



The Malta Resources Authority

# ANNUAL REPORT 2010

MRA 

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The Malta Resources Authority, the regulator of energy, minerals and water resources in the Maltese Islands, is also responsible for implementing the directives and laws related to climate change. The Authority was established by the Malta Resources Authority Act XXV of 2000.

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# THE AUTHORITY

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Dr Reuben Balzan, LL.D.

**Chairman**

Ing. Francis Bugeja, B.Eng. (Hons)

**Deputy Chairman**

Mr Godwin E. Bencini

**Members**

Dr Pauline Galea, B.Sc., M.Sc., Ph.D. (Wellington)

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Ms Antonella Vassallo, B.Sc. (Biol. & Chem.), M.Sc. (Biol.)

Ms Fleur Vella, B.Com. (Hons) Econ., MBA

Dr John Bonello, BA, LL.M. (IMLI), LL.D.

**Secretary to the Authority**

*When the term of office of the Board expired on the 30 September, 2011, a new Board of the Authority was nominated for the term between 1 October, 2009, and 30 September, 2010.*

Ms Fleur Vella, B.Com. (Hons) Econ., MBA

**Chairman**

Dott. Ing. Matthew Spiteri, B.Eng. (Hons, M.Sc, Ph.D

**Deputy Chairman**

Ing. Francis Bugeja, B.Eng. (Hons)

**Members**

Ms Ritienne Gauci, B.A.(Hons), M.A.

Mr Godwin E. Bencini

Dr Pauline Galea, B.Sc., M.Sc., Ph.D. (Wellington)

Dott. Kristian Balzan, Adv. Trib. Eccl. Melit., B.A., LL.M

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**Secretary to the Authority**

Ing. Anthony Rizzo, B.Mech.Eng. (Hons)

**Chief Executive Officer**

Dr Godwin Debono, B.Sc., M.Sc., D.I.C., Ph.D. (Lond.)

**Director for Mineral  
Resources Regulation**

Dr John Mangion, D.Geol. (Milan), FGS

**Director for Water  
Resources Regulation**

Ing. Godwin Sant, B.Elec.Eng., M.Sc. Regulation

**Director for Energy  
Resources Regulation**

# MISSION STATEMENT

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The Malta Resources Authority seeks to serve the Maltese community through effective, coherent, holistic and transparent regulation of the energy, minerals and water resources sectors of the economy, ensuring their advancement and sustainable use to support the integrated environmental, social, economic and business development of the Maltese Islands. It further seeks to contribute to and participate in ongoing regional development and assist in the nation's efforts to fulfil its international obligations in these spheres.

# THE MRA IN NUMBERS

In operation since 2001

Employs 43 people

## Budget:

Expenses €1,677,640

Income €1,719,673

## Licences issued by MRA

Fuel distributors 29

Bunkering operators 8

Petrol station owners 91

Gas distributor 31

Wiremen 1,995

Operators of water bowsers 53

Quarry licences 49

• hard stone quarries 19

• soft stone quarries 30

## Emissions

Marsa Power Station 969,152  
tons of CO<sub>2</sub>

Delimara Power Station 909,155  
tons of CO<sub>2</sub>

## Water

Water produced 28,762,258 m<sup>3</sup>

• RO 56%

• groundwater 44%

Boreholes registered  
or notified 7,992

Swimming pool operators 2,490

## THE MARKET IN NUMBERS:

Number of contracted users  
of water and electricity 277,188

• Residential 142,196

• Domestic 85,405

• Non-Residential 45,587

## Energy

Volume of gross national  
energy generated in 2010 2,113 GWh

Electricity sent out 1,991 GWh

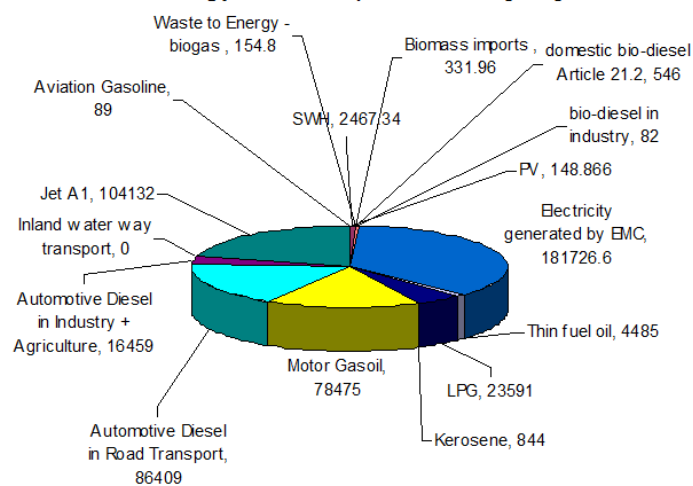
Installed capacity in the  
power stations 571 MW

• Marsa PS267 MW

• Delimara PS304 MW

Total amount of RES  
installed (PVs, wind) 1.67 MW

## Total Energy Consumption 2010 [toe]



# STATEMENT BY THE CEO

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Throughout 2010 the Malta Resources Authority continued to develop its expertise to ensure that it can face the challenges of scarce resources, Climate Change and the emerging competitive domestic markets. Our aim is to become a strong and respected regulatory authority.

The Water Services Corporation was granted an operating license, effective from 1 June, 2010. The licence established a number of obligations to ensure service improvement in a number of key areas, among which water quality, customer service and reliability of supply, to mention just a few.

Work was ongoing throughout the year to complete the groundwork to issue the operating licence to Enemalta. The licence was finalised at the end of 2010 and came into force in January 2011. Similar to the licence issued to the Water Services Corporation, the Enemalta licence established a number of obligations for service improvements, including monitoring the procurement of fuels for the generation of electricity, which is a main cost item for Enemalta Corporation.

The Authority's commitment to protect groundwater continued with the new measures including the introduction of new legislation. These measures

cover the licensing of water bowzers for commercial and own use, and the metering of commercial boreholes, and are expected to be introduced in the coming years to ensure that groundwater extraction is sustainable. In preparation for the take-over by Liquigas of gas operations from Enemalta, in June 2010 the Authority issued a pricing mechanism for the storage and bottling of LPG cylinders. The pricing mechanism is based on the full cost recovery principle and establishes a maximum selling price for LPG cylinders.

The LPG market continued to develop and a second operator entered the bulk market and later in the year the cylinder market. In this respect the LPG market became competitive and prices quoted by each operator were below the MRA maximum price.

Further developments in the LPG downstream operations are expected to take place over the next few months and in the coming year. These developments should provide competitive prices and improved customer service.

During 2010 the Authority contributed to the implementation of the Renewable Energy strategy for Malta. It launched a grant scheme to assist families to install photovoltaic systems by reimbursing 50% of the investment, up to a maximum of €3,000.

The scheme was partly financed by the European Regional Development Funds and national funds. A total of 2,087 applications were received and 1,947 grant offers with a value of €5.7 million were issued.

In the case of the Solar Water Heater Grant Scheme 574 families benefited, leading to a total amount of grants offered of over €300,000.

The Authority gave its contribution during various meetings of the European Commission and technical committees, apart from participating actively in the Council of European Regulators (CEER) and the European Regulator's Group for Electricity and Gas (ERGEG). It also provided technical support to the Ministry for Resources and Rural Affairs, participated in a number of Ministerial Delegations and attended meetings related to energy and water on its behalf.

The Authority actively participated in MEDREG, the Association of Mediterranean Regulators for Energy (Electricity and Gas), an EU-funded project that was set up in 2006 as a Working Group and in 2007 became an association. In May 2010 the Malta Resources Authority hosted MEDREG's annual conference in Malta.

Special thanks go to Mr Alessandro Ortis, who during this meeting relinquished his post as President of Medreg due to the expiry of his term as Chairman of the Italian Authority for Electricity and Gas. During Mr Ortis's stay in Malta, he gave a presentation to Board Members of the Authority, MRA employees and guests on the role of the regulator. He also attended

meetings with the Minister responsible for the Economy, Investment and Finance and the Minister responsible for Resources and Rural Affairs. Mr Ortis has on a number of occasions provided his full support to the Authority. I thank him and wish him a happy retirement.

In January 2010 the employees of Oil Exploration Department were detailed to the Authority and an Oil Exploration Section was set up. The main function of the section is the monitoring of existing Production Sharing Contracts.

Following the approval of the National Strategy for Policy and abatement measures relating to the reduction of Greenhouse gases by Cabinet, the Authority was charged with the responsibility of setting up a Climate Change Unit. In the early months of the year discussions were held with the Malta Environment and Planning Authority (MEPA) to plan the transfer of responsibilities and staff the new unit. The transfer took place in mid-2010. Additional staff was employed to join the unit.

Throughout the year the unit worked to ensure continuity on the basic reporting functions, particularly those related to the implementation of Malta's obligations and of relevant climate change legislation.

Finally, I would like to thank the Board Members of the Authority for their continuous support and understanding and the employees of the Authority for their commitment. Special thanks go to the Chairman for his sound advice and guidance throughout the year.



# LIST OF LEGISLATION ISSUED DURING 2010

Amendment of the Malta Resources Authority Act – by means of the Various Laws (Amendment) Act, 2010		LN 308/2010	Energy Performance of Buildings (Fees) Regulations, 2010
LN 33/2010	Petroleum for the Inland (Wholesale) Fuel Market (Amendment) Regulations, 2010	LN393/ 2010	Autogas (Installation and Certification) Regulations, 2010
LN 34/2010	Electricity Supply (Amendment) Regulations, 2010	LN422/2010	Feed-in Tariffs (Electricity Generated from Solar Photovoltaic Installations) Regulations, 2010 (as amended by LN 70 of 2011)
LN55/2010	Electricity Supply (Amendment) (No. 2) Regulations, 2010	GN 619/2010	A Grant for the Purchase of Photovoltaic Systems for the Domestic Sector
LN53/2010	Petroleum for the Inland (Retail) Fuel Market Regulations, 2010	LN 445/2010	European Community Greenhouse Gas Emissions Trading Scheme for Aviation Regulations, 2010
LN92/2010	Guarantees of Origin of Electricity from High Efficiency Cogeneration and Renewable Energy Sources Regulations, 2010 (as amended by Legal Notice 126 of 2011)	LN538/2010	Promotion of Energy from Renewable Sources Regulations, 2010
LN 225/2010	Electrical Installations Regulations, 2010	LN553/2010	Biofuels (Sustainability Criteria) Regulations, 2010
LN 270/2010	Bunkering (Authorisation) Regulations, 2010	LN556/2010	Lifecycle Greenhouse Gas Emissions from Fuels Regulations, 2010



# UTILITY REGULATION

During 2010, the Authority continued working to strengthen and improve the regulatory framework for utilities, i.e. Enemalta Corporation and the Water Services Corporation. The draft licences to be issued to Enemalta Corporation and the Water Services Corporation were drawn up and finalised. An extensive consultation process was also carried out with the licensees.

The main objectives of these licences are to:

- monitor performance and compliance to licence conditions;
- measure and compare costs and outputs to industry standards;
- form a basis for consumer protection;
- establish a basis for setting performance targets for licensees to achieve higher quality objectives and determine tariff reviews;
- ensure that the Corporation operates in a manner that guarantees security of supply; and
- monitor Enemalta Corporation's actions on energy efficiency.

## **Licence issued to Water Services Corporation**

The licence enabling the Water Services Corporation to supply potable water through the public distribution network and provide sewerage services using the public sewerage collection system was signed in September 2010, effective from 1 June, 2010. The licence establishes

obligations on the WSC to develop Customer Contracts defining the rights and responsibilities of customers, and the levels of services provided. These levels of service include:

- potable water quality standards;
- water pressure and flow;
- standards on continuity and reliability of supply;
- alternative water supply arrangements;
- permissible quantity and quality standards of effluent to be discharged (commercial and industry);
- alternative sewage collection arrangements;
- billing and payment facilities and procedures;
- notification arrangements and appointments;
- Code of practice and procedures on disconnection and suspension of supplies/services; and
- Compensation and settlement schemes.

The licence further establishes provisions for the corporation to define those exceptional circumstances where the licensee may be exempted from fulfilling service obligations.

The licence also provides for a register of Customer Complaints, reporting obligations of the licensee to the Authority on various aspects of operations, and provision for regulation of third parties and subsidiary companies.

## **Licence issued to Enemalta Corporation**

The licence issued to Enemalta Corporation to produce, distribute and supply electricity to final consumers was finalised during 2010. The objective was for this to enter into force in 2011.

The licence provides a similar framework to that issued to the WSC, including obligations on Enemalta to develop Customer Contracts defining the rights and responsibilities of customers and the levels of the services it is committed to provide.

The licence also establishes provisions for the corporation to define those exceptional circumstances where it may be exempted from fulfilling service obligations, provisions for a register of Customer Complaints, its reporting

obligations to the Authority on various aspects of operations and provision of information on transactions with third parties and subsidiary companies.

In addition, the licence establishes specific obligations related to regulation of the electricity sector. This includes:

- monitoring of the quality and level of service;
- monitoring the procurement of fuels for the generation of electricity, which is a main cost item for Enemalta Corporation;
- monitoring unbundling of accounts of the generation, distribution and supply of electricity activities; and
- reviewing Enemalta's plans on demand and supply balance forecasts, revenue protection and network security performance.



# ENERGY

## Market Liberalisation of LPG

In preparation for the take-over of the gas operations by Liquigas Malta Ltd from Enemalta Corporation, in June 2010 the Authority issued a pricing mechanism for the storage and bottling of LPG cylinders to ensure that price setting follows a set of principles and methodology to safeguard consumers' interests. The LPG/propane prices were submitted by Liquigas to the Authority on 27 January and it was subsequently revised on 19 May, 2010.

In its review, the Authority obliged Liquigas to adhere to the principles of legality, sustainability, profitability, transparency and non-discrimination and furthermore to adapt the full-cost recovery method in its price-setting responsibilities. The full-cost recovery method involves the recovery of eligible costs and a reasonable rate of return on capital employed, which will enable Liquigas to meet its current and future debt servicing obligations as and when they fall due.

## LPG Competent Persons

During 2010 the Malta Resources Authority organised two courses, supervised by UK experts, leading to the certification of competent persons in the area of liquefied petroleum gas. The courses were held at MCAST, where lecture rooms and laboratories were provided. An engineer and two technicians from MCAST shadowed the lectures so that the College would organise the courses itself without the need of supervision from foreign experts.



It was also decided that, in future, the courses would not be restricted to engineers but would be run for technicians and plumbers, who actually work on LPG installations. This follows the MRA's intention to license technicians and plumbers working on gas, in the same way that it licenses wiremen.

Following the two courses held in March and June of 2010, the MRA Board approved 17 engineers who applied to become competent persons. A list of the competent persons in LPG appears on the Authority's website.



## **LPG Codes of Practice**

The UKLPG Codes of Practice that were transposed to the Maltese scenario by the summer of 2009 were given the go-ahead by the European Commission during 2010. Since the codes are heavily based on the equivalent UKLPG publication, the Authority acknowledged the permission of the UK association and subsequently made copies available to all competent persons and stakeholders, who had been consulted during the transposition of the codes. The codes can only be used in the Maltese Islands. Any person/organisation can obtain a copy by sending a request in writing to the Malta Resources Authority.

## **Registration of LPG secondary storage**

During 2010 steps were taken to regulate the existent bulk storages of LPG. A list of customers with bulk tanks was obtained from the only distributor of LPG in bulk and the customers were requested to apply for authorisation from the MRA.

Several documents were required, among which was the 'Inspection and Risk Assessment Report', compiled by a competent person engaged by the owner. This document contains the upgrades and corrective action that have to be carried out by a certain date so that the installation could be considered safe.

By the end of 2010, 200 had applied, but no authorisations were issued by the end of the year. One of the causes for the delay for these authorisations was the MEPA land use permit. Since MEPA was in the process of restructuring and a procedure to approve land use was still

not in place, many could not apply for MRA authorisation.

It is estimated that there are over 500 bulk tanks in Malta and Gozo. Most are installed in hotels and catering establishments, and are used for cooking and/or heating purposes.

## **Autogas Retrofitting Market**

Following the work done during 2009 and discussions held with all interested parties, including car importers, companies involved in retrofitting and the competent authorities, namely Transport Malta and the Civil Protection Department, the legislation regulating the autogas retrofitting market came in force in August 2010.

## **Biofuels and Bioliquids Regulation**

The Biofuels and Bioliquids Regulations were drafted following public consultation and meetings with the market players. These aim to better regulate imports and producers of fuels made from renewable products. After notification to the Commission, the legislation will come into force in 2011.

## **Guarantees of Origin (GOO) Certificate**

As indicated in the Electricity Market Regulations and the Co-generation Regulations, the legislation to set up a system to certify the origin of electricity was drafted and put into force. This gives the Authority and/or Government the opportunity to introduce promotional measures for electricity originating from renewable sources of energy or high-efficiency co-generation electricity that is certified and has a Guarantee of Origin (GOO) certificate.

## Fuel quality checks

As part of its remit, the Malta Resources Authority carries out routine testing of fuel quality. The samples lifted were all found to be within the specifications set by the EU Directive, except for one sample taken from a privately owned secondary storage. The Customs Department was notified about the case.

- 186 samples were lifted from 118 petrol stations to have the sulphur content in diesel sold from petrol stations tested;
- 69 samples of diesel, unleaded petrol and LRP were taken from 16 petrol stations to be checked within the parameters of fuels for automotive use;
- as from October 2010, 18 samples were lifted from privately owned secondary storage facilities to have them tested for their sulphur content; and
- in the same period 13 samples were taken from 11 commercial marine vessels while at berth in Malta to test the sulphur content of fuels found.

The Malta Resources Authority also checks for:

- the weights of all sizes of LPG cylinders distributed to Maltese households and businesses. The cylinders found outside the norm were very few in number. The sample size in each case was increased and the general weight distribution was noted to be in order.
- the prices that the cylinders are being sold; and
- conducts random inspections at sites to ensure that the LPG storage site is authorised under Legal Notice 249 of 2008. On average around 10 inspections per month were conducted. During 2010 the MRA was still following up on secondary storage registration.

## Security of supply of fuels

Based on solidarity among Member States, Council Directive 2006/67/EC of 24 July, 2006, imposes an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products, equivalent to 90 days supply. In this way, the European Union would be in the position to alleviate any harmful effects in cases when supply of these products from outside the European Union is disrupted or when there is a significant increase in prices on the international markets.

Oil stocks may be held in any location across the EU. Due to the excellent relations between the Italian Republic and the Republic of Malta, the Agreement On The Maintenance Of Stocks Of Crude Oil And Petroleum Products Stored In The Territory Of The Italian Republic And Of The Republic Of Malta Between The Government Of The Italian Republic And The Government Of The Republic Of Malta was signed in June 2010 to ensure the smooth running of the internal market and to further the use of storage facilities in both states. The Commission was notified on this bilateral agreement and it then made it known to the other EU member states. The agreement lays down conditions for the maintenance of stocks to safeguard control and availability of these stocks, and specifies the arrangements for statistical reporting of these stocks. Under this agreement the state on whose territory the stocks are held will not oppose the transfer of these stocks to the other State for the account of which stocks are held under the same agreement, but it will monitor and inspect these stocks in accordance with the procedures specified in this agreement. The agreement is in force for an unlimited time period and, although a provision is made for unilateral termination, this will not apply without prior notice to the Commission or during a period of supply crisis.

# RENEWABLE ENERGY

## Schemes promoting renewable energy sources

Two schemes to promote investment in renewable sources of energy were launched during 2010. A call for applications for a grant to assist those buying photovoltaic systems for domestic use, launched in February, was revoked due to irregularities in the applications submitted.

When a fresh call was made in August, 2010, 2,087 applications were received, and 1,946 grant offers were issued, leading to grants worth more than €5.7m being issued and a total investment of more than €14m in PVs by the applicants.

A scheme for solar water heaters was launched in February, 2010. According to advice given through the local Government entity co-ordinating with the European Commission, a solar water heater, unlike a PV unit, is not grid connected and thus is not considered by the EU as an energy scheme. As a result, solar water heaters fall under housing regulations that dictate that these schemes can only be available in cases of social cohesion.

In this regard, the solar water heater scheme was restricted to these cases. By the end of the year 574 families benefited from the grants, leading to grants worth over €300,000 being issued and a total investment of over €875,000.

## Feed-in tariffs

In July 2010, feed-in tariffs (FITs) for generators of electricity from photovoltaic systems were introduced for the first time in Malta for applicants who had not benefited from more than 50% grants on the purchase of the system. A feed-in tariff is a policy mechanism designed to encourage investment in renewable energy technologies.

The FITs established in July 2010 offered payment of €0.25 per unit generated and exported by PV installations in households based in Malta and a payment of €0.28 per unit generated and exported by PV installations in households based in Gozo. In these cases the FIT is guaranteed for eight years and the maximum export FIT allowable from each household is 4,800 kWhr per annum.

In the case of installations on non-residential units, electricity generated and exported is paid at €0.20 per unit and is guaranteed for seven years. The maximum export FIT allowable per installation is 160,000 kWhr per annum.



### **National Renewable Energy Action Plan**

The Malta Resources Authority was directly involved in setting up and consolidating a practical plan based on a balanced technological mix of renewable energy sources technologies as a way to achieve and supersede the 10% obligation of the gross consumption deriving from renewable energy sources and the 10% transport renewable sources target by 2020. The plan also sets measures and project timing such that the indicative trajectory targets are achieved by domestic means.

This was done through co-ordination with various entities involved directly or indirectly in the energy sector and promotion of energy efficiency and alternative sources of energy. The final plan being proposed to the Ministry for Resources and Rural Affairs was adopted and presented to the European Commission after going through public consultation with the relevant stakeholders.

### **Wind Measuring Campaign at Sikka I-Bajda**

With expert assistance from the Institute for Sustainable Energy, the Authority continued to monitor and evaluate the wind data being measured from the L-Aħrax tal-Mellieħa site and confirmed the results being reported by the subcontractor assigned to this project for the first year.

Following the termination of the contract with the subcontractor, the MRA and the ISE took over the activity of downloading, monitoring and analysing the data. This data complemented other data available from other sources and, assisted by wind expert Dr Tonio Sant enable the Authority to identify the wind potential of this site with a lesser degree of error. The operation of this wind measuring mast is planned to cover two years.

### **National Strategy for Electro-mobility**

A Malta Resources Authority analyst chaired the technical committee, selected by Resources Minister George Pullicino, that set up a strategy for the introduction of electric vehicles in the Maltese Islands. It proposed incentives to promote the use of these technologies, some of which were suggested prior to the 2011 Budget allocation since the draft report was finalised and handed for the Minister's review and evaluation in December of 2010.

The involvement of the technical experts in the committee was of great assistance to Malta's application through the MRRA for a Life+ project involved in the demonstration of electric vehicles and their benefits.



# WATER

## Water Catchment Management Plan

In March 2010, the Water Catchment Management Plan (WCMP) for Malta was launched after an extensive public consultation process. The plan was an important milestone in the implementation process of the Water Framework Directive since it sets out a programme of measures to be implemented over the coming six years aimed at achieving a good qualitative and quantitative status for the water environment in the Maltese Islands.

The final WCMP was also presented to the European Commission for evaluation, along with similar plans submitted by all the EU member states.

An Interministerial Committee, chaired by the MRA, was set up to better co-ordinate the implementation of these measures. The committee brings together representatives from the Ministry for Resources and Rural Affairs, the Ministry of Finance, the Economy and Investments, the Malta Environment and Planning Authority, Transport Malta and the Water Services Corporation.

## Metering of groundwater sources

The Malta Resources Authority embarked on further steps to regulate abstraction from groundwater sources. The Groundwater (Metering) Regulations (Legal Notice 241 of 2010), enacted in April 2010, require the metering of groundwater sources. These regulations

exclude a number of sources because they are low yield sources abstracting water from perched aquifers or because they do not have any mechanical means with which to extract water.

A spatial assessment of the data gathered in the course of the notification process was carried out, with special attention being paid to boreholes.

Certain observations emerged:

- out of the 7,986 registered (in 1997) and notified (in 2008) sources, 3,476 are deep boreholes;
- 14.6% of the sources are located in urban areas or outside officially declared irrigated land areas;
- 89, or 2.6%, of the registered boreholes are located within a 100m buffer zone surrounding public (WSC) sources;
- 475, or 13.75%, registered boreholes found in the mean sea level aquifer are drilled through the perched aquifer in the north-west of Malta and in central and eastern Gozo;
- 277 on-site verifications on groundwater sources were performed during 2010. It was observed that 15 groundwater sources were registered with the Authority more than once. Thus the database was amended; and
- analysis of data made it evident that the list of users of a number of sources has changed. Thus new legislation was introduced to allow new users to be added to the database. By the end of 2010 there were 12,949 users in the database.

To help alleviate the financial burden of the installation of water meters on the agriculture community, the Ministry for Resources and Rural Affairs launched a scheme for a meter subsidy under Measure 125 – Infrastructure related to the development and adaptation of agriculture under Priority Axis 1 of Malta's Rural Development Programme (RDP) 2007-2013, financed through the European Agricultural Fund for Rural Development (EAFRD).

In October 2010 interested farmers and animal breeders were requested to apply for this subsidy. The Authority supported the scheme through data sharing, giving of advice and participation in stakeholder meetings. The meter installation on the groundwater sources being used for agricultural purposes will start when these applications are vetted by the Agriculture Department.

### Regulation of water tanker suppliers

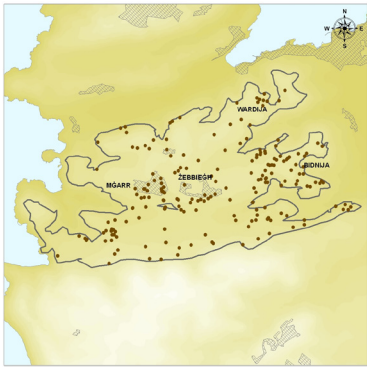
The process to regulate the transport of water by water tankers continued in 2010 and was extended to individuals using a water tanker to transport water for their own use. It is important to monitor the transport of water for irrigation purposes since water abstracted from one aquifer might have a potentially adverse effect on the water quality of other aquifers.

Batching Plants	31
Car Washes	14
Bottling Companies	7
Institutes/Elderly Residences/Schools	7
Sports Facilities	6
Nurseries	5
Water Suppliers	5
Laundries	4
Others	7

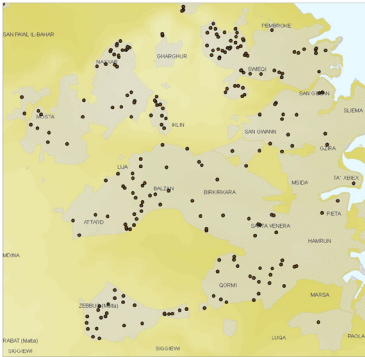
Table 1: Purpose of use of metered commercial/industrial groundwater sources in 2010



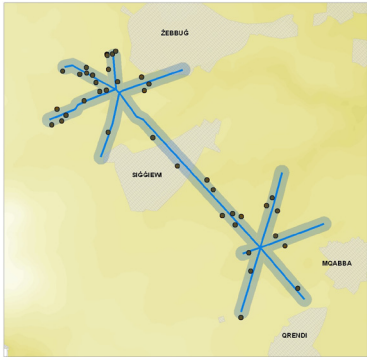
Boreholes abstracting the mean sea level aquifer beneath the Rabat - Dingli perched aquifer



boreholes at mgarr wardja perched aquifer



boreholes located in urban areas



boreholes within 100m of water galleries

The number of licensed operators at the end of 2010 stood at 53.

Issues relating to the registration of vehicles authorised to carry water by the Malta Transport Authority persisted throughout the year. They were slightly aggravated by the fact that, in the majority of cases of transport of water for own use, the vehicles listed in the application forms consisted of rectangular tanks loaded on trucks. Both Authorities continued to strive to reach a workable solution to ensure road safety.

**Water Policy**

During 2010 the Authority launched the Strategic Environmental Assessment (SEA) of the proposed Water Policy for the Maltese Islands. The document presents Government's vision on the holistic water environment in Malta. The scoping report of the SEA, including the related public consultation process, was finalised during 2010. Following this, progress was focused on the preparation of the Environmental Report.

**Guidelines for the use of the Sub-Surface for Heating and Cooling Purposes**

In response to a number of enquiries related to the potential use of the groundwater environment for heating and cooling purposes, during 2010 the Authority developed a guidance document on the application of these principles to the specific conditions of the

Maltese Islands. The guidance document was issued for public consultation in the first months of 2010, following which a final document was prepared.

The document sets the framework on which applications for such practices will be considered by establishing approved operational procedures and exclusion zones for the protection of the resource and its main receptors. During 2010 the first two applications for such activities were processed by the Authority.

Applications submitted for a licence to supply water by water tanker for own use	38
Applications submitted for a licence to supply water by water tanker for commercial purposes	4
Licences issued for the supply of water by water tanker for commercial purposes	36
Licences issued for the supply of water by water tanker for own use	1
Licences/Applications withdrawn	3

Table 2: Licensing of the supply of water by water tankers in 2010.

# MINERALS

During the period under review the Malta Resources Authority embarked on a process to review the Minerals policy. At present the issuing of a quarry licence is based on a minerals resources management plan built on economic, social and environmental considerations in consultation with MEPA, the authority responsible for development. These considerations are formulated in a comprehensive list of policies relevant to all phases of the extractive process. The review of policies will provide an overview of the actions taken by the MRA in relation to local Mineral Resources.

The Authority is also reviewing the regulations that focus on operational issues, such as resource quality and extraction. These regulations affect all people who work in a quarry and impose duties on the operator relating to persons in or around the quarry. They also establish requirements to ensure good order and housekeeping of quarries, and good administrative practices, including record keeping. The regulations were issued for public consultation, giving ample time to the public and stakeholders to put forward their views.

An economic impact analysis on the newly proposed quarry operating licence fee is being undertaken. The rationale is to analyse and evaluate the implications of the quarry operating fee on the quarry owners and the MRA.

As part of its remit, the Authority issues applications for the renewal and extension of existing quarry licences. It further regulates the control of fuel storage facilities in quarries. Records are updated annually, since quarry status changes continuously. To minimise the negative visual impacts, disused quarries are being restored, rehabilitated and returned to an environmentally acceptable state.

The Authority additionally manages the export of limited reserves of local mineral resources by encouraging reuse and recycling of local construction materials and mineral waste, and by placing constraints on the export of freshly quarried limestone.





# OIL EXPLORATION DEPARTMENT

In January 2010 the Oil Exploration Department, which previously resided at the Office of the Prime Minister, was amalgamated with the Malta Resources Authority. The Department monitored the activities of two oil companies currently holding a production sharing contract (PSC) in offshore Malta to ensure that they fulfilled their contractual obligations. These are Heritage Oil International (Malta) Ltd, which operates a PSC in Area 2 and Area 7 of offshore Malta, and Malta Oil Pty Ltd, which operates another PSC in Blocks 4, 5, 6 and 7 of Area 4. Both companies are expected to acquire seismic surveys in 2011.

During the year several meetings were held with oil companies interested in exploring offshore Malta. In the light of this interest, preparations are under way to launch a promotional campaign in 2011. An area of priority for the Authority was the surveillance of exploration activities in the Central Mediterranean, particularly in view of increased offshore exploration activity registered in neighbouring states. There were no reports of unauthorised activities in areas of the Maltese continental shelf where there are overlapping claims.



Legislation pertinent to the Department's operations, such as the Continental Shelf Act and provisions of the Income Tax Act, was reviewed and is expected to come into effect in 2011.

Following the oil spill incident in the Gulf of Mexico in April 2010, the Department participated in several meetings for national regulators of the oil and gas industry organised by the EU Commission and is closely following the initiatives proposed by the Commission.

# THE CLIMATE CHANGE UNIT

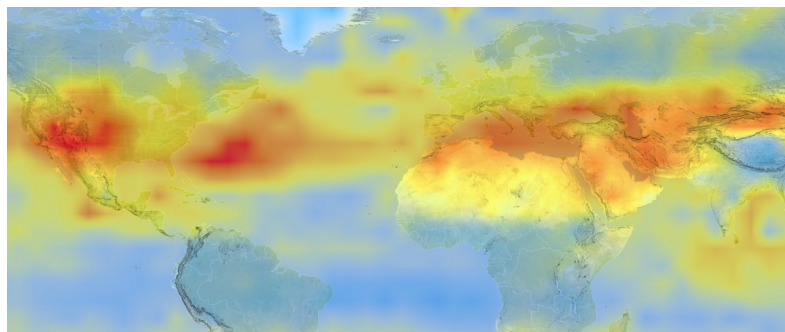
In mid-2010, the decision to migrate the Climate Change responsibilities previously held by the Malta Environment and Planning Authority (MEPA) to the Malta Resources Authority was implemented.

In its first months at the MRA the unit was highly focused on becoming operational as soon as possible, while also ensuring continuity on its basic functions, particularly those related to the implementation of Malta's climate change obligations and the relevant climate change legislation.

The migration process involved, among other things, the secondment of an official from the Climate Change Unit at MEPA to the MRA and the recruitment of an additional four senior analysts within the newly formed unit. In-house background training on Climate Change issues and specific training by reporting experts from MEPA also took place.

Reporting obligations arising from Malta's commitment as a party to the United Nations Framework Convention on Climate Change (UNFCCC) and from the EU's Monitoring Mechanism include:

- the drawing up of the national greenhouse gas emissions and removals inventory, covering the period 1990 to 2009, for submission to the European Commission and the UNFCCC Secretariat; and,
- the compilation of the report on greenhouse gas emissions mitigation policies, and measures and projections for submission to the European Commission.



The work to meet these obligations started in earnest and, though with deadlines falling within a short period from the establishment of the new unit, submissions were generally made in a timely manner. The Authority's new role as the competent authority to implement the EU Emissions Trading Scheme was also immediately fulfilled. This was especially the case for the preparatory administrative work for the inclusion of aviation activities in the scope of this directive, 2010 being the first year of monitoring for aircraft operators. Added to this, the transposition of the Aviation-EU ETS directive into national legislation was concluded following extensive drafting and consultative work.

The Climate Change Unit also took over the role of representing Malta at a number of EU fora working on climate change policy implementation, including in particular the Climate Change Committee, established by EU law to draw up and adopt implementing provisions arising from the EU's climate change legislative framework.

Meanwhile, the unit also continued to provide technical input on the formulation of Malta's position on various negotiation streams at European Council level.

# CONFERENCES AND SEMINARS

The General Assembly of the association of energy regulators of the Mediterranean (Medreg) was held at the Radisson Blu Resort & Spa at Golden Sands on 28 May, 2010. Participants from Albania, Algeria, Bosnia Herzegovina, Croatia, Cyprus, Egypt, France, Greece, Israel, Italy, Malta, Portugal, Spain and Turkey took part, together with representatives from the European Commission, the Florence School of Regulation and the Parliamentary Assembly of the Mediterranean.



## Work in progress

The MRA is in the process of increasing the mapped geological resolution to a scale of 1:2500. The resultant database will be an important tool for public and private entities since it will provide a detailed view of the geological formations and members outcropping at the surface of the Maltese Islands.

## Participation in EU-funded projects

In July 2010 the Authority was approached by the Austrian Energy Agency to form part of an EU-wide project financed by the Commission to co-ordinate the actions required under Directive 28 of 2009, RES. The project, entitled CA-RES, is to last three years, and consists mainly of six meetings during which member states discuss the problems they are facing and propose measures to lead to the harmonisation of the legislation. The Authority participated in the submission of three project applications for funding under the ENPI-MED, MED and INTERREG EU programmes. The scope of these projects is directly aligned with the implementation of the measures identified in Malta's Water Catchment Management Plan.

The projects are:

- SWMED – Efficiency in the use of water in the domestic sector;
- MEDIWAT – Artificial recharge of the aquifers with highly polished treated effluent; and
- MORISO – Development of a numerical model of the sea level aquifer system in Malta.

The MEDIWAT project was approved for funding in late 2010, while the other two projects are still being evaluated by the respective managing authorities. The MRA is a partner in an EU-funded project (Intelligent Energy Europe) for the promotion of photovoltaic technology in new member states. This is a 36-month project that will terminate in September 2011. It involves policy- and decision-makers and grid operators to address barriers to the improvement of photovoltaic markets.

In 2010, the MRA conducted data gathering on the local PV markets. A workshop with relevant stakeholders was organised to promote and discuss the relevant issues and barriers of the local PV markets, and propose methods how these can be surmounted.

Resources Minister  
George Pullicino  
addressing the MEDREG  
conference in Malta.

