

Renewable Energy and Energy Efficiency in Malta (September 2009)

The Auditor General reported to Parliament that efforts to exploit renewable energy sources (RES) and to increasingly adopt energy efficient practices have yielded some encouraging results. However, the appropriate infrastructure and administrative capacity needs to be firmly in place to enable further progress and to ensure that Malta fulfils its European Union obligations.

In 2008, the National Energy Efficiency Action Plan (NEEAP) was published. However, the National Energy Policy and the Renewable Energy Policy for Malta, published in 2006, have still to be approved by Government. In April 2009, the draft energy policy was revised and presented for public consultation. Approval of policies is still awaited.

To date, the exploitation of RES is not substantial. Malta faces considerable challenges to have in place the appropriate infrastructures to cater for the opportunities derived from wind, solar and biomass energy. Deep coastal waters and limited land availability restrain the exploitation of wind energy. Solar energy is being marginally exploited within the various economic sectors, primarily due to the relatively high capital outlay involved. The generation of energy from waste has also been relatively marginal since the development of the required infrastructure is still in its early phases.

Up to 2008, the utilisation of biofuels reached the point where projections showed that it was likely that Malta would attain its 2010 indicative target. However, in 2008, the sales of biofuels decreased sharply and declined to 2005 levels. In such circumstances reliable projections as to whether Malta is on track to achieve its biofuel target cannot be made. Such a situation could be attributed to various factors, particularly the lack of comprehensive planning to further encourage the market penetration of biofuels. Despite the increase in the number of fuel stations retailing biofuels, it appears that consumers may consider the price differentiation between biofuel and fossil fuels as marginal. Moreover, there were restricted awareness campaigns on the potential benefits of biofuels. This audit also revealed that the opportunity exists for more robust monitoring by the Regulator.

The NEEAP identifies 26 energy efficient measures. These were introduced within the various sectors of the economy. However, there has been no attempt to quantify the resultant energy savings from these measures. Through case studies undertaken, this audit indicated that, despite encouraging results, the opportunity exists for further improvements in the Domestic Sector appliances rebate scheme and Green Leader measures within the Public Sector. The relatively high capital outlay necessary to implement energy saving and generating systems seems to hinder the further uptake by consumers of 'rebate' schemes applicable to the Domestic Sector. On the other hand, a lack of strategic planning hindered the Green Leader measure from further exploiting the potential for the adoption of energy efficient practices within the Public Sector.

Although efforts to date yielded some encouraging results, this audit raised a number of concerns, indicating that reaching EU renewable energy and energy efficient targets would be a challenge.

Strategic and operational planning related to the various renewable energy and energy efficient initiatives was not always timely and sufficiently followed up. Furthermore, the monitoring of the various measures and initiatives by the Regulator was not robust. In view of the foregoing, the National Audit Office (NAO) proposed a number of recommendations to ensure that the appropriate infrastructures and mechanisms are in place to exploit RES and to increasingly adopt energy efficient practices.
