

Malta's Report in line with Article 10(1) of Directive 2004/8/EC on the promotion of cogeneration based on a useful heat demand in the internal energy market

Article 5(3)

Member States or the competent bodies shall put in place appropriate mechanisms to ensure that the guarantee of origin certificates are both accurate and reliable and they shall outline in the report referred to in Article 10(1) the measures taken to ensure the reliability of the guarantee system.

The Maltese authorities have conducted consultations with interested parties on the draft national legislation intended to regulate the issue of Guarantee of Origin (GOO) certificates for high-efficiency cogeneration and renewable energy sources. However, in view of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC and the fact that no Combined Heat and Power (CHP) equipment is installed in Malta, a final decision on the draft legislation on Guarantee of Origin certificates still needs to be finalised. National legislation is expected to include:

- designation of the competent Authority;
- the procedure of application of GOO certificates;
- the procedure for processing and issuing of the GOO certificates;
- the content of the GOO certificates;
- the procedures for application for amendments, transfers and revocation of GOO certificates;
- the establishment of a register of GOO certificates plus fees; and
- the recognition of GOO certificates.

Article 6(1)

Member States shall establish an analysis of the national potential for the application of high-efficiency cogeneration, including high-efficiency micro-cogeneration.

The feasibility report carried out by the Malta Resources Authority with the collaboration of the Combined Heat and Power Quality Assurance (CHPQA) programme of the UK Department for Energy and Climate Change, has indicated that technical feasibility is attained by a number of sectors in Malta, however, economic feasibility is achieved only in specific sectors like the hospitality, health and waste sectors. The report was carried out by gathering actual energy data from the sectors and then assessing the various sectors based on information received from the CHPQA consultant on specifications of existing installations. The hospitality sector was further divided into three depending on the number of rooms of each hotel. The report also predicts the amount of CO₂ emissions on a national level saved if an assumed number of different entities as indicated by the feasibility report install CHP equipment. A copy of the feasibility report is attached.

Article 9(1) and Article 9(2)

Article 9(1) provides:

Member States or the competent bodies appointed by the Member States shall evaluate the existing legislative and regulatory framework with regard to authorization procedures or the other procedures laid down in Article 6 of Directive 2003/54/ EC, which are applicable to high-efficiency cogeneration units. Such evaluation shall be made with a view to:

- (a) encouraging the design of cogeneration units to match economically justifiable demands for useful heat output and avoiding production of more heat than useful heat;
- (b) reducing the regulatory and non-regulatory barriers to an increase in cogeneration;
- (c) streamlining and expediting procedures at the appropriate administrative level; and
- (d) ensuring that the rules are objective, transparent and nondiscriminatory, and take fully into account the particularities of the various cogeneration technologies.

Article 9(2) provides:

Member States shall — where this is appropriate in the context of national legislation — provide an indication of the stage reached specifically in:

- (a) coordination between the different administrative bodies as regards deadlines, reception and treatment of applications for authorizations;
- (b) the drawing up of possible guidelines for the activities referred to in paragraph 1, and the feasibility of a fast-track planning procedure for cogeneration producers; and
- (c) the designation of authorities to act as mediators in disputes between authorities responsible for issuing authorizations and applicants for authorizations.

The Electricity Regulations (LN511/04 as amended by LN17/07) exempt producers of electricity from cogeneration plants with a total peak generation capacity of less than 10kW peak and less than 16Amps per phase from the requirement to request an authorisation or to hold a licence issued by the Malta Resources Authority (MRA). 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 small combined heat and power (CHP) units to the electricity grid.

Larger CHP installations require full authorisation / licenses from MRA. The applicant has to submit application for authorisation to construct a new generation capacity using the form available on the MRA website. An authorisation has to be granted following the criteria listed in Schedule II - Criteria for the Award of Authorisations of the Electricity Regulations (LN511/04 as amended by LN17/07) which among others require that due regard is given to efficient use and conservation of energy and the nature of the primary source of energy to be used in the generation station.

The authorisation procedure also requires that the Distribution System Operator (DSO) assesses the impact of the new installation on the grid and ascertains that the existing electricity connection to the grid is suitable. Moreover, the CHP applicant is required to make a Power Purchase Agreement with Enemalta which is the sole supplier of electricity to the final consumers. At the end of this procedure, given that there are no pending objections from other

competent authorities, the proposer is issued with an “authorisation to construct” by the Authority. On completion of the installation, the proposer has to inform the Authority in order to be issued with the necessary licenses. There are two types of licences: one to produce for own use, and the other to produce and sell to Enemalta. The proposer would then need to apply to the DSO for connection of the CHP to the grid.

The proposer of a co-generation unit has to liaise also with the Malta Environment and Planning Authority in regard to development permits requirements for the installation of a co-generation unit and its auxiliaries. The permitting procedure including timeliness is regulated by the Development Planning Act (Cap. 356) which also provides for co-ordination between administrative bodies.

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