

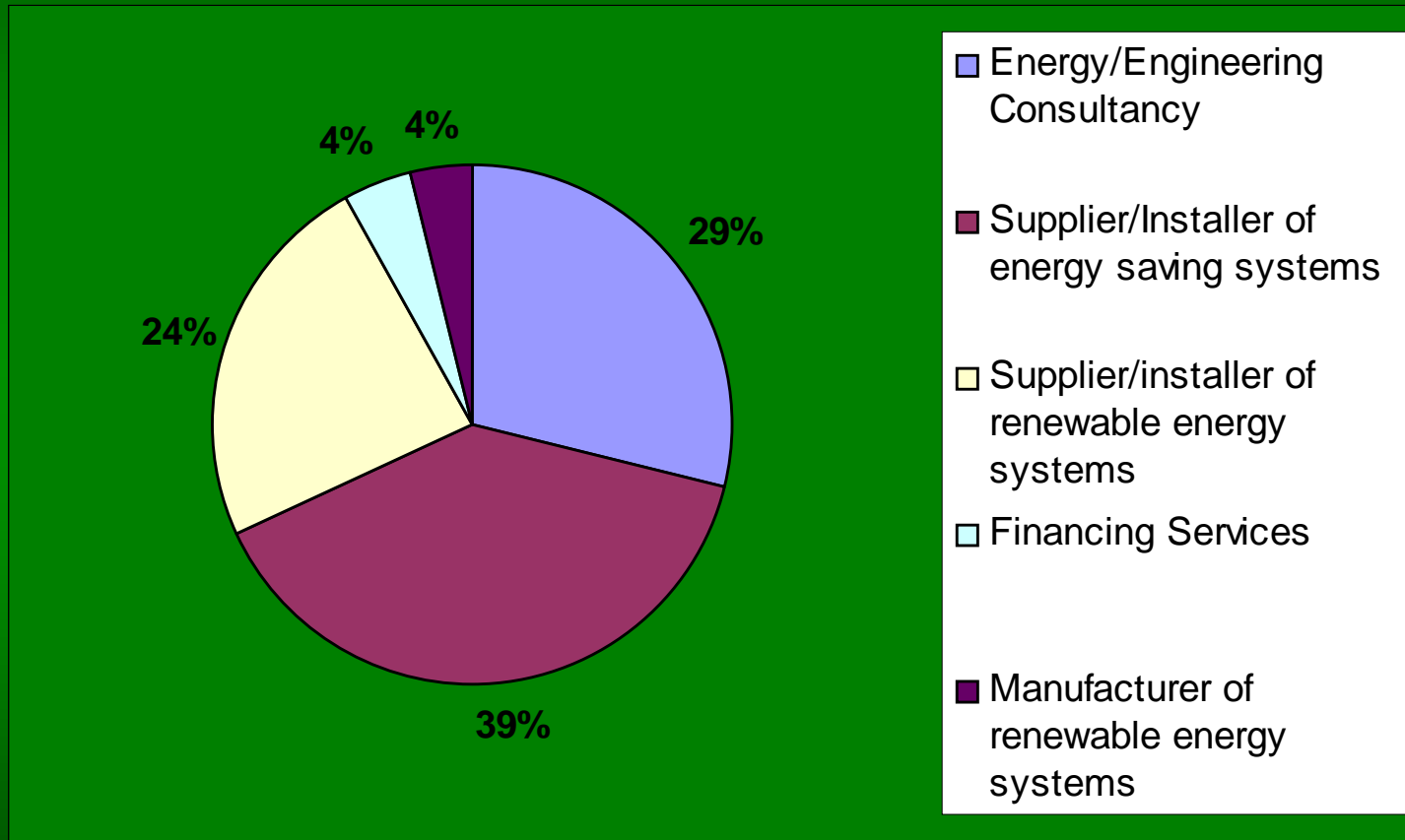
Synopsis of Questionnaire on Legislations, Business Situation & Incentives for Energy Saving and Renewables in Malta

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



Energy Saving & Renewable Energy Business Forum
28th 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?

ATTRACTIVE	24%
DIFFICULT	19%
TIME CONSUMING	24%
NOT EASILY AVAILABLE	14%
NOT APPLICABLE TO MALTA	0%
DON'T KNOW	19%



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%
BREAK-EVEN 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?

FISCAL INCENTIVES	41%
TAX REBATES	30%
INCREASED ELECTRICITY TARRIFS	22%
OTHERS	7%

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

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