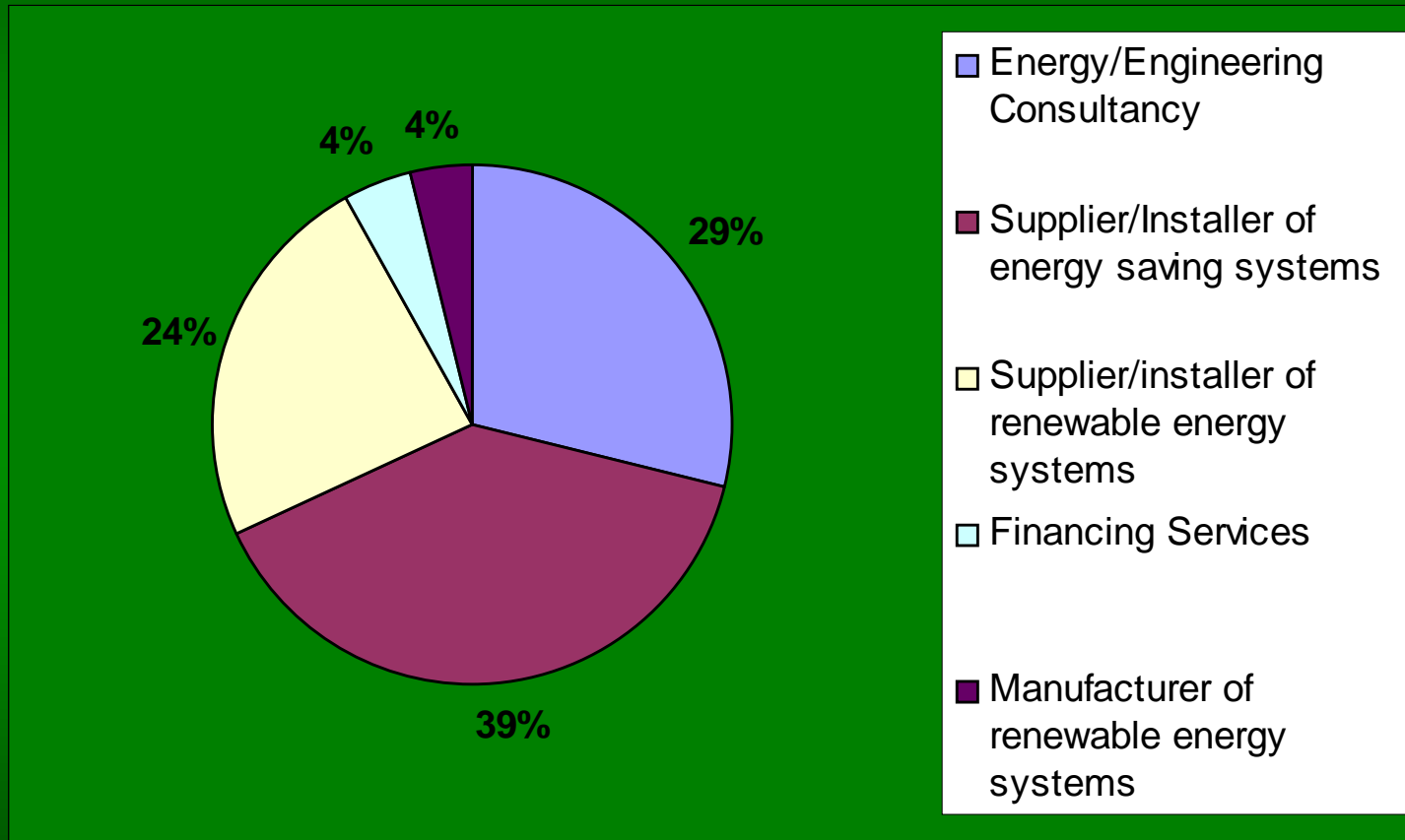
# **Synopsis of Questionnaire on Legislations, Business Situation & Incentives for Energy Saving and Renewables in Malta**

**Malta Energy Efficiency and Renewable Energies Association  
(M.E.E.R.E.A.)**



Energy Saving & Renewable Energy Business Forum  
28<sup>th</sup> Feb. 2007 – Valletta, Malta

# Business Categories



# Legislation 1

**1. Are you aware of any local legislation in the field of energy efficiency and renewable energies in Malta?**

**YES 84%                      NO 16%**

**If Yes are you in favour of them?**

**YES 81%                      NO 19%**

**2. Are you aware of Malta's obligations with respect to energy related EU Directives?**

**Directive 2006/32/EC Energy End-Use YES 37% NO 63%**

**Directive 2001/77/EC Renewables                      YES 47% NO 53%**

**Directive 2002/91/EC Energy in Bldgs. YES 42% NO 58%**



# Legislation 2

**3. Is Government legislating enough to attain energy efficiency & renewable energy?**

**YES 0%**

**NO 84%**

**DON'T KNOW 16%**

**4. Do you think that stricter legislations would increase the business opportunities in the fields of energy saving and renewable energies?**

**YES 84%**

**NO 11%**

**DONT' KNOW 5%**



# Legislation 3

**5. Is Malta's declared renewable energy target of 0.31% by 2010...**

**REASONABLE 26%**

**OPTIMISTIC 26%**

**PESSIMISTIC 22%**

**DON'T KNOW 26%**

**6. In your opinion, would political pressure from the European Commission accelerate local implementation of energy saving and renewable energy measures?**

**YES 95%**

**NO 0%**

**DONT' KNOW 5%**



# Legislation 4

## 7. What kind of energy legislation comes to mind that you see lacking in Malta?

- Education should come before legislation
- Legislation on solar water heating
- Ecotax that generates funds for supporting RE installations
- New buildings should be obliged to install energy efficient and renewable energy systems
- New Construction Laws aiming for energy efficient buildings
- Legislations for wind turbines
- Stringent application of Section F of Building Regulations



# Current Business Situation 1

1. When compared to 2005, did your business in energy saving, energy efficiency or renewable energy services and sales change in 2006...

**FOR BETTER 31%**

**FOR WORSE 12%**

**REMAINED THE SAME 25%**

**DON'T KNOW 31%**

**If BETTER, was it a direct result of:**

**Government incentives 14%**      **Better Marketing 14%**

**Increased awareness 29%**      **Electricity tariffs 43%**

**If WORSE, what was the main cause?**

**More products on offer but not sufficient market growth**

**Less public expenditure on RE products**

**Low cash flow circulation and loan commitments**

**People not sufficiently encouraged to invest in RE products**



# Current Business Situation 2

**2. In your opinion, are the prospects for making energy-related business in 2007...**

**GOOD 35%      BAD 12%      THE SAME 41%**  
**DON'T KNOW 12%**

**3. How would you look at EU energy project funding opportunities?**

|                                |            |
|--------------------------------|------------|
| <b>ATTRACTIVE</b>              | <b>24%</b> |
| <b>DIFFICULT</b>               | <b>19%</b> |
| <b>TIME CONSUMING</b>          | <b>24%</b> |
| <b>NOT EASILY AVAILABLE</b>    | <b>14%</b> |
| <b>NOT APPLICABLE TO MALTA</b> | <b>0%</b>  |
| <b>DON'T KNOW</b>              | <b>19%</b> |



# Current Business Situation 3

4. **Have you ever applied to tap external (Government, EU) funds for energy related projects during the past 5 years?**

**NEVER 83%    ONCE 11%    MORE THAN ONCE 6%  
NOT INTERESTED 0%**

5. **How do you consider your business investment in energy saving and renewable energy products/services today?**

**PROFITABLE 31%  
BREAKEVEN 35%  
LOSING 12%  
DO NOT KNOW 22%**



# Current Business Situation 4

- 6. In Malta, in your opinion, which is the major market for energy saving and renewable energies products/services for the coming ten years?**

**DOMESTIC SECTOR 46%**

**INDUSTRIAL SECTOR 12%**

**CONSTRUCTION SECTOR 19%**

**COMMERCIAL SECTOR 23%**



# Incentives 1

## 1. Which measures would produce the fastest increase in energy business today?

|                                      |            |
|--------------------------------------|------------|
| <b>FISCAL INCENTIVES</b>             | <b>41%</b> |
| <b>TAX REBATES</b>                   | <b>30%</b> |
| <b>INCREASED ELECTRICITY TARRIFS</b> | <b>22%</b> |
| <b>OTHERS</b>                        | <b>7%</b>  |

## 2. Do you think that the current incentives for energy saving measures are sufficient to stimulate the market?

**YES 11%**                      **NO 84%**                      **DON'T KNOW 5%**



# Incentives 2

## 3. Specify one incentive that you wish to see for...

- **SWH: 60% capital grant for 3 years, Lm200 grant for each unit, 50% subsidy, Enemalta waives the highest two electricity bills of the year of installation of the SWH, monthly discount on electricity bill**
- **PV: 3 units deducted from bill for every unit produced, grant increased to Lm 800 for each 1 kW installed, 50% grant and attractive price for PV electricity (12 cents) guaranteed for at least 10 years, increase size to 4 kW for domestic installations, install in public areas**
- **Small wind: 50% capital grant for 3 years**
- **Incentives to companies to invest in wind energy projects, 9 cents to be offered per kWh produced**
- **Better tariff structure for green energy compensation (that would yield a reasonable profit margin to installer).**
- **Greater support to passive energy saving measures (insulation material, shading devices, reflective paints: 15%, 20% or VAT rebates)**
- **Incentives for local production of Bio-fuels, less road tax for users, higher subsidies on cost per litre, easier collection of cooking oil**



# Incentives 2

## 3. Specify one incentive that you wish to see for...

- Energy from Waste: 25% subsidy on capital, 50% subsidy and attractive electricity rates
- Free energy audits to industry
- Greater interest from Government to install energy efficient equipment for public use (e.g. in street lighting)
- Revision of MEPA restriction with regards to PV and onshore wind installations
- Greater support to agencies such as Wasteserv
- Encourage investments in recycling, rebate on tax to collectors of goods for recycling, money back to households and industries when returning used goods for recycling (issue of vouchers at bring-in sites that may be redeemed with water & electricity bill, invest in education for recycling, penalize entities that do not recycle, mandatory waste separation at source
- Encourage local manufacturing of energy saving and renewable energy products, rebate on tax according to sales, 50% subsidy on increased costs of production, R&D support, reduction of import tax



# Proposals 1

## **1. The Prime Minister has asked for suggestions for the next budget 2007... Legislation in Construction Industry:**

- **Mandatory roof and wall insulation**
- **Legislations for building services and design guidelines**
- **Fiscal incentives (reduced tax) when selling energy efficient buildings**
- **The new BICC guidelines are good enough**
- **No energy efficient and Renewables measures at design stage, no building permit**
- **Enforce SWH on new buildings with incentives (tax reduction)**
- **Stringent monitoring at construction stage to avoid implementing bad energy saving measures that would back fire later on**



# Proposals 2

## 1. **The Prime Minister has asked for suggestions for the next budget 2007... Legislation in the Transport Sector:**

- **More use of hybrid cars**
- **Compulsory use of bio-diesel on public transport**
- **Enforce inspection on heavy vehicles emissions**
- **Higher tax on cars with large engines**
- **Higher subsidy on bio-diesel**
- **More serious VRT practices**
- **Removal of all old cars/buses beyond a certain age**
- **Cut tax on hybrid/electric cars**



# Proposals 3

## 1. **The Prime Minister has asked for suggestions for the next budget 2007... Legislation in the Electricity Sector:**

- **Different unit prices for peak and off-peak electric consumption**
- **Limit importation of inefficient stand-by generators (small and large)**
- **Removal of subsidies to reflect true costs of water & electricity**
- **Decent buy-back prices for renewable electricity**
- **Consumers using excessive electricity should be charged at a higher rate**
- **Produce the long awaited Energy Policy and Renewable Energy Policy**
- **Tax incentives to users of Renewable systems**



# Proposals 4

## 1. **The Prime Minister has asked for suggestions for the next budget 2007... Legislation in the Manufacturing Sector:**

- **Tax incentives for manufacturers investing in renewables for a limited number of years, to boost take-up**
- **Installation of energy saving equipment to be mandatory**
- **Enforce power factor regulation**
- **Tax incentives relative to the reduction in electricity use on a year by year basis**
- **No more legislation. They have enough problems**



# Proposals 5

**1. The Prime Minister has asked for suggestions for the next budget 2007...  
Legislation in other sectors:**

- **Tax incentives for domestic sector investing in renewables for a limited number of years, to boost take-up**
- **National programme on energy saving**
- **National widespread educational campaign on renewables**



# Proposals 6

## 2. What would be your first incentive to improve the take-up of energy efficient measures and renewable energy systems

### Incentive in the Construction sector:

- Tax rebates for employing energy efficient measures and renewables
- No incentives, but legislation. No insulation, no permit



# Proposals 7

## 2. What would be your first incentive to improve the take-up of energy efficient measures and renewable energy systems Incentive in the Transport sector:

- Create real and continuous bicycle lanes
- Tax deduction on new cars for a limited period
- Electric buses
- Limit hours of heavy vehicles access to roads
- Tax incentives on hybrid and electric cars



# Proposals 8

## **2. What would be your first incentive to improve the take-up of energy efficient measures and renewable energy systems** **Incentive in the Electricity Sector:**

- **Share costs of small wind turbines between government and user**
- **Decent feed-in tariffs for renewables.**
- **Free units for proven lower consumption over a metering period**



# Proposals 9

## **2. What would be your first incentive to improve the take-up of energy efficient measures and renewable energy systems Incentive in the Manufacturing Sector:**

- **Fiscal incentives for new manufacturers of energy saving and renewable energy systems**
- **Large and small business electricity rebates after installing power factor correction**
- **Free energy audit service**
- **Enforce power factor correction**



# Proposals 10

## 3. **What is your greatest concern in the field of energy saving and renewable energy and how would you propose to overcome it?**

- No energy policy and elimination of onshore wind projects while dreaming of offshore.
- Few educational campaigns on energy saving and renewables
- Electricity tariffs are cheap and rebates on renewable electricity even cheaper
- Government not convinced that it pays to invest in real incentives except perhaps in waste treatment
- Present incentives exclude commercial and industrial sectors
- RE systems still expensive
- Malta is still completely dependent on fossil fuels
- Solar energy is abundant, but not used
- Present market offers little experience in designing and installing RE systems properly and this is creating a bad image to renewables. An independent supervisory body should be established.



# Proposals 11

## 3. What is your greatest concern in the field of energy saving and renewable energy and how would you propose to overcome it?

- Low support to local R& D in energy efficient system design
- More education to change mentality. More public projects on RE.
- Better control of pollution
- Playing the 'Karta tal-Miskin' "*the lowly one*" at EU level. We are capable, just give us a chance
- No structured plan on energy saving and renewables and how to attain it for the next 10 years
- Large number of apartments are being built. These will remain longer due to multiple ownership. Unfortunately most of them are energy consuming dinosaurs. More planning laws to be implemented immediately.

## THE END

E-mail: [meereamalta@yahoo.com](mailto:meereamalta@yahoo.com)

Website: <http://www.geocities.com/meereamalta>

Phone: 79538123



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