SUBSIDIARY LEGISLATION 545.34

ELECTRICITY REGULATIONS

4th June, 2021

LEGAL NOTICE 235 of 2021, as amended by Legal Notices 44 of 2023, 193 of 2024, 132, 235 and 236 of 2025 and 41 of 2026.

Citation and scope.

1. (1) The title of these regulations is the Electricity Regulations.

(2) These regulations transpose Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast). These regulations:

(a) establish common rules for the generation, transmission, distribution, energy storage and supply of electricity, together with consumer protection provisions, with a view to creating truly integrated, competitive, consumer-centred, flexible, fair and transparent electricity markets in the Union;

(b) using the advantages of an integrated market, aim to ensure affordable, transparent energy prices and costs for consumers, a high degree of security of supply and a smooth transition towards a sustainable low-carbon energy system;

(c) lay down key rules relating to the organisation and functioning of the Union electricity sector, in particular rules on consumer empowerment and protection, and insofar as they are applicable, on open access to the integrated market, on third-party access to transmission and distribution infrastructure, unbundling requirements, and rules on the independence of the Regulator;

(d) set out modes for the Regulator and transmission system operators to cooperate towards the creation of a fully interconnected internal market for electricity that increases the integration of electricity from renewable sources, free competition and security of supply.

(3) These regulations also transpose Articles 4(9) and 4(11) of Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure.

Interpretation.
Amended by:
L.N. 44 of 2023;
L.N. 235 of 2025;
L.N. 236 of 2025.

2. In these regulations, unless the context otherwise requires:

"Act" means the Regulator for Energy and Water Services Act; Cap. 545.

"active customer" means a final customer, or a group of jointly acting final customers, who consumes or stores electricity generated within its premises located within confined boundaries, or who sells self-generated electricity or participates in flexibility or energy efficiency schemes, provided that those activities do not constitute its primary commercial or professional activity;

"aggregation" means a function performed by a natural or legal person who combines multiple customer loads or generated electricity for sale, purchase or auction in any electricity market;

"ancillary service" means a service necessary for the operation of a transmission or distribution system, including balancing and non-frequency ancillary services, but not including congestion management;

"balancing" means balancing as defined in point 10 of Article 2 of Regulation (EU) 2019/943;

"balancing energy" means balancing energy as defined in point 11 of Article 2 of Regulation (EU) 2019/943;

"balance responsible party" means balance responsible party as defined in point 14 of Article 2 of Regulation (EU) 2019/943;

"best available techniques" means, in the context of data protection and security in a smart metering environment, the most effective, advanced and practically suitable techniques for providing, in principle, the basis for complying with the Union data protection and security rules;

"billing information" means the information provided on a final customer's bill, apart from a request for payment;

"citizen energy community" means a legal entity that:

(a) is based on voluntary and open participation and is effectively controlled by members or shareholders that are natural persons, local authorities, including municipalities, or small enterprises;

(b) has for its primary purpose to provide environmental, economic or social community benefits to its members or shareholders or to the local areas where it operates rather than to generate financial profits; and

(c) may engage in generation, including from renewable sources, distribution, supply, consumption, aggregation, energy storage, energy efficiency services or charging services for electric vehicles or provide other energy services to its members or shareholders;

"congestion" means congestion as defined in point (4) of Article 2 of Regulation (EU) 2019/943;

"contract termination fee" means a charge or penalty imposed on customers by suppliers or market participants engaged in aggregation, for terminating an electricity supply or service contract;

"control" means rights, contracts or other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by:

(a) ownership or the right to use all or part of the assets of an undertaking;

(b) rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking;

"conventional meter" means an analogue or electronic meter with no capability to both transmit and receive data;

"customer" means a wholesale or final customer of electricity;

"demand response" means the change of electricity load by final customers from their normal or current consumption patterns in response to market signals, including in response to time-variable electricity prices or incentive payments, or in response to the acceptance of the final customer's bid to sell demand reduction or increase at a price in an organised market as defined in point 4 of Article 2 of Commission Implementing Regulation (EU) No 1348/ 2014 (17), whether alone or through aggregation;

"Directive" means Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast);

"direct line" means either an electricity line linking an isolated generation site with an isolated customer or an electricity line linking a producer and an electricity supply undertaking to supply directly their own premises, subsidiaries and customers;

"distributed generation" means generating installations connected to the distribution system; "distribution" means the transport of electricity on high-voltage, medium-voltage and low-voltage distribution systems with a view to its delivery to customers, but does not include supply;

"distribution system operator" or "DSO" means a natural or legal person who is responsible for operating, ensuring the maintenance of and, if necessary, developing the distribution system in

a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity;

"dynamic electricity price contract" means an electricity supply contract between a supplier and a final customer that reflects the price variation in the spot markets, including in the day-ahead and intraday markets, at intervals at least equal to the market settlement frequency;

"electricity derivative" means a financial instrument specified in point (5), (6) or (7) of Section C of Annex I to Directive 2014/65/EU of the European Parliament and of the Council, where that instrument relates to electricity;

"electricity markets" means markets for electricity, including over-the-counter markets and electricity exchanges, markets for the trading of energy, capacity, balancing and ancillary services in all timeframes, including forward, day-ahead and intraday markets;

"electricity supply contract" means a contract for the supply of electricity, but does not include electricity derivatives;

"electricity undertaking" means a natural or legal person who carries out at least one of the following functions: generation, transmission, distribution, aggregation, demand response, energy storage, supply or purchase of electricity, and who is responsible for the commercial, technical or maintenance tasks related to those functions, but does not include final customers;

"energy efficiency" means the ratio of output of performance, service, goods or energy, to input of energy;

"energy from renewable sources" or "renewable energy" means energy from renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, osmotic energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

"energy poverty" means a household's lack of access to essential energy services, where such services provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing national social policy and other relevant national policies, caused by a combination of factors, including at least non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency of homes;

"energy storage" means, in the electricity system, deferring the final use of electricity to a moment later than when it was generated, or the conversion of electrical energy into a form of energy which can be

stored, the storing of such energy, and the subsequent reconversion of such energy into electrical energy or use as another energy carrier;

"energy storage facility' means, in the electricity system, a facility where energy storage occurs;

"ENTSO for Electricity" means the European Network of Transmission System Operators for Electricity;

"EU DSO entity" means the EU entity for distribution operators established under Regulation (EU) 2019/943;

"final customer" means a customer who purchases electricity for own use;

"fixed-term fixed-price electricity supply contract" means an electricity supply contract between a supplier and a final customer that guarantees that the contractual terms and conditions, including the price, remain unchanged for the duration of the contract, while it may, within a fixed price, include a flexible element with for example, peak and off-peak price variations, and where changes in the resulting bill can only result from elements that are not determined by suppliers, such as taxes and levies;

"flexible connection agreement" means a set of agreed conditions for connecting electrical capacity to the grid that includes conditions to limit and control the electricity injection to and withdrawal from the transmission network or distribution network;

"fully integrated network components" means network components that are integrated in the transmission or distribution system, including storage facilities, and that are used for the sole purpose of ensuring a secure and reliable operation of the transmission or distribution system, and not for balancing or congestion management;

"generation" means the production of electricity;

"horizontally integrated undertaking" means an electricity undertaking performing at least one of the functions of generation for sale, or transmission, or distribution, or supply, and another non-electricity activity;

"household customer" means a customer who purchases electricity for the customer's own household consumption, excluding commercial or professional activities;

"imbalance settlement period" means imbalance settlement period as defined in point (15) of Article 2 of Regulation (EU) 2019/ 943;

"independent aggregator" means a market participant engaged

in aggregation who is not affiliated to the customer's supplier;

"integrated electricity undertaking" means a vertically integrated undertaking or a horizontally integrated undertaking;

"interoperability" means, in the context of smart metering, the ability of two or more energy or communication networks, systems, devices, applications or components to interwork to exchange and use information in order to perform required functions;

"interconnector" means equipment used to link electricity systems;

"interconnected system" means a number of transmission and distribution systems linked together by means of one or more interconnectors;

"market participant" means market participant as defined in point (25) of Article 2 of Regulation (EU) 2019/943;

"microenterprise" means an enterprise which employs fewer than ten (10) persons and whose annual turnover and/or annual balance sheet total does not exceed two million euro (€2,000, 000);

"Member State" means a member state of the European Union;

"Minister" means the Minister responsible for energy;

"near real-time" means, in the context of smart metering, a short time period, usually down to seconds or up to the imbalance settlement period in the national market;

"non-household customer" means a natural or legal person who purchases electricity that is not for own household use, including producers, industrial customers, small and medium-sized enterprises, businesses and wholesale customers;

"non-frequency ancillary service" means a service used by a transmission system operator or distribution system operator for steady state voltage control, fast reactive current injections, inertia for local grid stability, short-circuit current, black start capability and island operation capability;

"organised electricity marketplace" means an electricity exchange, an electricity broker, an electricity capacity platform or any other system or facility in which multiple third-party buying or selling interests in wholesale electricity products interact in a manner that may result in a transaction and which operates in accordance with transparent, non-discriminatory, and market-based principles, subject to applicable regulatory oversight where required:

Provided that an organised marketplace shall be deemed

accessible to a producer when it provides a non-restrictive and technically feasible, and transparent mechanism for such producer to offer and sell its electricity under fair, non-discriminatory and commercially reasonable terms;

"person" means any natural or legal person;

"producer" means a natural or legal person who generates electricity;

"proxy for the market price" means the average of the estimated variable cost per kWh incurred by the distribution system operator to meet the demand forecast for a given year from locally generated conventional and imported electricity, with the demand assumption excluding that portion of the forecast demand which is not expected to be met by conventional and imported electricity;

"recharging point" means an interface that is capable of charging one electric vehicle at a time or exchanging the battery of one electric vehicle at a time;

"regional coordination centre" means a regional coordination centre established pursuant to Article 35 of Regulation (EU) 2019/943;

"Regulation (EU) 2019/943 " means Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity;

"Regulator" means the Regulator for Energy and Water Services established by the Act;

"related undertaking" means affiliated undertakings as defined in point (12) of Article 2 of Directive 2013/34/EU of the European Parliament and of the Council, and undertakings which belong to the same shareholders;

"smart metering system" means an electronic system that is capable of measuring electricity fed into the grid or electricity consumed from the grid, providing more information than a conventional meter, and that is capable of transmitting and receiving data for information, monitoring and control purposes, using a form of electronic communication;

"supply" means the sale, including the resale, of electricity to customers;

"supplier of last resort" means a supplier who is designated to take over the supply of electricity to customers of a supplier which has ceased to operate;

"switching-related fee" means a charge or penalty for changing suppliers or market participants engaged in aggregation, including

contract termination fees, that is directly or indirectly imposed on customers by suppliers, market participants engaged in aggregation or system operators;

"transmission" means the transport of electricity on the extra high-voltage and high-voltage interconnected system with a view to its delivery to final customers or to distributors, but does not include supply;

"transmission system operator" means a natural or legal person who is responsible for operating, ensuring the maintenance of and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity;

"security" means both security of supply and provision of electricity, and technical safety;

"small connected system" means any system that had consumption of less than 3,000 GWh in the year 1996, where more than five per cent (5%) of annual consumption is obtained through interconnection with other systems;

"small enterprise" means an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed ten million euro (€10, 000, 000);

"small isolated system" means any system that had consumption of less than 3,000 GWh in the year 1996, where less than five per cent (5%) of annual consumption is obtained through interconnection with other systems;

"system user" means a natural or legal person who supplies to, or is supplied by a transmission system or a distribution system;

"vertically integrated undertaking" means an electricity undertaking or a group of electricity undertakings where the same person or the same persons are entitled, directly or indirectly, to exercise control, and where the undertaking or group of undertakings performs at least one of the functions of transmission or distribution, and at least one of the functions of generation or supply;

"wholesale customer" means a natural or legal person who purchases electricity for the purpose of resale inside or outside the system where that person is established.

Free choice of supplier.

3. All customers shall be free to purchase electricity from the supplier of their choice and to have more than one electricity supply contract at the same time provided that the required connection and metering points are established:

Provided that such rights shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

Market-based supply prices.

4. (1) Suppliers shall be free to determine the price at which they supply electricity to customers. The Regulator shall take appropriate actions to ensure effective competition between suppliers:

(2) The Minister responsible for social policy shall ensure the protection of energy poor and vulnerable household customers pursuant to regulations 25 and 26:

Provided that protection of energy poor and vulnerable household customers shall not be achieved by means of public interventions in the price setting for the supply of electricity.

(3) By way of derogation from sub-regulations (1) and (2), the Minister may apply public interventions in the price setting for the supply of electricity to energy poor or vulnerable household customers. Such public interventions shall be subject to the conditions set out in sub-regulations (4) and (5).

(4) Public interventions in the price setting for the supply of electricity shall:

(a) pursue a general economic interest and not go beyond what is necessary to achieve that general economic interest;

(b) be clearly defined, transparent, non-discriminatory and verifiable;

(c) guarantee equal access for Union electricity undertakings to customers:

(d) be limited in time and proportionate as regards their beneficiaries;

(e) not result in additional costs for market participants in a discriminatory way.

(5) When applying public interventions in the price setting for the supply of electricity in accordance with sub-regulation (3) the Minister shall also comply with point (d) of Article 3(3) and with Article 24 of Regulation (EU) 2018/1999, regardless of whether there are a significant number of households in energy poverty.

(6) For the purpose of a transition period to establish effective competition for electricity supply contracts between suppliers, and to achieve fully effective market-based retail pricing of electricity in accordance with sub-regulation (1), the Minister may apply public interventions in the price setting for the supply of

electricity to household customers and to microenterprises that do not benefit from public interventions pursuant to sub-regulation (3).

(7) Public interventions pursuant to sub-regulation (6) shall comply with the criteria set out in sub-regulation (4) and shall:

(a) be accompanied by a set of measures to achieve effective competition and a methodology for assessing progress with regard to those measures;

(b) be set using a methodology that ensures non-discriminatory treatment of suppliers;

(c) be set at a price that is above cost, at a level where effective price competition can occur;

(d) be designed to minimise any negative impact on the wholesale electricity market;

(e) ensure that all beneficiaries of such public interventions have the possibility to choose competitive market offers and are directly informed at least every quarter of the availability of offers and savings in the competitive market, in particular of dynamic electricity price contracts, and shall ensure that they are provided with assistance to switch to a market-based offer;

(f) ensure that, pursuant to regulations 16 and 18, all beneficiaries of such public interventions are entitled to, and are offered to, have smart meters installed at no extra upfront cost to the customer, are directly informed of the possibility of installing smart meters and are provided with necessary assistance;

(g) not lead to direct cross-subsidisation between customers supplied at free market prices and those supplied at regulated supply prices.

(8) The Minister shall notify the measures taken in accordance with sub-regulations (3) and (6) to the Commission within one (1) month after their adoption and may apply them immediately. The notification shall be accompanied by an explanation of why other instruments were not sufficient to achieve the objective pursued, of how the requirements set out in sub-regulations (4) and (7) are fulfilled and of the effects of the notified measures on competition. The notification shall describe the scope of the beneficiaries, the duration of the measures and the number of household customers affected by the measures and shall explain how the regulated prices have been determined.

(9) By 1st January 2022 and 1st January 2025, the Minister

shall submit reports to the Commission on the implementation of this regulation, the necessity and proportionality of public interventions under this regulation, and an assessment of the progress towards achieving effective competition between suppliers and the transition to market-based prices. The Minister shall report on the compliance with the conditions set out in sub-regulation (7) with regard to the application of regulated prices in accordance with sub-regulation (6), including on compliance by suppliers that are required to apply such interventions, as well as on the impact of regulated prices on the finances of those supplier.

(10) This regulation shall not apply until such time as the derogations under paragraphs 3 and 5 of Article 66 of the Directive apply.

Direct lines.

5. (1) (a) All producers and electricity supply undertakings established within Malta may supply their own premises, subsidiaries and customers through a direct line, without being subject to disproportionate administrative procedures or costs.

(b) All customers within Malta, individually or jointly, may be supplied through a direct line by producers and electricity supply undertakings:

Provided that such rights shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(2) The Regulator shall lay down the criteria for the grant of authorisations for the construction of direct lines in Malta. Those criteria shall be objective and non-discriminatory.

(3) The possibility of supplying electricity through a direct line as referred to in sub-regulation (1) shall not affect the possibility of contracting electricity in accordance with Article 6 of the Directive:

Provided that such rights shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(4) The Regulator may issue authorisations to construct a direct line, subject either to the refusal of system access on the basis, as appropriate, of Article 6 of the Directive or to the opening of a dispute settlement procedure under regulation 48:

Provided that refusal of system access on the basis of Article 6 shall not be exercised until such time that the derogations under paragraph 3 of Article 66 of the Directive applies.

(5) The Regulator may refuse to authorise a direct line if the granting of such an authorisation would obstruct the application of the provisions on public service obligations in Article 9 of the Directive.

Duly substantiated reasons shall be given for such a refusal.

Authorisation procedure for new capacity.

6. (1) The construction of new generation capacity shall require an authorisation from the Regulator:

Provided that no such authorisation shall be required for the producers listed in Part A of the Third Schedule.

(2) The authorisation procedure for the construction of new generating capacity, shall be conducted in accordance with objective, transparent and non-discriminatory criteria.

(3) (a) The Regulator, in the processing of applications for authorisations, shall take into account the size and potential impact of the generation plant which the application relates to. Specific, simplified and streamlined authorisation procedures for small decentralised and, or distributed generation, which take into account their limited size and potential impact, shall be determined by the Regulator.

(b) The Regulator when processing the applications for authorisations referred to in paragraph (a) shall:

(i) take into account the outcome of the comprehensive assessment referred to in regulation 21(1) and 21(2) of the Energy Efficiency Regulations;

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(ii) ensure that the requirements of regulation 21(1) of the Energy Efficiency Regulations are fulfilled; and

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(iii) take into account the outcome of the cost-benefit analysis referred to in regulation 21(2) of the Energy Efficiency Regulations.

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(4) The Regulator, in the processing of applications for authorisations for the new construction or reconstruction of generating capacity, shall request that the applicant has obtained any relevant approvals and permits from other competent authorities.

(5) The permits and approvals referred to in sub-regulation (4) shall consider the following criteria:

(a) the safety and security of the electricity system, installations and associated equipment;

(b) the protection of public health and safety;

(c) the protection of the environment;

(d) land use and siting;

(e) the use of public ground;

(f) energy efficiency;

(g) the nature of the primary sources;

(h) the characteristics particular to the applicant, such as technical, economic and financial capabilities;

(i) compliance with measures adopted pursuant to Article 9 of the Directive;

(j) the contribution of generating capacity to meeting the overall Union target of at least a thirty-two per cent (32%) share of energy from renewable sources in the Union's gross final consumption of energy in 2030 referred to in Article 3(1) of Directive (EU) 2018/2001 of the European Parliament and of the Council;

(k) the contribution of generating capacity to reducing emissions;

(l) the alternatives to the construction of new generating capacity, such as demand response solutions and energy storage;

(6) The Regulator shall publish the procedures relative to the granting of an authorisation as in such manner as it shall determine so as to bring it to the attention of those likely to be affected by it.

(7) An application for an authorisation under this regulation shall be in writing and be in such form and contain such information as the Regulator may reasonably request.

(8) An application for an authorisation shall be accompanied by the following fees:

(a) for a generating station with a capacity equal or greater than 40kW and less than 5MW, a non-refundable fee of two hundred euro (€200) shall apply;

(b) for a generating station with a capacity equal or greater than 5MW, a non-refundable fee of five hundred (€500) shall apply.

(9) An authorisation granted by the Regulator under this regulation, shall be in writing and, unless previously revoked in accordance with any term contained in the authorisation, shall continue in force for such period as may be specified in the form determined by or under the authorisation.

(10) Where the Regulator refuses to grant an authorisation:

(a) the reasons for such refusal shall be objective,

non-discriminatory, well founded and duly substantiated,

(b) the applicant for the authorisation shall be notified, in writing, by the Regulator of the reasons for the refusal, and

(c) the applicant shall have the right to appeal to the Administrative Review Tribunal against a decision of the Regulator in accordance with regulation 60.

Basic contractual rights.

7. (1) All final customers shall be entitled to have their electricity provided by a supplier, subject to the supplier's agreement, regardless of the Member State in which the supplier is registered, provided that the supplier follows the applicable trading and balancing rules:

Provided that such rights shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(2) Final customers shall have the right to a contract with their supplier that specifies:

(a) the identity and address of the supplier;

(b) the services provided, the service quality levels offered, as well as the time for the initial connection;

(c) the types of maintenance service offered;

(d) the means by which up-to-date information on all applicable tariffs, maintenance charges and bundled products or services may be obtained;

(e) the duration of the contract, the conditions for renewal and termination of the contract and services, including products or services that are bundled with those services, and whether terminating the contract without charge is permitted;

(f) any compensation and the refund arrangements which apply if contracted service quality levels are not met, including inaccurate or delayed billing;

(g) the method of initiating an out-of-court dispute settlement procedure in accordance with regulation 23;

(h) information relating to consumer rights, including information on complaint handling and all of the information referred to in this paragraph, that is clearly communicated on the bill or the electricity undertaking's web site.

Conditions shall be fair and well known in advance. In any case,

this information shall be provided prior to the conclusion or confirmation of the contract. Where contracts are concluded through intermediaries, the information relating to the matters set out in this sub-regulation shall also be provided prior to the conclusion of the contract.

Final customers shall be provided with a summary of the key contractual conditions in a prominent manner and in concise and simple language.

(3) Suppliers shall:

(a) give final customers adequate notice of any intention to modify contractual conditions and shall inform customers about their right to terminate the contract when the notice is given;

(b) notify their final customers, in a transparent and comprehensible manner, directly of any adjustment in the supply price and of the reasons and preconditions for the adjustment and its scope, at an appropriate time no later than two weeks, or no later than one (1) month in the case of household customers, before the adjustment comes into effect:

Provided that final customers shall be free to terminate contracts if they do not accept the new contractual conditions or adjustments in the supply price notified to them by their supplier.

(4) Suppliers shall provide final customers with transparent information on applicable prices and tariffs and on standard terms and conditions, in respect of access to and use of electricity services.

(5) Suppliers shall offer final customers a wide choice of payment methods. Such payment methods shall not unduly discriminate between customers. Any difference in charges related to payment methods or prepayment systems shall be objective, non-discriminatory and proportionate and shall not exceed the direct costs borne by the payee for the use of a specific payment method or a prepayment system, in line with Article 62 of Directive (EU) 2015/ 2366 of the European Parliament and of the Council.

(6) Pursuant to sub-regulation (5), household customers who have access to prepayment systems shall not be placed at a disadvantage by the prepayment systems

(7) Suppliers shall offer final customers fair and transparent general terms and conditions, which shall be provided in plain and unambiguous language and shall not include non-contractual barriers to the exercise of customers' rights, such as excessive contractual documentation. Suppliers shall not use unfair or misleading selling methods.

(8) Final customers shall have the right to a good standard of service and complaint handling by their suppliers. Suppliers shall handle complaints in a simple, fair and prompt manner.

(9) When accessing universal service under the provisions adopted by pursuant to regulation 24, final customers shall be informed about their rights regarding universal service.

(10) (a) Suppliers shall provide household customers with adequate information on alternative measures to disconnection sufficiently in advance of any planned disconnection. Such alternative measures may refer to sources of support to avoid disconnection, prepayment systems, energy audits, energy consultancy services, alternative payment plans, debt management advice or disconnection moratoria and not constitute an extra cost to the customers facing disconnection;

(b) Suppliers shall at least establish the following alternative measures to disconnection:

(i) alternative payment plans;

(ii) debt management advice;

(iii) disconnection moratoria.

(11) Suppliers shall provide final customers with a final closure account after any switch of supplier no later than six (6) weeks after such a switch has taken place.

Entitlement to a dynamic electricity price contract. *Substituted by: L.N. 235 of 2025.*

8. (1) Final customers who have a smart meter installed may request to conclude a dynamic electricity price contract with at least one supplier and with every supplier that has more than two hundred thousand (200,000) final customers.

(2) Prior to the conclusion or extension of any contract referred to in sub-regulation (1), final customers shall be provided with a summary of the key contractual terms and conditions in a prominent manner and in clear and concise language. That summary shall establish the rights referred to in regulation 7(3) and (4) and shall include at least the following information:

(a) the total price and its breakdown;

(b) an explanation as to whether the price is fixed, variable or dynamic;

(c) the supplier's email address and the details of a consumer support hotline; and

(d) where relevant, information on one-time payments, promotions, additional services and discounts.

(3) Suppliers shall keep final customers fully informed of the opportunities, costs and risks of such dynamic electricity price contracts and shall provide information to the final customers accordingly, including with regard to the need to have an adequate electricity meter installed.

(4) The Regulator shall:

(a) monitor the market developments and assess the risks that the new products and services may entail and address abusive practices;

(b) take appropriate measures where impermissible termination fees are identified in accordance with regulation 9(3).

(5) Suppliers shall obtain each final customer's consent before such customer is switched to a dynamic electricity price contract.

(6) For at least a ten (10) year period after dynamic electricity price contracts become available, the Regulator shall monitor, and shall publish an annual report on the main developments of such contracts, including market offers and the impact on consumers' bills, and specifically the level of price volatility.

(7) This regulation shall not apply until such time that a spot or intra-day market is developed in Malta.

Entitlement to a fixed-term, fixed-price electricity supply contract. *Added by: L.N. 235 of 2025.*

8A. (1) All final customers may request to conclude a fixed-term, fixed-price electricity supply contract with a duration of at least one (1) year, with at least one supplier and with every supplier that has more than two hundred thousand (200,000) final customers:

Provided that rights to conclude a fixed-term, fixed-price electricity supply contract with a duration of at least one (1) year with more than one supplier shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(2) Suppliers shall not unilaterally modify the terms and conditions of fixed-term, fixed-price electricity supply contracts and shall not terminate such contracts before they reach their maturity.

(3) Prior to the conclusion or extension of any contract referred to in sub-regulation (1), final customers shall be provided with a summary of the key contractual terms and conditions in a prominent manner and in clear and concise language. That summary shall set out the rights referred to in regulation 7(3) and (4) and shall include at least the following information:

(a) the total price and its breakdown;

(b) an explanation as to whether the price is fixed,

variable or dynamic;

(c) the supplier's email address and the details of a consumer helpline; and

(d) where relevant, information on one-time payments, promotions, additional services and discounts.

(4) Final customers with fixed-term, fixed-price electricity supply contracts shall not be excluded from their participation, when they so decide, in demand response and energy sharing and from actively contributing to the achievement of the national electricity system flexibility needs.

Right to switch and rules on switching-related fees.

9. (1) Switching supplier or market participant engaged in aggregation shall be carried out within the shortest possible time.

A customer wishing to switch suppliers or market participants engaged in aggregation, while respecting contractual conditions, is entitled to such a switch within a maximum of three (3) weeks from the date of the request. By no later than 2026, the technical process of switching supplier shall take no longer than twenty-four (24) hours and shall be possible on any working day:

Provided that the right to switch supplier shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(2) Suppliers and market participant shall not charge any switching-related fees to household customers and small enterprises;

(3) By way of derogation from sub-regulation (2), suppliers or market participants engaged in aggregation may charge customers contract termination fees where those customers voluntarily terminate fixed-term, fixed-price electricity supply contracts before their maturity:

Provided that such fees are part of a contract that the customer has voluntarily entered into and that such fees are clearly communicated to the customer before the contract is entered into:

Provided further that, such fees shall be proportionate and shall not exceed the direct economic loss to the supplier or the market participant engaged in aggregation resulting from the customer's termination of the contract, including the costs of any bundled investments or services that have already been provided to the customer as part of the contract. The burden of proving the direct economic loss shall be on the supplier or market participant engaged in aggregation, and the permissibility of contract termination fees shall be monitored by the Regulator.

(4) Customers shall have the right to switch supplier or

market participants engaged in aggregation in a non-discriminatory manner as regards cost, effort and time:

Provided that the right to switch supplier shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(5) Household customers shall be entitled to participate in collective switching schemes:

Provided that the right to switch supplier shall not be exercised until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

Aggregation contract.

10. (1) All customers shall be free to purchase and sell electricity services, including aggregation, other than supply, independently from their electricity supply contract and from an electricity undertaking of their choice:

Provided that such rights shall not be exercised until such time that the derogations from paragraphs 3 and 5 under Article 66 of the Directive apply. This shall be without prejudice to the right of customers to sell electricity services, including aggregation to the DSO.

(2) Where a final customer wishes to conclude an aggregation contract, the final customer is entitled to do so without the consent of the final customer's electricity undertakings.

Market participants engaged in aggregation shall fully inform customers of the terms and conditions of the contracts that they offer to them.

(3) Final customers shall be entitled to receive all relevant demand response data or data on supplied and sold electricity free of charge at least once every billing period if requested by the customer.

(4) Final customers shall be able to exercise rights referred to in sub-regulations (2) and (3) in a non-discriminatory manner as regards cost, effort or time. In particular, customers shall not be subject to discriminatory technical and administrative requirements, procedures or charges by their supplier on the basis of whether they have a contract with a market participant engaged in aggregation.

Comparison tools.

11. (1) Household customers, and microenterprises with an expected yearly consumption of below 100,000 kWh, shall have access, free of charge, to at least one tool comparing the offers of suppliers, including offers for dynamic electricity price contracts. Customers shall be informed of the availability of such tools in or together with their bills or by other means.

The tools shall meet at least the following requirements:

(a) they shall be independent from market participants and ensure that electricity undertakings are given equal treatment in search results;

(b) they shall clearly disclose their owners and the natural or legal person operating and controlling the tools, as well as information on how the tools are financed;

(c) they shall set out clear and objective criteria on which the comparison is to be based, including services, and disclose them;

(d) they shall use plain and unambiguous language;

(e) they shall provide accurate and up-to-date information and state the time of the last update;

(f) they shall be accessible to persons with disabilities, by being perceivable, operable, understandable and robust;

(g) they shall provide an effective procedure for reporting incorrect information on published offers; and

(h) they shall perform comparisons, while limiting the personal data requested to that strictly necessary for the comparison.

The Regulator shall ensure that at least one tool covers the entire market. Where multiple tools cover the market, those tools shall include, as complete as practicable, a range of electricity offers covering a significant part of the market and, where those tools do not completely cover the market, a clear statement to that effect, before displaying results.

(2) The tools referred to in sub-regulation (1) may be operated by any entity, including private companies and public authorities or bodies.

(3) The Regulator shall be responsible for issuing trust marks for comparison tools that meet the requirements set out in sub-regulation (1), and for ensuring that comparison tools bearing a trust mark continue to meet the requirements set out in sub-regulation (1):

Provided that the issue of trust mark shall not be required when the comparison tool is provided by a public authority or body and when such comparison meets the requirements set out in sub-regulation (1).

(4) Any tool comparing the offers of market participants shall be eligible to apply for a trust mark in accordance with this regulation on a voluntary and non-discriminatory basis.

Active customers.

12. (1) Final customers shall be entitled to act as active customers without being subject to disproportionate or discriminatory technical requirements, administrative requirements, procedures and charges, and to network charges that are not cost-reflective.

(2) (a) Active customers shall have the right to:

(i) operate either directly or through aggregation;

(ii) sell self-generated electricity, including through power purchase agreements;

(iii) participate in flexibility schemes and energy efficiency schemes;

(iv) delegate to a third party the management of the installations required for their activities, including installation, operation, data handling and maintenance, without that third party being considered to be an active customer;

(b) Active customers shall be:

(i) subject to cost-reflective, transparent and non-discriminatory network charges that account separately for the electricity fed into the grid and the electricity consumed from the grid, in accordance with regulation 47(6) and Article 18 of Regulation (EU) 2019/943, ensuring that they contribute in an adequate and balanced way to the overall cost sharing of the system;

(ii) financially responsible for the imbalances they cause in the electricity system; to that extent they shall be balance responsible parties or shall delegate their balancing responsibility in accordance with Article 5 of Regulation (EU) 2019/943:

Provided that until such time that a liquid intraday market is developed the DSO shall bear the balancing responsibility.

(3) Existing schemes that do not account separately for the electricity fed into the grid and the electricity consumed from the grid, shall not grant new rights under such schemes after 31st December 2023. In any event, customers subject to existing schemes shall have the possibility at any time to opt for a new scheme that accounts separately for the electricity fed into the grid and the electricity consumed from the grid as the basis for calculating network charges.

(4) Active customers that own an energy storage facility:

(a) shall have the right to a grid connection within a

reasonable time after the request, provided that all necessary conditions, such as balancing responsibility and adequate metering, are fulfilled;

(b) shall not be subject to any double charges, including network charges, for stored electricity remaining within their premises or when providing flexibility services to system operators;

(c) are not subject to disproportionate licensing requirements or fees;

(d) may provide several services simultaneously, if technically feasible.

Citizen energy communities.

13. (1) The Minister shall provide an enabling regulatory framework for citizen energy communities ensuring that:

(a) participation in a citizen energy community shall be open and voluntary.

(b) members or shareholders of a citizen energy community shall be entitled to leave the community, in which case regulation 9 shall apply.

(c) members or shareholders of a citizen energy community shall not lose their rights and obligations as household customers or active customers.

(d) subject to fair compensation as assessed by the Regulator, relevant distribution system operators shall cooperate with citizen energy communities to facilitate electricity transfers within citizen energy communities.

(e) citizen energy communities shall be subject to non-discriminatory, fair, proportionate and transparent procedures and charges, including with respect to registration and licensing, and to transparent, non-discriminatory and cost-reflective network charges in accordance with Article 18 of Regulation (EU) 2019/943, ensuring that they contribute in an adequate and balanced way to the overall cost sharing of the system.

(2) The Minister may provide in the enabling regulatory framework that citizen energy communities:

(a) shall be open to cross-border participation;

(b) shall be entitled to own, establish, purchase or lease distribution networks and to autonomously manage them subject to conditions set out in sub-regulation (4);

(c) shall be subject to the exemptions provided for in regulation 35(2).

(3) Citizen energy communities shall be:

(a) able to access all electricity markets, either directly or through aggregation, in a non-discriminatory manner;

(b) treated in a non-discriminatory and proportionate manner with regard to their activities, rights and obligations as final customers, producers, suppliers, distribution system operators or market participants engaged in aggregation;

(c) financially responsible for the imbalances they cause in the electricity system, to that extent they shall be balance responsible parties or shall delegate their balancing responsibility in accordance with Article 5 of Regulation (EU) 2019/943:

Provided that until such time that a liquid intraday market is developed the DSO shall be delegated with the balancing responsibility;

(d) with regard to consumption of self-generated electricity, citizen energy communities shall be treated like active customers in accordance with regulation 12(2)(b)(i);

(e) may arrange within the citizen energy community the sharing of electricity that is produced by the production units owned by the community, subject to other requirements laid down in this regulation and subject to the community members retaining their rights and obligations as final customers.

For the purposes of paragraph (e), where electricity is shared, this shall be without prejudice to applicable network charges, tariffs and levies, in accordance with a transparent cost-benefit analysis of distributed energy resources developed by the competent national authority:

Provided that the aforesaid sharing of electricity shall not be carried out until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

(4) The Minister may decide to grant citizen energy communities the right to manage distribution networks in their area of operation and establish the relevant procedures, without prejudice to Chapter IV of the Directive or to other rules and regulations applying to distribution system operators. If such a right is granted, citizen energy communities shall:

(a) be entitled to conclude an agreement on the operation of their network with the relevant distribution system operator or transmission system operator to which their network is connected;

(b) be subject to appropriate network charges at the connection points between their network and the distribution network outside the citizen energy community and that such network charges account separately for the electricity fed into the distribution network and the electricity consumed from the distribution network outside the citizen energy community in accordance with regulation 47(4);

(c) not discriminate or harm customers who remain connected to the distribution system.

Demand response through aggregation.

14. (1) Final customers shall have the right to participate in demand response through aggregation. Final customers, including those offering demand response through aggregation, may participate alongside producers in a non-discriminatory manner to provide demand response services.

(2) Transmission system operators and distribution system operators, when procuring ancillary services, shall treat market participants engaged in the aggregation of demand response in a non-discriminatory manner alongside producers on the basis of their technical capabilities.

(3) (a) (i) Each market participant engaged in aggregation, including independent aggregators, may enter electricity markets without the consent of other market participants;

(ii) market participants engaged in aggregation shall be financially responsible for the imbalances that they cause in the electricity system; to that extent they shall be balance responsible parties or shall delegate their balancing responsibility in accordance with Article 5 of Regulation (EU) 2019/943:

Provided that until such time that a liquid intraday market is developed the DSO shall be delegated with the balancing responsibility.

(b) Final customers who have a contract with independent aggregators shall not be subject to undue payments, penalties or other undue contractual restrictions by their suppliers;

(c) The provisions of the Dispute Resolution (Procedures) Regulations shall *mutatis mutandis* apply to disputes between market participants engaged in aggregation and other market participants, including responsibility for imbalances.

(4) (a) Transmission system operators and, or distribution system operators, acting in close cooperation with market participants and final customers, shall establish the technical requirements for participation of demand response in all electricity markets on the basis of the technical characteristics of those markets and the capabilities of demand response. Such requirements shall cover participation involving aggregated loads.

(b) The technical requirements referred to paragraph (a) shall be subject to public consultation and thereafter to the approval of the Regulator.

(5) The DSO shall make known the demand response services that may be provided by final customers and all market participants.

Bills and billing information.

15. (1) Bills and billing information shall be accurate, easy to understand, clear, concise, user- friendly and presented in a manner that facilitates comparison by final customers. On request, final customers shall receive a clear and understandable explanation of how their bill was derived, especially where bills are not based on actual consumption.

(2) Final customers shall receive all their bills and billing information free of charge.

(3) Final customers shall be offered the option of electronic bills and billing information and shall be offered flexible arrangements for the actual payment of the bills.

(4) If the contract provides for a future change of the product or price, or a discount, this shall be indicated on the bill together with the date on which the change takes place.

(5) Any changes to the requirements for the content of bills shall be subject to consultation with consumer organisations.

(6) Bills and billing information shall fulfil the minimum requirements set out in the First Schedule.

Supplier risk management. *Added by: L.N. 235 of 2025.*

15A. (1) The Regulator shall, whilst taking into account the size of the supplier or the market structure and including, if relevant, by carrying out stress tests, ensure that suppliers:

(a) have in place and implement appropriate hedging strategies, to limit the risk of changes in wholesale electricity supply to the economic viability of their contracts with customers, while maintaining liquidity on and price signals from such short-term markets;

(b) take all reasonable steps to limit their risk of supply

failure.

(2) Supplier hedging strategies may include the use of power purchase agreements as defined in Article 2(77) of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity or other appropriate instruments, such as forward contracts.

(3) Citizen energy communities and renewable energy communities may request the Regulator to assess their accessibility to hedging products:

Provided that the Regulator, based on the outcome of such assessment, if and where deemed necessary, shall make recommendations to the Minister regarding the need to put in place enabling conditions to enhance the availability of such hedging products for citizen energy communities and renewable energy communities.

Smart metering systems.

16. (1) The Minister shall assign responsibility for installing smart meters to a distribution system operator. The distribution system operator shall deploy smart metering systems that assist the active participation of customers in the electricity market:

Provided that such deployment may be subject to a cost-benefit assessment, if the Minister so directs, which shall be undertaken by the distribution system operator in accordance with the principles laid down in the Second Schedule.

(2) The Regulator shall adopt and publish the minimum functional and technical requirements for the smart metering systems to be deployed, in accordance with regulation 17 and the Second Schedule. In establishing such minimum requirements, the Regulator shall ensure the interoperability of those smart metering systems, as well as their ability to provide output for consumer energy management systems. In that respect, the Regulator shall have due regard to the use of the relevant available standards, including those enabling interoperability, to best practices and to the importance of the development of smart grids and the development of the internal market for electricity.

(3) Final customers shall contribute to the associated costs of the deployment of smart metering systems in a transparent and non-discriminatory manner. The establishment of the contribution made by customers should take into account the long-term benefits to the whole value chain. The Regulator shall regularly monitor such deployment to track the delivery of benefits to consumers.

(4) Where the deployment of smart metering systems has been negatively assessed as a result of the cost-benefit assessment referred to in sub-regulation (1), the distribution system operator shall

revise this assessment at least every four years, or more frequently, in response to significant changes in the underlying assumptions and in response to technological and market developments. The Minister shall notify to the Commission the outcome of the updated cost-benefit assessment as it becomes available.

(5) The provisions in these regulations concerning smart metering systems shall apply to future installations and to installations that replace older smart meters. Smart metering systems that have already been installed, or for which the 'start of works' began, before the 4th July 2019, may remain in operation over their lifetime but, in the case of smart metering systems that do not meet the requirements of regulation 17 and the Second Schedule, shall not remain in operation after the 5th July 2031.

For the purpose of this sub-regulation, "start of works" means either the start of construction works on the investment or the first firm commitment to order equipment or other commitment that makes the investment irreversible, whichever is the first in time. Buying of land and preparatory works such as obtaining permits and conducting preliminary feasibility studies are not considered as start of works. For take-overs, 'start of works' means the moment of acquiring the assets directly linked to the acquired establishment.

Functionalities of smart metering systems.

17. Where the deployment of smart metering systems is positively assessed as a result of the cost-benefit assessment referred to in regulation 16(1), or where smart metering systems are systematically deployed after 4th July 2019, smart metering systems shall be deployed in accordance with European standards, the Second Schedule and the following requirements:

(a) the smart metering systems shall accurately measure actual electricity consumption and shall be capable of providing to final customers information on actual time of use. Validated historical consumption data shall be made easily and securely available and visualised to final customers on request and at no additional cost. Non-validated near real-time consumption data shall also be made easily and securely available to final customers at no additional cost, through a standardised interface or through remote access, in order to support automated energy efficiency programmes, demand response and other services;

(b) the security of the smart metering systems and data communication shall comply with relevant Union security rules, having due regard of the best available techniques for ensuring the highest level of cybersecurity protection while bearing in mind the costs and the principle of proportionality;

(c) the privacy of final customers and the protection of their data shall comply with relevant Union data protection

and privacy rules;

(d) meter operators shall ensure that the meters of active customers who feed electricity into the grid can account for electricity fed into the grid from the active customers' premises;

(e) if final customers request it, data on the electricity they fed into the grid and their electricity consumption data shall be made available to them, in accordance with the implementing acts adopted pursuant to Article 24 of the Directive, through a standardised communication interface or through remote access, or to a third party acting on their behalf, in an easily understandable format allowing them to compare offers on a like-for-like basis;

(f) appropriate advice and information shall be given to final customers prior to or at the time of installation of smart meters, in particular concerning their full potential with regard to the management of meter reading and the monitoring of energy consumption, and concerning the collection and processing of personal data in accordance with the applicable Union data protection rules;

(g) smart metering systems shall enable final customers to be metered and settled at the same time resolution as the imbalance settlement period in the national market.

For the purposes of paragraph (e), it shall be possible for final customers to retrieve their metering data or transmit them to another party at no additional cost and in accordance with their right to data portability under Union data protection rules.

Entitlement to a smart meter.

18. (1) Where the deployment of smart metering systems has been negatively assessed as a result of the cost-benefit assessment referred to in regulation 16(1) and where smart metering systems are not systematically deployed, every final customer shall be entitled on request, while bearing the associated costs, to have installed or, where applicable, to have upgraded, under fair, reasonable and cost-effective conditions, a smart meter that:

(a) is equipped, where technically feasible, with the functionalities referred to in regulation 17, or with a minimum set of functionalities to be defined and at national level in accordance with the Second Schedule;

(b) is interoperable and able to deliver the desired connectivity of the metering infrastructure with consumer energy management systems in near real-time.

(2) In the context of a customer request for a smart meter

pursuant to sub-regulation (1), the distribution system operator shall:

(a) ensure that the offer to the final customer requesting the installation of a smart meter explicitly states and clearly describes:

(i) the functions and interoperability that can be supported by the smart meter and the services that are feasible as well as the benefits that can be realistically attained by having that smart meter at that moment in time;

(ii) any associated costs to be borne by the final customer.

(b) ensure that it is installed within a reasonable time, no later than four (4) months after the customer's request;

(c) regularly, and at least every two (2) years, review and make publicly available the associated costs, and trace the evolution of those costs as a result of technology developments and potential metering system upgrades.

Conventional meters.

19. (1) Where final customers do not have smart meters, final customers shall be provided by the distribution system operator with individual conventional meters that accurately measure their actual consumption.

(2) The distribution system operator shall ensure that final customers are able to easily read their conventional meters, either directly or indirectly through an online interface or through another appropriate interface.

Data management.

20. (1) When laying down the rules regarding the management and exchange of data, the Regulator shall specify the rules on the access to data of the final customer by eligible parties in accordance with this regulation and the applicable Union legal framework. For the purpose of these regulations, data shall be understood to include metering and consumption data as well as data required for customer switching, demand response and other services.

(2) The Regulator shall organise the management of data in order to ensure efficient and secure data access and exchange, as well as data protection and data security.

Independently of the data management model applied, the parties responsible for data management shall provide access to the data of the final customer to any eligible party, in accordance with sub-regulation (1). Eligible parties shall have the requested data at their disposal in a non-discriminatory manner and simultaneously. Access to data shall be easy and the relevant procedures for obtaining access to data shall be made publicly available.

(3) The rules on access to data and data storage for the purpose of these regulations shall comply with the relevant Union law.

The processing of personal data within the framework of these regulations shall be carried out in accordance with Regulation (EU) 2016/679.

(4) The Regulator shall authorise and certify or, where applicable, supervise the parties responsible for the data management, in order to ensure that they comply with the requirements of these regulations.

Without prejudice to the tasks of the data protection officers under Regulation (EU) 2016/679, parties responsible for data management shall appoint compliance officers who are to be responsible for monitoring the implementation of measures taken by those parties to ensure non-discriminatory access to data and compliance with the requirements of these regulations.

(5) No additional costs shall be charged to final customers for access to their data or for a request to make their data available.

Parties responsible for data management shall be responsible for setting the relevant charges for access to data by eligible parties.

The Regulator shall ensure that any charges imposed by regulated entities that provide data services are reasonable and duly justified.

Interoperability requirements and procedures for access to data.

21. Electricity undertakings shall apply the interoperability requirements and procedures for access to data referred to in paragraph 2 of Article 24 of the Directive. Those requirements and procedures shall be based on existing national practices.

Single points of contact.

22. The Regulator shall act as a single point of contact, to provide customers with all necessary information concerning their rights, the applicable law and dispute settlement mechanisms available to them in the event of a dispute:

Provided that this shall be without prejudice to the establishment of other single points of contact which may be part of general consumer information points.

Right to out-of-court dispute settlement.

23. (1) Final customers shall have access to simple, fair, transparent, independent, effective and efficient out-of-court mechanisms for the settlement of disputes concerning rights and obligations established under these regulations and provided by the Regulator.

(2) Where the final customer referred to in sub-regulation (1) is a consumer within the meaning of Directive 2013/11/EU of the European Parliament and of the Council, the out-of-court dispute

settlement mechanisms shall comply with the quality requirements of Directive 2013/11/EU.

(3) When settling a dispute in the cases referred to in sub-regulation (2), the Regulator may, where warranted, decide for reimbursement and compensation.

(4) Alternative dispute resolution entities shall cooperate to provide simple, fair, transparent, independent, effective and efficient out-of-court dispute settlement mechanisms for any dispute that arises from products or services that are tied to, or bundled with, any product or service falling under the scope of these regulations.

(5) Electricity undertakings shall participate mandatorily in the out-of-court dispute settlement for household customers which is provided by the Regulator.

Universal service.

24. (1) All household customer and small enterprises, shall enjoy universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices.

(2) Distribution system operators shall be obliged to connect customers to their network under terms, conditions and tariffs set in accordance with the procedure laid down in regulation 47(4).

Supplier of last resort.
Added by: L.N. 235 of 2025.

24A. (1) The supplier of last resort is appointed by the Regulator as the supplier with the largest market share per category of consumers. The Regulator shall be provided with the necessary information, upon demand, to assess the adequacy of such supplier to satisfy such role.

(2) Final customers who are transferred to the supplier of last resort shall continue to benefit from all of their rights as customers as established in these regulations.

(3) The supplier of last resort shall communicate its terms and conditions to transferred customers without delay and shall ensure a seamless continuity of service for those customers for a period needed to find a new supplier, for at least six (6) months.

(4) The supplier of last resort shall ensure that final customers are provided with information and encouragement to switch to a market-based offer:

Provided that this regulation shall not apply until such time that the derogation under paragraph 5 of Article 66 of the Directive applies.

Vulnerable customers.

25. (1) Vulnerable customer for the purposes of these regulations means energy poor customers which includes customers

with low income levels and for whom the share of energy expenditure is a significant part of disposable income. Vulnerable customers shall also be customers who are critically dependent on electrical equipment for health reasons or other criteria determined by the Minister responsible for social policy.

(2) The disconnection of electricity to vulnerable customers in critical times is prohibited.

Energy poverty.

26. The Minister responsible for social policy shall establish and publish a set of criteria for the assessment of the number of households in energy poverty, which may include low income, high expenditure of disposable income on energy and poor energy efficiency.

Protection from disconnections. *Added by: L.N. 235 of 2025.*

26A. (1) Suppliers shall not terminate contracts and disconnect customers on the grounds on which customers have submitted a complaint in accordance with regulation 7(8) or which are subject to an out-of-court dispute settlement mechanism in accordance with regulation 23:

Provided that such a complaint or the use of such a mechanism shall not affect the parties' contractual rights and obligations.

(2) Suppliers shall implement any of the following measures to enable vulnerable customers and customers affected by energy poverty to avoid disconnection:

(a) arrangements to support customers in managing their energy use and costs including flagging unusual high energy spikes or use in winter and summer seasons, offering appropriate flexible payment plans, debt advice measures, self-metering readings, and improved communication with customers and support agencies;

(b) the promotion of customers' education and awareness of their rights with regard to debt management;

(c) the provision of information on access to finance, vouchers or subsidies to support the payment of bills;

(d) the encouragement and facilitation of the provision of regular self-meter readings where remote meter reading is not possible in line with the frequency of billing and the provision of billing information obligations in the First Schedule;

(e) remote import capacity limitation.

Designation of distribution system operator.

27. Enemalta plc is designated the distribution system operator in Malta.

Tasks of distribution system operators. *Amended by: L.N. 235 of 2025.*

28. (1) The distribution system operator shall be responsible for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity, for operating, maintaining and developing under economic conditions a secure, reliable and efficient electricity distribution system in Malta with due regard for the environment and energy efficiency.

(2) In any event, the distribution system operator shall not discriminate between system users or classes of system users, including renewable energy communities and citizen energy communities, in particular in favour of its related undertakings.

(3) (a) The distribution system operator shall provide system users with the information they need for efficient access to, including use of the system. In particular, distribution system operators shall publish in a transparent manner clear information on the capacity available for new connections in their area of operation with high spatial granularity, respecting public security and data confidentiality, including the capacity under connection request and the possibility of flexible connection in congested areas. The publication shall include information on the criteria for the calculation of the available capacity for new connections. Distribution system operators shall update such information on a regular basis, at least every three (3) months.

(b) Distribution system operators shall provide in a transparent manner clear information to system users about the status and treatment of their connection requests. They shall provide such information within three (3) months of the submission of the request. Where the requested connection is neither granted nor permanently rejected, distribution system operators shall update that information on a regular basis, at least every three (3) months.

(c) Distribution system operators shall provide system users the option to request grid connection and submit relevant documents exclusively in digital form.

(4) The distribution system operator, when dispatching generating installations shall give priority to generating installations using renewable sources or using high-efficiency cogeneration, in accordance with Article 12 of Regulation (EU) 2019/943:

Provided that priority dispatch shall continue to apply for all intermittent renewable energy sources and high-efficiency

cogeneration until such time that a liquid intra-day wholesale market is developed.

(5) Each distribution system operator shall act as a neutral market facilitator in procuring the energy it uses to cover energy losses in its system in accordance with transparent, non-discriminatory and market-based procedures, whenever it has such a function.

(6) The distribution system operator shall be responsible for the procurement of products and services necessary for the efficient, reliable and secure operation of the distribution system. The rules adopted by the distribution system operator for that purpose shall be objective, transparent and non-discriminatory, and shall be developed in coordination with transmission system operators and other relevant market participants. The terms and conditions, including rules and tariffs, where applicable, for the provision of such products and services to distribution system operators shall be established in accordance with regulation 47(4) in a non-discriminatory and cost-reflective way and shall be published.

(7) In performing the tasks referred to in sub-regulation (6), the distribution system operator shall procure the non- frequency ancillary services needed for its system in accordance with transparent, non-discriminatory and market-based procedures, unless the Regulator has assessed that the market-based provision of non-frequency ancillary services is economically not efficient and has granted a derogation. The obligation to procure non-frequency ancillary services does not apply to fully integrated network components.

(8) The procurement of the products and services referred to in sub-regulation (6) shall ensure the effective participation of all qualified market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation. In particular, the Regulator and the distribution system operator, in close cooperation with all market participants, as well as transmission system operators, shall establish the technical requirements for participation in those markets on the basis of the technical characteristics of those markets and the capabilities of all market participants.

(9) The distribution system operator shall cooperate with transmission system operators for the effective participation of market participants connected to their grid in retail, wholesale and balancing markets. Delivery of balancing services stemming from resources located in the distribution system shall be agreed with the relevant transmission system operator in accordance with Article 57 of Regulation (EU) 2019/943 and Article 182 of Commission Regulation (EU) 2017/1485.

(10) The distribution system operators may perform activities

other than those provided for in these regulations and in Regulation (EU) 2019/943, where such activities are necessary for the distribution system operators to fulfil their obligations under these regulations or Regulation (EU) 2019/943, provided that the Regulator has assessed the necessity of such a derogation. This sub-regulation shall be without prejudice to the right of the distribution system operator to own, develop, manage or operate networks other than electricity networks where the distribution system operator has been granted such a right.

Technical rules.

29. (1) Within such time specified by the Regulator and following such consultation processes as the Regulator may direct to be made, the distribution system operator shall prepare, keep updated and publish a "network code", and subject to the approval of the Regulator, defining the technical safety criteria and the technical rules establishing the minimum technical design and operational requirements for the connection to the system of:

(a) generating installations;

(b) energy storage;

(c) distribution systems;

(d) directly connected consumers' equipment;

(e) interconnector circuits;

(f) direct lines; and

(g) renewable and citizen energy communities.

(2) The network code shall set the minimum operational rules and obligations on network security and foreseeable circumstances in which security shall be maintained. The network code shall ensure the interoperability of systems and shall be objective and non-discriminatory. The network code shall be notified in accordance with the Notification Procedure Regulations. The Regulator may from time to time give directions, which may include technical safety criteria, to the distribution system operator in respect to the matters to be specified in the network code and its review and revision by the distribution system operator.

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Incentives for the use of flexibility in distribution networks.

30. (1) The Minister shall provide the necessary regulatory framework to allow and provide incentives to the distribution system operators to procure flexibility services, including congestion management in Malta, in order to improve efficiencies in the operation and development of the distribution system. In particular, distribution system operators may procure such services from providers of distributed generation, demand response or energy storage and make use of energy efficiency measures, where such services cost-effectively alleviate the need to upgrade or replace electricity capacity and support the efficient and secure operation of

the distribution system.

(2) Distribution system operators shall procure the services referred to sub-regulation (1) in accordance with transparent, non-discriminatory and market-based procedures unless the Regulator has established that the procurement of such services is not economically efficient or that such procurement would lead to severe market distortions or to higher congestion:

Provided that where market-based procedures are not possible the distribution system operator may procure flexibility by offering connection agreements to users of the network and/or propose network tariffs designed to encourage network users to alter their behaviour for a more efficient use of the distribution network.

(3) (a The distribution system operator, subject to the approval of the Regulator, shall, in a transparent and participatory process that includes all relevant system users and transmission system operators, establish the specifications for the flexibility services procured and, where appropriate, standardised market products for such services at least at national level;

(b) The specifications shall ensure the effective and non-discriminatory participation of all market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation;

(c) Distribution system operators shall exchange all necessary information and shall coordinate with transmission system operators in order to ensure the optimal utilisation of resources, to ensure the secure and efficient operation of the system and to facilitate market development:

Provided that the distribution system operator shall be adequately remunerated for the procurement of such services to allow it to recover at least its reasonable corresponding costs, including the necessary information and communication technology expenses and infrastructure costs.

(4) (a) The development of a distribution system shall be based on a transparent network development plan that the distribution system operator shall publish at least every two (2) years and shall submit to the Regulator.

(b) The network development plan shall provide transparency on the medium and long-term flexibility services needed, and shall set out the planned investments for the next five-to-ten years, with particular emphasis on the main distribution infrastructure which is required in order to connect new generation capacity and new loads, including recharging points for electric vehicles. The network

development plan shall also include the use of demand response, energy efficiency, energy storage facilities or other resources that the distribution system operator is to use as an alternative to system expansion.

(5) (a) The distribution system operator shall consult all relevant system users and the relevant transmission system operators on the network development plan.

(b) The distribution system operator shall publish the results of the consultation process along with the network development plan and submit the results of the consultation and the network development plan to the Regulator. The Regulator may request for amendments to be made to the plan.

Flexible connection agreements. *Added by: L.N. 235 of 2025.*

30A. (1) The Regulator shall develop a framework for transmission system operators and distribution system operators to offer the possibility of establishing flexible connection agreements in areas where there is limited or no network capacity availability for new connections in accordance with Article 31(3) and Article 50(4a), first paragraph of Regulation (EU) 2019/943. Such framework shall ensure that:

(a) as a general rule, flexible connections do not delay the network reinforcements in the identified areas;

(b) a conversion from flexible to firm connection agreements once the network is developed is ensured on the basis of established criteria; and

(c) for areas where the Regulator deems network development not to be the most efficient solution, enable where relevant, flexible connection agreements as a permanent solution, including for energy storage.

(2) The framework referred to in sub-regulation (1) may ensure that flexible connection agreements specify at least the following:

(a) the maximum firm injection and withdrawal of electricity from and to the grid, as well as the additional flexible injection and withdrawal capacity that may be connected and differentiated by time blocks throughout the year;

(b) the network charges applicable to both the firm and flexible injection and withdrawal capacities;

(c) the agreed duration of the flexible connection agreement and the expected date for granting connection to the entire requested firm capacity.

(3) The system user connecting through a flexible grid connection shall be required to install a power control system that is certified by an authorised certifier.

Integration of electromobility into the electricity network. *Amended by: L.N. 235 of 2025.*

31. (1) The distribution system operator shall cooperate on a non-discriminatory basis with any undertaking that owns, develops, operates or manages recharging points with smart charging functionalities and bidirectional charging functionalities in accordance with Article 20a of Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast) for electric vehicles, including with regard to connection to the grid.

(2) Distribution system operators shall not own, develop, manage or operate recharging points for electric vehicles, except where distribution system operators own private recharging points solely for their own use.

(3) By way of derogation from sub-regulation (2), distribution system operators shall be allowed to own, develop, manage or operate recharging points for electric vehicles, provided that all of the following conditions are fulfilled:

(a) other parties, following an open transparent and non-discriminatory tendering procedure that is subject to review and approval by the Regulator, have not been awarded a right to own, develop, manage or operate recharging points for electric vehicles, or could not deliver those services at a reasonable cost and in a timely manner;

(b) the Regulator has carried out an ex ante review of the conditions of the tendering procedure under paragraph (a) and has granted its approval;

(c) the distribution system operator operates the recharging points on the basis of third-party access in accordance with Article 6 and does not discriminate between system users or classes of system users, and in particular in favour of its related undertakings.

The Regulator may draw up guidelines or procurement clauses to help distribution system operators ensure a fair tendering procedure.

(4) Where the conditions under sub-regulation (3) have been implemented the designated competent authority in terms of the Alternative Fuels Order shall perform, at regular intervals or at least every five (5) years, a public consultation in order to re-assess the potential interest of other parties in owning, developing, operating or managing recharging points for electric vehicles. Where the public consultation indicates that other parties are able to own, develop, operate or manage such points, the distribution system operators'

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activities in this regard shall be phased-out, subject to the successful completion of the tendering procedure referred to in paragraph (a) of sub-regulation (3). As part of the conditions of that procedure, the Regulator may allow the distribution system operator to recover the residual value of its investment in recharging infrastructure.

Tasks of distribution system operators in data management.

32. (1) The distribution system operator which is assigned the responsibility referred to under regulation 27 by the Minister shall give all eligible parties non-discriminatory access to data under clear and equal terms, in accordance with the relevant data protection rules.

(2) The distribution system operator when involved in the data management in particular in relation to smart metering systems shall not have privileged access to data for the conduct of its supply activities which is not available to all eligible parties.

(3) Where smart metering systems have been deployed in accordance with regulation 16 and where distribution system operator is involved in data management, the compliance programmes referred to in point (d) of Article 35(2) of the Directive shall include specific measures in order to exclude discriminatory access to data from eligible parties as provided for in regulation 20.

(4) Where distribution system operators are not subject to the requirements of Article 35 of the Directive, vertically integrated undertakings shall not have privileged access to data for the conduct of their supply activities.

Ownership of energy storage facilities by distribution system operators.

33. (1) Distribution system operators shall not own, develop, manage or operate energy storage facilities.

(2) By way of derogation from sub-regulation (1), distribution system operators may own, develop, manage or operate energy storage facilities, where they are fully integrated network components and the Regulator has granted its approval, or where all of the following conditions are fulfilled:

(a) other parties, following an open, transparent and non-discriminatory tendering procedure that is subject to review and approval by the Regulator, have not been awarded a right to own, develop, manage or operate such facilities, or could not deliver those services at a reasonable cost and in a timely manner;

(b) such facilities are necessary for the distribution system operators to fulfil their obligations under these regulations for the efficient, reliable and secure operation of the distribution system and the facilities are not used to buy or sell electricity in the electricity markets; and

(c) the Regulator has assessed the necessity of such a

derogation and has carried out an assessment of the tendering procedure, including the conditions of the tendering procedure, and has granted its approval.

The Regulator may draw up guidelines or procurement clauses to help distribution system operators ensure a fair tendering procedure.

(3) The Regulator shall perform, at regular intervals or at least every five (5) years, a public consultation on the existing energy storage facilities in order to assess the potential availability and interest in investing in such facilities. Where the public consultation, as assessed by the Regulator, indicates that third parties are able to own, develop, operate or manage such facilities in a cost-effective manner, the Regulator, shall ensure that the distribution system operators' activities in this regard are phased out within eighteen (18) months. As part of the conditions of that procedure, the Regulator, may allow the distribution system operators to receive reasonable compensation, in particular to recover the residual value of their investment in the energy storage facilities.

(4) Sub-regulation (3) shall not apply to fully integrated network components or for the usual depreciation period of new battery storage facilities with a final investment decision until 4th July 2019, provided that such battery storage facilities are:

(a) connected to the grid at the latest two (2) years thereafter;

(b) integrated into the distribution system;

(c) used only for the reactive instantaneous restoration of network security in the case of network contingencies where such restoration measure starts immediately and ends when regular re-dispatch can solve the issue; and

(d) not used to buy or sell electricity in the electricity markets, including balancing.

Confidentiality obligation of distribution system operators.

34. Without prejudice to regulation 44 or another legal requirement to disclose information, the distribution system operator shall preserve the confidentiality of commercially sensitive information obtained in the course of carrying out its business, and shall prevent information about its own activities which may be commercially advantageous from being disclosed in a discriminatory manner.

Closed distribution systems.

35. (1) The Regulator may classify a system which distributes electricity within a geographically confined industrial, commercial, residential or shared services site and does not, without prejudice to sub-regulation (3), supply household customers, as a

closed distribution system if:

(a) for specific technical or safety reasons, the operations or the production process of the users of that system are integrated; or

(b) that system distributes electricity primarily to the owner or operator of the system or their related undertakings.

(2) Closed distribution systems shall be considered to be distribution systems for the purposes of these regulations. The Regulator may exempt the operator of a closed distribution system from:

(a) the requirement under sub-regulations (5) and (7) of regulation 28 to procure the energy it uses to cover energy losses and the non- frequency ancillary services in its system in accordance with transparent, non-discriminatory and market-based procedures;

(b) the requirement under Article 6(1) of the Directive that tariffs, or the methodologies underlying their calculation, are approved in accordance with regulation 47(4) prior to their entry into force;

(c) the requirements under regulation 30(1) to procure flexibility services and under regulation 30(3) to develop the operator's system on the basis of network development plans;

(d) the requirement under regulation 31(2) not to own, develop, manage or operate recharging points for electric vehicles; and

(e) the requirement under regulation 33(1) not to own, develop, manage or operate energy storage facilities.

(3) Where an exemption is granted under sub-regulation (2), the applicable tariffs, or the methodologies underlying their calculation, shall be reviewed and approved in accordance with regulation 47(1) upon request by a user of the closed distribution system.

(4) Incidental use by a small number of households with employment or similar associations with the owner of the distribution system and located within the area served by a closed distribution system shall not preclude an exemption under sub-regulation (2) being granted.

Tasks of transmission system operators.

36. (1) Each transmission system operator shall be responsible for:

(a) ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity, operating, maintaining and developing under economic conditions secure, reliable and efficient transmission system with due regard to the environment, in close cooperation with neighbouring transmission system operators and distribution system operators;

(b) ensuring adequate means to meet its obligations;

(c) contributing to security of supply through adequate transmission capacity and system reliability;

(d) managing electricity flows on the system, taking into account exchanges with other interconnected systems. To that end, the transmission system operator shall be responsible for ensuring a secure, reliable and efficient electricity system and, in that context, for ensuring the availability of all necessary ancillary services, including those provided by demand response and energy storage facilities, insofar as such availability is independent from any other transmission systems with which its system is interconnected;

(e) providing to the operator of other systems with which its system is interconnected sufficient information to ensure the secure and efficient operation, coordinated development and interoperability of the interconnected system;

(f) ensuring non-discrimination as between system users or classes of system users, particularly in favour of its related undertakings;

(g) providing system users with the information they need for efficient access to the system;

(h) collecting congestion rents and payments under the inter-transmission system operator compensation mechanism, in accordance with Article 49 of Regulation (EU) 2019/943, granting and managing third-party access and giving reasoned explanations when it denies such access, which shall be monitored by the regulatory authorities; in carrying out their tasks under this regulation, transmission system operators shall primarily facilitate market integration;

(i) procuring ancillary services to ensure operational security;

(j) adopting a framework for cooperation and coordination between the regional coordination centres;

(k) participating in the establishment of the European

and national resource adequacy assessments pursuant to Chapter IV of Regulation (EU) 2019/943;

(l) the digitalisation of transmission systems;

(m) data management, including the development of data management systems, cybersecurity and data protection, subject to the applicable rules, and without prejudice to the competence of other authorities.

(2) In addition to the task in sub-regulation (1) the activity of electricity transmission shall include at least the following tasks:

(a) the representation of the transmission system operator and contacts to third parties and the regulatory authorities;

(b) the representation of the transmission system operator within the ENTSO for Electricity;

(c) granting and managing third-party access on a non-discriminatory basis between system users or classes of system users;

(d) the collection of all the transmission system related charges including access charges, energy for losses and ancillary services charges;

(e) the operation, maintenance and development of a secure, efficient and economic transmission system;

(f) investment planning ensuring the long-term ability of the system to meet reasonable demand and guaranteeing security of supply;

(g) the setting up of appropriate joint ventures, including with one or more transmission system operators, power exchanges, and the other relevant actors pursuing the objectives to develop the creation of regional markets or to facilitate the liberalisation process; and

(h) all corporate services, including legal services, accountancy and IT services.

(3) In performing the tasks referred to in sub-regulation (1), transmission system operators shall take into account the recommendations issued by the regional coordination centres.

(4) In performing the task referred to in paragraph (i) of sub-regulation (1), transmission system operators shall procure balancing services subject to the following:

(a) transparent, non-discriminatory and market-based procedures;

(b) the participation of all qualified electricity undertakings and market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation.

For the purpose of paragraph (b) of sub-regulation (4), the Regulator and transmission system operators shall, in close cooperation with all market participants, establish technical requirements for participation in those markets, on the basis of the technical characteristics of those markets.

(5) Sub-regulation (4) shall apply to the provision of non-frequency ancillary services by transmission system operators, unless the Regulator has assessed that the market-based provision of non-frequency ancillary services is economically not efficient and has granted a derogation. In particular, the regulatory framework shall ensure that transmission system operators are able to procure such services from providers of demand response or energy storage and shall promote the uptake of energy efficiency measures, where such services cost-effectively alleviate the need to upgrade or replace electricity capacity and support the efficient and secure operation of the transmission system.

(6) Transmission system operators, subject to approval by the Regulator, or the Regulator itself, shall, in a transparent and participatory process that includes all relevant system users and the distribution system operators, establish the specifications for the non-frequency ancillary services procured and, where appropriate, standardised market products for such services at least at national level. The specifications shall ensure the effective and non-discriminatory participation of all market participants, including market participants offering energy from renewable sources, market participants engaged in demand response, operators of energy storage facilities and market participants engaged in aggregation. Transmission system operators shall exchange all necessary information and shall coordinate with distribution system operators in order to ensure the optimal utilisation of resources, to ensure the secure and efficient operation of the system and to facilitate market development. Transmission system operators shall be adequately remunerated for the procurement of such services to allow them to recover at least the reasonable corresponding costs, including the necessary information and communication technology expenses and infrastructure costs.

(7) The obligation to procure non-frequency ancillary services referred to in sub-regulation (5) does not apply to fully

integrated network components.

(8) The Minister may allow transmission system operators to perform activities other than those provided for under these regulations and in Regulation (EU) 2019/943 where such activities are necessary for the transmission system operators to fulfil their obligations under these regulations or Regulation (EU) 2019/943, provided that the Regulator has assessed the necessity of such a derogation. This sub-regulation shall be without prejudice to the right of the transmission system operators to own, develop, manage or operate networks other than electricity networks where the transmission system operators has been granted such a right.

(9) The Minister may assign one or more of the responsibilities of transmission system operators as provided for in regulations 36, 38 and 40 to a distribution system operator.

Confidentiality and transparency requirements for transmission system operators and transmission system owners.

37. (1) Without prejudice to regulation 44 or another legal duty to disclose information, each transmission system operator and each transmission system owner shall preserve the confidentiality of commercially sensitive information obtained in the course of carrying out its activities, and shall prevent information about its own activities which may be commercially advantageous from being disclosed in a discriminatory manner. In particular it shall not disclose any commercially sensitive information to the remaining parts of the undertaking, unless such disclosure is necessary for carrying out a business transaction.

(2) Transmission system operators shall not, in the context of sales or purchases of electricity by related undertakings, misuse commercially sensitive information obtained from third parties in the context of providing or negotiating access to the system.

(3) Information necessary for effective competition and the efficient functioning of the market shall be made public. That obligation shall be without prejudice to preserving the confidentiality of commercially sensitive information.

Decision-making powers regarding the connection of new generating installations and energy storage facilities to the transmission system.

38. (1) The transmission system operator shall establish and publish transparent and efficient procedures for non-discriminatory connection of new generating installations and energy storage facilities to the transmission system. Those procedures shall be subject to approval by the Regulator.

(2) The transmission system operator shall not be entitled to refuse the connection of a new generating installation or energy storage facility on the grounds of possible future limitations to available network capacities, such as congestion in distant parts of the transmission system. The transmission system operator shall supply necessary information:

Provided that this shall be without prejudice to the

possibility for transmission system operators to limit the guaranteed connection capacity or to offer connections subject to operational limitations, in order to ensure economic efficiency regarding new generating installations or energy storage facilities, provided that such limitations have been approved by the Regulator.

Provided further that, the Regulator shall ensure that any limitations in guaranteed connection capacity or operational limitations are introduced on the basis of transparent and non-discriminatory procedures and do not create undue barriers to market entry.

(3) Where the generating installation or energy storage facility bears the costs related to ensuring unlimited connection, no limitation referred to in sub-regulation (2) shall apply.

(4) The transmission system operator shall not be entitled to refuse a new connection point, on the ground that it would lead to additional costs resulting from the necessary capacity increase of system elements in the close-up range to the connection point.

Ownership unbundling of transmission systems and transmission system operators.

39. (1) (a) Each undertaking that owns a transmission system shall act as a transmission system operator.

(b) The same person or persons shall not be entitled to either:

(i) directly or indirectly to exercise control over an undertaking performing any of the functions of generation or supply, and directly or indirectly to exercise control or exercise any right over a transmission system operator or over a transmission system; or

(ii) directly or indirectly to exercise control over a transmission system operator or over a transmission system, and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of generation or supply;

(c) The same person or persons shall not be entitled to appoint members of the supervisory board, the administrative board or bodies legally representing the undertaking, of a transmission system operator or a transmission system, and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of generation or supply; and

(d) The same person shall not be entitled to be a member of the supervisory board, the administrative board or bodies legally representing the undertaking, of both an undertaking performing any of the functions of generation or supply and a transmission system operator or a transmission system.

(2) The rights referred to in (b) and (c) of sub-regulation (1) shall include, in particular:

(a) the power to exercise voting rights;

(b) the power to appoint members of the supervisory board, the administrative board or bodies legally representing the undertaking; or

(c) the holding of a majority share.

(3) For the purpose of sub-regulation 1(b), the notion "undertaking performing any of the functions of generation or supply" shall include "undertaking performing any of the functions of production and supply" within the meaning of Directive 2009/73/EC, and the terms "transmission system operator" and "transmission system" shall include "transmission system operator" and "transmission system" within the meaning of that Directive.

(4) The obligation set out in sub-regulation 1(a) shall be deemed to be fulfilled in a situation where two or more undertakings which own transmission systems have created a joint venture which acts as a transmission system operator in two or more Member States for the transmission systems concerned.

No other undertaking may be part of the joint venture, unless it has been approved under Article 44 of the Directive as an independent system operator or as an independent transmission operator for the purposes of Section 3 of the Directive.

(5) For the implementation of this regulation, where the person referred to sub-regulation 1(b), (c) and (d) is a public body, two separate public bodies exercising control over a transmission system operator or over a transmission system on the one hand, and over an undertaking performing any of the functions of generation or supply on the other, shall be deemed not to be the same person or persons.

(6) Undertakings performing any of the functions of generation or supply shall not in any event be able to directly or indirectly take control over or exercise any right over unbundled transmission system operators on whom paragraph 1 of Article 43 of the Directive is applied.

(7) This regulation shall not apply to transmission system operators in Malta until such date the derogation from Article 43 of the Directive applies.

Network development and powers to make investment decisions.

40. (1) At least every two (2) years, transmission system operators shall submit to the Regulator a ten-year network development plan based on existing and forecast supply and demand after having consulted all the relevant stakeholders. That network development plan shall contain efficient measures in order to

guarantee the adequacy of the system and the security of supply. The transmission system operator shall publish the ten-year network development plan on its website.

(2) The ten-year network development plan shall in particular:

(a) indicate to market participants the main transmission infrastructure that needs to be built or upgraded over the next ten(10) years;

(b) contain all the investments already decided and identify new investments which have to be executed in the next three (3) years; and

(c) provide for a time frame for all investment projects.

(3) When elaborating the ten-year network development plan, the transmission system operator shall fully take into account the potential for the use of demand response, energy storage facilities or other resources as alternatives to system expansion, as well as expected consumption, trade with other countries and investment plans for Union-wide and regional networks.

(4) The Regulator shall consult all actual or potential system users on the ten-year network development plan in an open and transparent manner. Persons or undertakings claiming to be potential system users may be required to substantiate such claims. The Regulator shall publish the result of the consultation process, in particular possible needs for investments.

(5) (a) The Regulator shall examine whether the ten-year network development plan covers all investment needs identified during the consultation process, and whether it is consistent with the non-binding Union-wide ten-year network development plan ("Union-wide network development plan") referred to in point (b) of Article 30(1) of Regulation (EU) 2019/943. If any doubt arises as to the consistency with the Union-wide network development plan, the Regulator shall consult ACER. The Regulator may require the transmission system operator to amend its ten-year network development plan.

(b) The competent authority responsible for the national energy and climate plan submitted in accordance with Regulation (EU) 2018/1999 shall examine the consistency of the ten-year network development plan with the national energy and climate plan.

(6) The Regulator shall monitor and evaluate the implementation of the ten-year network development plan.

(7) In circumstances where the transmission system operator, other than for overriding reasons beyond its control, does not execute an investment, which, under the ten-year network development plan, was to be executed in the following three (3) years, the Regulator shall take at least one of the following measures to ensure that the investment in question is made if such investment is still relevant on the basis of the most recent ten-year network development plan:

(a) to require the transmission system operator to execute the investments in question;

(b) to organise a tender procedure, open to any investors for the investment in question; or

(c) to oblige the transmission system operator to accept a capital increase to finance the necessary investments and allow independent investors to participate in the capital.

(8) Where the Regulator has made use of its powers under paragraph (b) of sub-regulation (7), it may oblige the transmission system operator to agree to one or more of the following:

(a) financing by any third party;

(b) construction by any third party;

(c) building the new assets concerned itself;

(d) operating the new asset concerned itself.

The transmission system operator shall provide the investors with all information needed to realise the investment, shall connect new assets to the transmission network and shall generally make its best efforts to facilitate the implementation of the investment project. The relevant financial arrangements shall be subject to approval by the Regulator.

(9) Where the Regulator has made use of its powers under sub-regulation (7), the relevant tariff regulations shall cover the costs of the investments in question.

Designation and certification of transmission system operators.

41. (1) Each transmission system operator shall prior to commencing any transmission system operations, make an application to the Regulator for certification in accordance with the procedure laid down in sub-regulations (4), (5), (6) and in Article 51 of Regulation (EU) 2019/943.

(2) The certification of a transmission system operator as having complied with the requirements of regulation 39 pursuant to the certification procedure in this regulation shall be deemed to be a designation. Designation of transmission operators shall be notified by

the Regulator to the European Commission in writing.

(3) Transmission system operators shall notify the Regulator of any planned transaction which may require a reassessment of their compliance with applicable requirements of regulation 39.

(4) The Regulator shall monitor the continuing compliance of transmission system operators with the requirements of regulation 39. They shall open a certification procedure to ensure such compliance:

(a) upon notification by the transmission system operator pursuant to sub-regulation (3);

(b) on their own initiative where they have knowledge that a planned change in rights or influence over transmission system owners or transmission system operators may lead to an infringement of regulation 39, or where they have reason to believe that such an infringement may have occurred; or

(c) upon a reasoned request from the Commission.

(5) The Regulator shall adopt a decision on the certification of a transmission system operator within four (4) months of the date of the notification by the transmission system operator or from the date of the Commission request. After expiry of that period, the certification shall be deemed to be granted. The explicit or tacit decision of the regulatory authority shall become effective only after conclusion of the procedure set out in sub-regulation (6).

(6) The explicit or tacit decision on the certification of a transmission system operator shall be notified without delay to the Commission by the regulatory authority, together with all the relevant information with respect to that decision. The Commission shall act in accordance with the procedure laid down in Article 51 of Regulation (EU) 2019/943.

(7) The Regulator and the Commission may request from transmission system operators and undertakings performing any of the functions of generation or supply any information relevant for the fulfilment of their tasks under this regulation.

(8) The Regulator and the Commission shall preserve the confidentiality of commercially sensitive information.

Certification in relation to third countries.

42. (1) (a) Where certification is requested by a transmission system owner or a transmission system operator which is controlled by a person or persons from a third country or third countries, the Regulator shall notify the Commission.

(b) The Regulatory shall also notify to the Commission

without delay any circumstances that would result in a person or persons from a third country or third countries acquiring control of a transmission system or a transmission system operator.

(2) The transmission system operator shall notify to the regulatory authority any circumstances that would result in a person or persons from a third country or third countries acquiring control of the transmission system or the transmission system operator.

(3) The Regulatory shall adopt a draft decision on the certification of a transmission system operator within four (4) months of the date of notification by the transmission system operator. It shall refuse the certification if it has not been demonstrated:

(a) that the entity concerned complies with the requirements of regulation 39; and

(b) that granting certification will not put at risk the security of energy supply in Malta and the Union.

In considering the security of supply issue the Regulator shall take into account:

(i) the rights and obligations of the Union with respect to that third country arising under international law, including any agreement concluded with one or more third countries to which the Union is a party and which addresses the issues of security of energy supply;

(ii) the rights and obligations of Malta with respect to that third country arising under agreements concluded with it, insofar as they comply with Union law; and

(iii) other specific facts and circumstances of the case and the third country concerned.

(4) The Regulator shall notify the decision to the Commission without delay, together with all the relevant information with respect to that decision.

(5) The Regulator shall, before it adopts a decision on the certification under this regulation, request an opinion from the Commission on whether:

(a) the entity concerned complies with the requirements of regulation 39; and

(b) granting certification will not put at risk the security of energy supply to the Union.

(6) (a) The Regulator shall, within two (2) months of

receiving an opinion of the European Commission with respect to its draft decision on the certification pursuant to this regulation or if the European Commission has not provided an opinion, within two (2) months from the expiry of the time frame for an opinion, adopt its final decision on the certification. In adopting its final decision, the Regulator shall take utmost account of the Commission's opinion (if provided). The Regulator shall have the right to refuse certification where granting certification puts at risk Malta's security of energy supply or the security of energy supply of another Member State.

(b) The Regulator's final decision and the Commission's opinion shall be published together. Where the final decision diverges from the Commission's opinion, the Regulator shall provide and publish, together with that decision, the reasoning underlying such decision.

(7) Nothing in this regulation shall affect the right of the Regulator or the Minister to exercise, in accordance with Union law, national legal controls to protect legitimate public security interests.

Ownership of energy storage facilities by transmission system operators

43. (1) Transmission system operators shall not own, develop, manage or operate energy storage facilities.

(2) By way of derogation from sub-regulation (1), transmission system operators may own, develop, manage or operate energy storage facilities, where they are fully integrated network components and the Regulator has granted its approval, or where all of the following conditions are fulfilled:

(a) other parties, following an open, transparent and non-discriminatory tendering procedure that is subject to review and approval by the Regulator, have not been awarded a right to own, develop, manage or operate such facilities, or could not deliver those services at a reasonable cost and in a timely manner;

(b) such facilities or non-frequency ancillary services are necessary for the transmission system operators to fulfil their obligations under these regulations for the efficient, reliable and secure operation of the transmission system and they are not used to buy or sell electricity in the electricity markets; and

(c) the Regulator has assessed the necessity of such a derogation, has carried out an ex ante review of the applicability of a tendering procedure, including the conditions of the tendering procedure, and has granted its approval.

The Regulator may draw up guidelines or procurement clauses to help transmission system operators ensure a fair tendering procedure.

(3) The decision to grant a derogation shall be notified to the Commission and ACER together with relevant information about the request and the reasons for granting the derogation.

(4) The Regulator shall perform, at regular intervals or at least every five (5) years, a public consultation on the existing energy storage facilities in order to assess the potential availability and interest of other parties in investing in such facilities. Where the public consultation, as assessed by the Regulator, indicates that other parties are able to own, develop, operate or manage such facilities in a cost-effective manner, the Regulator shall ensure that transmission system operators' activities in this regard are phased-out within eighteen (18) months. As part of the conditions of that procedure, the Regulator may allow the transmission system operators to receive reasonable compensation, in particular to recover the residual value of their investment in the energy storage facilities.

(5) Sub-regulation (4) shall not apply to fully integrated network components or for the usual depreciation period of new battery storage facilities with a final investment decision until 2024, provided that such battery storage facilities are:

(a) connected to the grid at the latest two (2) years thereafter;

(b) integrated into the transmission system;

(c) used only for the reactive instantaneous restoration of network security in the case of network contingencies where such restoration measure starts immediately and ends when regular re-dispatch can solve the issue; and

(d) not used to buy or sell electricity in the electricity markets, including balancing.

Right of access to accounts.

44. (1) The Regulator shall, insofar as necessary to carry out its functions, have right of access to the accounts of electricity undertakings as set out in regulation 45.

(2) The Regulator shall preserve the confidentiality of commercially sensitive information. The Regulator may disclose such information where this is necessary in order for the Regulator to carry out its functions.

Unbundling of accounts.

45. (1) The Regulator shall take the necessary steps to ensure that the accounts of electricity undertakings are kept in accordance with sub-regulations (2) and (3).

(2) Electricity undertakings, whatever their system of ownership or legal form, shall draw up, submit to audit and publish their annual accounts in accordance with the rules of the Companies

Act or other applicable legislation concerning the annual accounts of limited liability companies.

Undertakings which are not legally obliged to publish their annual accounts shall keep a copy of these at the disposal of the public in their head office.

(3) Electricity undertakings shall, in their internal accounting, keep separate accounts for each of their generation, transmission, distribution and supply activities as they would be required to do if the activities in question were carried out by separate undertakings, with a view to avoiding discrimination, cross-subsidisation and distortion of competition. They shall also keep accounts, which may be consolidated, for other electricity activities not relating to transmission or distribution. Revenue from ownership of the transmission or distribution system shall be specified in the accounts. Where appropriate, they shall keep consolidated accounts for other, non-electricity activities. The internal accounts shall include a balance sheet and a profit and loss account for each activity and notes to the separate internal accounts as detailed in sub-regulation (6).

(4) The audit referred to in sub-regulation (2) shall, in particular, verify that the obligation to avoid discrimination and cross-subsidisation referred to in sub-regulation (3) is respected.

(5) The annual accounts shall indicate in the notes any transaction of a certain size conducted with related undertakings.

(6) (a) Electricity undertakings shall specify in the notes to the separate accounts referred to in sub-regulation (3) the rules for the allocation of assets and liabilities and expenditure and income which they follow in drawing up the separate accounts required in sub-regulation (3). Such rules shall be used only after the approval of the Regulator;

(b) The rules referred to in paragraph (a) may be amended only with the approval of the Regulator and such amendments shall be mentioned in the notes and shall be duly substantiated;

(c) The electricity undertakings shall indicate in the notes to the separate accounts the details of any transaction of a certain size (being of a size which, in the opinion of the Regulator, would have a commercial impact) conducted with any:

(i) related undertaking;

(ii) associated undertakings within the meaning assigned by the Companies Act. Cap. 386.

General objectives of the Regulator.

46. In carrying out the regulatory tasks specified in these regulations, the Regulator shall take all reasonable measures in pursuit of the following objectives within the framework of its duties and

powers as laid down in regulation 47 in close consultation with other relevant national authorities, including competition authorities, as well as authorities, including regulatory authorities, from neighbouring Member States and neighbouring third countries, as appropriate, and without prejudice to their competence:

(a) promoting, in close cooperation with regulatory authorities of other Member States, the Commission and ACER, a competitive, flexible, secure and environmentally sustainable internal market for electricity within the Union, and effective market opening for all customers and suppliers in the Union, and ensuring appropriate conditions for the effective and reliable operation of electricity networks, taking into account long-term objectives;

(b) developing competitive and properly functioning regional cross-border markets within the Union with a view to achieving the objectives referred to in paragraph (a);

(c) eliminating restrictions on trade in electricity between Member States, including developing appropriate cross-border transmission capacities to meet demand and enhancing the integration of national markets which may facilitate electricity flows across the Union;

(d) helping to achieve, in the most cost-effective way, the development of secure, reliable and efficient non-discriminatory systems that are consumer-oriented, and promoting system adequacy and, in accordance with general energy policy objectives, energy efficiency, as well as the integration of large and small-scale production of electricity from renewable sources and distributed generation in both transmission and distribution networks, and facilitating their operation in relation to other energy networks of gas or heat;

(e) facilitating access to the network for new generation capacity and energy storage facilities, in particular removing barriers that could prevent access for new market entrants and of electricity from renewable sources;

(f) ensuring that system operators and system users are granted appropriate incentives, in both the short and the long term, to increase efficiencies, especially energy efficiency, in system performance and to foster market integration;

(g) ensuring that customers benefit through the efficient functioning of their national market, promoting effective competition and helping to ensure a high level of consumer protection, in close cooperation with relevant consumer protection authorities;

(h) helping to achieve high standards of universal service and of public service in electricity supply, contributing to the protection of vulnerable customers and contributing to the compatibility of necessary data exchange processes for customer switching.

Duties and powers of the Regulator. *Amended by: L.N. 235 of 2025.*

47. (1) The Regulator shall have the following duties:

(a) fixing or approving, in accordance with transparent criteria, transmission or distribution tariffs or their methodologies, or both;

(b) ensuring the compliance of transmission system operators and distribution system operators and, where relevant, system owners, as well as the compliance of any electricity undertakings and other market participants, with their obligations under these regulations, Regulation (EU) 2019/943, the network codes and the guidelines adopted pursuant to Articles 59, 60 and 61 of Regulation (EU) 2019/943, and other relevant Union law, including as regards cross-border issues, as well as with ACER's decisions;

(c) in close coordination with the other regulatory authorities, ensuring the compliance of the single allocation platform established in accordance with Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation, the ENTSO for Electricity and the EU DSO entity, with their obligations under these regulations, Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, the network codes and guidelines adopted pursuant to Articles 59, 60 and 61 of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, and any other relevant Union law, including as regards cross-border issues, as well as with ACER's decisions, and the joint identification of non-compliance of the ENTSO for Electricity and the EU DSO entity with their respective obligations. Where the regulatory authorities have not reached an agreement within a period of four (4) months after the start of consultations for the purpose of jointly identifying non-compliance, the matter shall be referred to the ACER for a decision, pursuant to Article 6(10) of Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (recast);

(d) approving products and procurement process for non-frequency ancillary services;

(e) implementing the network codes and guidelines adopted pursuant to Articles 59, 60 and 61 of Regulation (EU)

2019/943 through national measures or, where so required, coordinated regional or Union-wide measures;

(f) cooperating in regard to cross-border issues with the regulatory authority or authorities of the Member States concerned and with ACER, in particular through participation in the work of ACER's Board of Regulators pursuant to Article 21 of Regulation (EU) 2019/942;

(g) complying with, and implementing, any relevant legally binding decisions of the Commission and of ACER;

(h) ensuring that transmission system operators make available interconnector capacities to the utmost extent pursuant to Article 16 of Regulation (EU) 2019/943;

(i) reporting annually on its activity and the fulfilment of its duties to the relevant national authorities, the Commission and ACER, including on the steps taken and the results obtained as regards each of the tasks listed in this regulation;

(j) ensuring that there is no cross-subsidisation between transmission, distribution and supply activities or other electricity or non-electricity activities;

(k) monitoring investment plans of the transmission system operators and providing in its annual report an assessment of the investment plans of the transmission system operators as regards their consistency with the Union-wide network development plan; such assessment may include recommendations to amend those investment plans;

(l) monitoring and assessing the performance of transmission system operators and distribution system operators in relation to the development of a smart grid that promotes energy efficiency and the integration of energy from renewable sources, based on a limited set of indicators, and publish a national report every two years, including recommendations;

(m) setting or approving standards and requirements for quality of service and quality of supply or contributing thereto together with other competent authorities and monitoring compliance with and reviewing the past performance of network security and reliability rules;

(n) monitoring the level of transparency, including of wholesale prices, and ensuring compliance of electricity undertakings with transparency obligations;

(o) monitoring the level and effectiveness of market opening and competition at wholesale and retail levels,

including on electricity exchanges, prices for household customers including prepayment systems, the impact of dynamic electricity price contracts and of the use of smart metering systems, switching rates, disconnection rates, charges for maintenance services, the execution of maintenance services, the relationship between household and wholesale prices, the evolution of grid tariffs and levies, and complaints by household customers, as well as any distortion or restriction of competition, including by providing any relevant information, and bringing any relevant cases to the relevant competition authorities;

(p) monitoring the occurrence of restrictive contractual practices, including exclusivity clauses which may prevent customers from contracting simultaneously with more than one supplier or restrict their choice to do so, and, where appropriate, informing the national competition authorities of such practices;

(q) monitoring the time taken by transmission system operators and distribution system operators to make connections and repairs;

(r) helping to ensure, together with other relevant authorities, that the consumer protection measures are effective and enforced;

(s) publishing recommendations, at least annually, in relation to compliance of supply prices with regulation 4, and providing those recommendations to the competition authorities, where appropriate;

(t) ensuring non-discriminatory access to customer consumption data, the provision, for optional use, of an easily understandable harmonised format at national level for consumption data, and prompt access for all customers to such data pursuant to regulation 20 and 21 of these regulations;

(u) monitoring the implementation of rules relating to the roles and responsibilities of transmission system operators, distribution system operators, suppliers, customers and other market participants pursuant to Regulation (EU) 2019/943;

(v) monitoring investment in generation and storage capacities in relation to security of supply;

(w) monitoring technical cooperation between Union and third-country transmission system operators;

(x) contributing to the compatibility of data exchange processes for the most important market processes at regional

level;

(y) monitoring the availability of comparison tools that meet the requirements set out in regulation 11;

(z) monitoring the removal of unjustified obstacles to and restrictions on the development of consumption of self-generated electricity, energy sharing, renewable energy communities and citizen energy communities, including obstacles and restrictions preventing the connection of flexible distributed energy generation within a reasonable time in accordance with regulation 46(d).

(2) While preserving its independence, without prejudice to the Regulator's specific competence and consistent with the principles of better regulation, the Regulator shall, as appropriate, consult transmission system operators and distribution system operators, as appropriate, closely cooperate with other relevant national authorities when carrying out the duties set out in sub-regulation (1).

Any approvals given by the Regulator under these regulations are without prejudice to any duly justified future use of its powers by the Regulator under these regulations or to any penalties imposed by other relevant authorities or the Commission.

(3) For the purpose of carrying out the duties under these regulations in an efficient and expeditious manner, the Regulator shall have the following powers:

(a) to issue binding decisions on electricity undertakings;

(b) to require any information from electricity undertakings relevant for the fulfilment of its tasks, including the justification for any refusal to grant third-party access, and any information on measures necessary to reinforce the network;

(c) appropriate rights of investigation and relevant powers of instruction for dispute settlement under sub-regulation (2) and (3) of regulation 48.

(4) The Regulator, except where ACER is competent to fix and approve the terms and conditions or methodologies for the implementation of network codes and guidelines under Chapter VII of Regulation (EU) 2019/943 pursuant to Article 5(2) of Regulation (EU) 2019/942 because of their coordinated nature, shall be responsible for fixing or approving sufficiently in advance of their entry into force at least the national methodologies used to calculate or establish the terms and conditions for:

(a) connection and access to national networks,

including transmission and distribution tariffs or their methodologies, those tariffs or methodologies shall allow the necessary investments in the networks to be carried out in a manner allowing those investments to ensure the viability of the networks;

(b) the provision of ancillary services which shall be performed in the most economic manner possible and provide appropriate incentives for network users to balance their input and off-takes, such ancillary services shall be provided in a fair and non-discriminatory manner and be based on objective criteria; and

(c) access to cross-border infrastructures, including the procedures for the allocation of capacity and congestion management.

(5) The methodologies or the terms and conditions referred to in sub-regulation (4) shall be published.

(6) With a view to increasing transparency in the market and providing all interested parties with all necessary information and decisions or proposals for decisions concerning transmission and distribution tariffs as referred in regulation 48(3), the Regulator shall make publicly available the detailed methodology and underlying costs used for the calculation of the relevant network tariffs, while preserving the confidentiality of commercially sensitive information.

(7) The Regulator shall monitor congestion management of national electricity systems including interconnectors, and the implementation of congestion management rules. To that end, transmission system operators or market operators shall submit their congestion management rules, including capacity allocation, to the Regulator. The Regulator may request amendments to those rules.

Decisions and complaints.

48. (1) The Regulator may require transmission system operators and distribution system operators, if necessary, to modify the terms and conditions, including tariffs or methodologies referred to regulation 47 of these regulations, to ensure that they are proportionate and applied in a non-discriminatory manner, in accordance with Article 18 of Regulation (EU) 2019/943. In the event of delay in the fixing of transmission and distribution tariffs, the Regulator shall have the power to fix or approve provisional transmission and distribution tariffs or methodologies and to decide on the appropriate compensatory measures if the final transmission and distribution tariffs or methodologies deviate from those provisional tariffs or methodologies.

(2) Any party having a complaint against a transmission or distribution system operator in relation to that operator's obligations under these regulations may refer the complaint to the Regulator

which, acting as dispute settlement authority, shall issue a decision within two (2) months of receipt of the complaint. That period may be extended by two (2) months where additional information is sought by the Regulator. That extended period may be further extended with the agreement of the complainant. The Regulator's decision shall have binding effect unless and until overruled on appeal.

(3) Any party who is affected and who has a right to complain concerning a decision on methodologies taken pursuant to regulation 47 or, where the Regulator has a duty to consult, concerning the proposed tariffs or methodologies, may, within two (2) months, after publication of the decision or proposal for a decision, submit a complaint for review. Such a complaint shall not have suspensive effect.

(4) The Regulator shall take the appropriate measures including administrative action or criminal proceedings in conformity with the law, against the natural or legal persons responsible where confidentiality rules imposed by these regulations have not been respected.

(5) Complaints referred to in sub-regulations (2) and (3) shall be without prejudice to the exercise of rights of appeal under Union or national law.

(6) Decisions taken by the Regulator shall be fully reasoned and justified to allow for judicial review. The decisions shall be available to the public while preserving the confidentiality of commercially sensitive information.

Regional cooperation between the Regulator and regulatory authorities on cross-border issues.

49. (1) The Regulator shall closely consult and cooperate with other regulatory authorities, in particular within ACER, and shall provide each other and ACER with any information necessary for the fulfilment of their tasks under the Directive. With respect to the information exchanged, the Regulator shall ensure the same level of confidentiality as that required of the originating authority.

(2) The Regulator shall cooperate at least at a regional level to:

(a) foster the creation of operational arrangements in order to enable an optimal management of the network, promote joint electricity exchanges and the allocation of cross-border capacity, and to enable an adequate level of interconnection capacity, including through new interconnection, within the region and between regions to allow for development of effective competition and improvement of security of supply, without discriminating between suppliers in different Member States;

(b) coordinate the joint oversight of entities performing functions at regional level;

(c) coordinate, in cooperation with other involved authorities, the joint oversight of national, regional and European resource adequacy assessments;

(d) coordinate the development of all network codes and guidelines for the relevant transmission system operators and other market actors; and

(e) coordinate the development of the rules governing the management of congestion.

(3) The Regulator shall have the right to enter into cooperative arrangements with other regulators to foster regulatory cooperation.

(4) The actions referred to in sub-regulation (2) shall be carried out, as appropriate, in close consultation with other relevant national authorities and without prejudice to their specific competence.

Duties and powers of the Regulator with respect to regional coordination centres.

50. (1) The Regulator, when forming part of system operation region in which a regional coordination centre is established shall, in close coordination with other regional regulatory authorities:

(a) approve the proposal for the establishment of regional coordination centres in accordance with Article 35(1) of Regulation (EU) 2019/943;

(b) approve the costs related to the activities of the regional coordination centres, which are to be borne by the transmission system operators and to be taken into account in the calculation of tariffs, provided that they are reasonable and appropriate;

(c) approve the cooperative decision-making process;

(d) ensure that the regional coordination centres are equipped with all the necessary human, technical, physical and financial resources for fulfilling their obligations under the Directive and carrying out their tasks independently and impartially;

(e) propose jointly with other regulatory authorities of a system operation region possible additional tasks and additional powers to be assigned to the regional coordination centres by the Member States of the system operation region;

(f) ensure compliance with the obligations under these regulations and other relevant Union law, in particular as regards cross-border issues, and jointly identify non-compliance of the regional coordination centres with their respective obligations; where the regulatory authorities have

not been able to reach an agreement within a period of four (4) months after the start of consultations for the purpose of jointly identifying non-compliance, the matter shall be referred to ACER for a decision, pursuant to Article 6(10) of Regulation (EU) 2019/942;

(g) monitor the performance of system coordination and report annually to ACER in this respect in accordance with Article 46 of Regulation (EU) 2019/943.

(2) For the purpose of carrying out the duties referred to in sub-regulation (1) in an efficient and expeditious manner, the Regulator shall have the following powers:

(a) to request information from the regional coordination centres;

(b) to carry out inspections, including unannounced inspections, at the premises of the regional coordination centres;

(c) to issue joint binding decisions on the regional coordination centres.

(3) The Regulator, when a regional coordination centre has its seat in Malta, may impose an administrative fine on the regional coordination centre where it does not comply with its obligations under these regulations, Regulation (EU) 2019/943 or any relevant legally binding decisions of the Regulator or of ACER.

Compliance with the network codes and guidelines.

51. (1) The Regulator may request the opinion of ACER on the compliance of a decision taken by a regulatory authority with the network codes and guidelines referred to in the Directive or in Chapter VII of Regulation (EU) 2019/943.

(2) The Regulator may inform the Commission where it considers that a decision relevant for cross-border trade taken by another regulatory authority does not comply with the network codes and guidelines referred to in these regulations or in Chapter VII of Regulation (EU) 2019/943 within two (2) months of the date of that decision.

The Regulator shall comply with the Commission decision requiring it to withdraw its decision within two (2) months and shall inform the Commission accordingly.

Record keeping.

52. (1) Suppliers shall keep at the disposal of the national authorities including the Regulator, the national competition authority and the Commission, for the fulfilment of their tasks, for at least five (5) years, the relevant data relating to all transactions in electricity supply contracts and electricity derivatives with wholesale customers and transmission system operators.

(2) The data shall include details on the characteristics of the relevant transactions such as duration, delivery and settlement rules, the quantity, the dates and times of execution and the transaction prices and means of identifying the wholesale customer concerned, as well as specified details of all unsettled electricity supply contracts and electricity derivatives.

(3) The Regulator may decide to make available to market participants elements of that information:

Provided that commercially sensitive information on individual market players or individual transactions shall not be released:

Provided further that this sub-regulation shall not apply to information about financial instruments falling within the scope of Directive 2014/65/EU.

(4) This regulation shall not create additional obligations towards the authorities referred to in sub-regulation (1) for entities falling within the scope of Directive 2014/65/EU.

(5) In the event that the authorities referred to in sub-regulation (1) need access to data kept by entities falling within the scope of Directive 2014/65/EU, the authorities responsible under that Directive shall provide them with the required data.

Former licensing.

L.N. 511 of 2004. S.L. 545. 13.

53. Any person who prior to the entry into force of these regulations was licensed under, and any licence issued under the Electricity Regulations, 2004 and the Electricity Market Regulations, shall be deemed to have been licensed or to have been issued under these regulations, and the provisions of these regulations shall *mutatis mutandis* apply to that person and licence:

Provided that such person may continue to perform such operations or activities as licensed under existing licence conditions, unless required by the Regulator to apply for a new licence under these regulations:

Provided further that any such person shall comply with such licence conditions as established in the new licence that maybe issued by the Regulator with effect from such date that the Regulator may establish.

Licensing requirement.

54. (1) The following operations and activities shall require a licence issued by the Regulator and in accordance with such terms and conditions as may be specified in the licence:

(a) generation of electricity;

(b) supply of electricity;

(c) carrying out of any of the functions of a distribution system operator;

(d) carrying out the any of the functions of a transmission system operator:

Provided that, in view of the derogations from the application of Articles 4 and 6 of the Directive granted to Malta pursuant to Article 66 of the Directive and until such time as the aforesaid derogations remain in force, the licence for the supply of electricity shall be issued only to the distribution system operator, designated in accordance with regulation 27.

(2) A licence shall not be required for the categories specified in the Third Schedule for the carrying out of the operations or activities mentioned therein, including energy storage facilities.

(3) Without prejudice to any other law, licences may be granted or refused on the basis of the following criteria:

(a) compliance by the applicant with all other relevant permits and authorisations, however so described, including those issued by any other public authority or Government Department;

(b) the capability of the applicant to ensure safety conditions, in the context of the licence being applied for;

(c) private and professional integrity of the applicant;

(d) protection of the health and safety of employees;

(e) protection of the environment;

(f) record of compliance with these regulations and any other relevant laws by the person or entity with regard to whom the decision shall be made;

(g) compliance with safety, health, security, hazardous substances, environment, land use and planning requirements.

(4) An application for a new licence or for its renewal under these regulations shall be:

(a) in writing and in such form and shall contain such information as the Regulator may require;

(b) accompanied by such fees, bank guarantees and insurance policies as the Regulator may determine and deem to be appropriate. All fees shall be payable on application and any bank guarantees and, or insurance policies shall be effective as

from the date of the issue of the licence and shall subsist throughout its duration. Interests and penalties, as established by the Regulator, shall be payable in the event of default in the due payment of fees:

Provided that a licence granted under these regulations shall not relieve the licensee from the requirement of any other licence, permit or other authorisation, or from an obligation arising from any other law.

(5) A licence granted under these regulations may include such conditions as appear to the Regulator to be requisite or expedient, having regard to the duties of the Regulator.

(6) The Regulator shall communicate to the applicant in writing within a reasonable time, which shall not be of more than six (6) months from the date of receipt of a valid application, any decision taken concerning an application for a licence or an application for the renewal of a licence or any valid reason impeding the Regulator to reach such a decision.

Proxy for the market price. *Added by: L.N. 44 of 2023. Amended by: L.N. 236 of 2025.*

54A. (1) The distribution system operator shall offer to purchase all electricity generated and exported to the grid from any approved installation generating electricity from renewable energy or high-efficiency cogeneration plant at the proxy for the market price determined in the Fourth Schedule, until such time as any organised electricity marketplace in which such producers are able to sell their electricity becomes accessible:

Provided that the distribution system operator shall continue to offer to purchase all electricity generated and exported to the grid from any approved small scale installation generating electricity from renewable energy thereafter:

Provided further that for the purposes of this regulation an installation generating electricity from renewable energy shall be considered small scale if its capacity is below:

(a) 400kW for power-generating facilities commissioned until 31st December 2025; or

(b) 200kW for power-generating facilities commissioned from 1 January 2026."

(2) The proxy for the market price for electricity for the particular year shall be approved by the Regulator.

(3) The Regulator may define which cost items may be considered in the determination of the proxy for the market price of electricity incurred by the distribution system operator.

Suspension, revocation or cancellation of licence.

55. The Regulator may, at any time in the course of the period for which a licence is valid, order its suspension, revocation or cancellation where the Regulator is satisfied that:

(a) the holder of the licence has failed or is failing to comply with any condition of the licence or with these regulations; or

(b) the licensee does not possess all other relevant licences, permits and authorisations however so described that are required by any other public authority or Government department; or

(c) the holder of the licence is contravening any requirement imposed by law; or

(d) the holder of the licence fails to comply with any directive given by the Regulator; or

(e) any information submitted in the application for a licence or the application for renewal of a licence and for which the licence has been issued or renewed, as the case may be, is determined to be false; or

(f) if the holder of the licence does not meet any criteria in respect to one or more of the criteria referred to in regulation 53(3):

Provided that in exercising the powers for suspension, revocation or cancellation of licences, the Regulator may take into account the nature of the failure, or the fact that the holder of the licence is taking the appropriate steps which the Regulator considers to be necessary in order to comply with the conditions of the licence, these regulations or any other requirement that the Regulator may deem relevant.

Termination of licence.

56. (1) When the holder of a licence issued under these regulations, decides either to suspend or terminate his licence, such holder shall promptly notify the Regulator in the form prescribed by the Authority, to notify such a termination or suspension.

(2) Upon acknowledgment by the Regulator to the holder of a licence of the notification mentioned in sub-regulation (1), the licence shall be considered to have ceased to be in force and with immediate effect from the date of such acknowledgment such holder shall be deemed to be unlicensed.

(3) Notwithstanding any notice for the termination or suspension of a licence, the holder of the licence shall remain liable for the payment of any fee due to the Regulator.

Transfer of licence.

57. (1) A licence issued by the Regulator under these

regulations shall not be validly transferred *inter vivos* to any other person unless:

(a) the transferor informs in writing the Regulator in such form and manner as the Regulator shall prescribe;

(b) the Regulator is satisfied that at least the same criteria as listed in regulation 54(3) are complied with;

(c) the transfer is subject to the conditions prescribed in the licence; and

(d) the Regulator approves in writing the transfer of the licence.

(2) A licence issued by the Regulator under these regulations shall not be validly transmitted *causa mortis* to any other person unless:

(a) the transferor informs in writing the Regulator in such form and manner as the Regulator shall prescribe;

(b) the Regulator is satisfied that at least the same criteria as listed in regulation 53(3) are complied with;

(c) the transfer is subject to the conditions prescribed in the licence; and

(d) the Regulator approves in writing the transfer of the licence:

Provided that a licence issued in terms of these regulations shall be an indivisible right:

Provided further that in the event that the Regulator approves the transfer of the licence as aforesaid, the transfer shall have retrospective effect from the date of the death of the *decujus*.

(3) Where the licensee is a body corporate or any other body of persons, a change in the control of the ownership or management of that body shall be deemed to be equivalent to the transfer of the licence and shall be subject to the approval of the Regulator. For the purpose of this sub-regulation, a transfer in the control of the ownership of a body corporate or other body of persons shall be deemed to occur in any case where a transfer of the capital, shares, stocks or other rights held in the body corporate or other body of persons leads to a change in the person holding the controlling interest therein.

Recharging points.

58. (1) The electricity supplier or the operator of any recharging point accessible to the public shall provide for the possibility for electric vehicle users to recharge on an *ad hoc* basis without entering into a contract.

(2) The distribution system operator shall cooperate on a non-discriminatory basis with any person establishing or operating recharging points accessible to the public.

Offences and penalties.

59. (1) Any person who contravenes any of the provisions of these regulations or of a licence condition or of an authorisation or approval issued thereunder, shall be guilty of an offence, and shall, on conviction, be liable to a fine (*multa*) of not more than sixty-nine thousand euro (€69,000) or for one thousand and three hundred euro (€1,300) for each day during which the offence persists.

(2) Any person who, when information with respect to these regulations is requested or required by the Regulator, knowingly or negligently:

(a) gives any false, inaccurate or misleading information; or

(b) supplies incomplete information; or

(c) fails, without reasonable cause, to supply information requested within the time given; or

(d) prevents or hinders any investigation; or

(e) produces or furnishes, or causes or knowingly allows to be produced or furnished, any document or information which he knows to be false in any material respect,

shall be guilty of an offence, and shall, on conviction, be liable to a fine (*multa*) of not less than one thousand euro (€1,000) and of not more than sixty thousand euro (€60,000) for each day during which the failure to comply subsists.

(3) Notwithstanding any other provision of these regulations, where any person fails to comply with the provisions of these regulations or of a licence or authorisation condition for a period not exceeding three (3) months, the Regulator may revoke such licence or authorisation.

Administrative fines.

60. (1) The Regulator may impose an administrative fine upon any person who infringes any provision of these regulations or who fails to comply with any directive or decision given by the Regulator in ensuring compliance with these regulations.

(2) An administrative fine imposed under sub-regulation (1) shall not exceed one hundred thousand euro (€100,000) for each contravention and, or six hundred euro (€600) for each day of non-compliance, from the date of the decision given by the Regulator:

Provided that, in the case of undertakings (including

vertically integrated undertakings) or a body corporate, a fine of up to ten per cent (10%) of the total turnover concerned in the preceding business year may be imposed even if such fine results in an amount which exceeds the threshold provided in this sub-regulation.

Administrative Review Tribunal. Cap. 490.

61. The Administrative Review Tribunal established by article 5 of the Administrative Justice Act shall be competent to hear and determine appeals from decisions of the Regulator made under these regulations. Unless otherwise provided by law, an appeal from a decision of the Regulator made under these regulations shall lie to the Administrative Review Tribunal in accordance with article 32 of the Act.

FIRST SCHEDULE
Minimum Requirements for Billing and Billing Information
(regulation 15)

1. Minimum information to be contained on the bill and in the billing information

1.1. The following key information shall be prominently displayed to final customers in their bills, distinctly separate from other parts of the bill:

(a) the price to be paid and a breakdown of the price where possible, together with a clear statement that all energy sources may also benefit from incentives that were not financed through the levies indicated in the breakdown of the price;

(b) the date on which payment is due.

1.2. The following key information shall be prominently displayed to final customers in their bills and billing information, distinctly separate from other parts of the bill and billing information:

(a) electricity consumption for the billing period;

(b) the name and contact details of the supplier, including a consumer support hotline and email address;

(c) the tariff name;

(d) the end date of the contract, if applicable;

(e) the information on the availability and benefits of switching;

(f) the final customer's switching code or unique identification code for the final customer's supply point;

(g) information on final customers' rights as regards out-of-court dispute settlement, including the contact details of the entity responsible pursuant to regulation 23;

(h) the single point of contact referred to in regulation 22;

(i) a link or reference to where comparison tools referred to in regulation 11 can be found.

1.3. Where bills are based on actual consumption or remote reading by the operator, the following information shall be made available to final customers in, with or signposted to within their bills and periodic settlement bills:

(a) comparisons of the final customer's current electricity consumption with the final customer's consumption for the same period in the previous year in graphic form;

(b) contact information for consumer organisations, energy agencies or similar bodies, including website addresses, from which information may be obtained on available energy efficiency improvement measures for energy-using equipment;

(c) comparisons with an average normalised or benchmarked final customer in the same user category.

2. Frequency of billing and the provision of billing information:

(a) billing on the basis of actual consumption shall take place at least once a year;

(b) where the final customer does not have a meter that allows remote reading by the operator, or where the final customer has actively chosen to disable remote reading in accordance with national law, accurate billing information based on actual consumption shall be made available to the final customer at least every six (6) months, or once every three (3) months, if requested or where the final customer has opted to receive electronic billing;

(c) where the final customer does not have a meter that allows remote reading by the operator, or where the final customer has actively chosen to disable remote reading in accordance with national law, the obligations in points (a) and (b) may be fulfilled by means of a system of regular self-reading by the final customer, whereby the final customer communicates readings from the meter to the operator; billing or billing information may be based on estimated consumption or a flat rate only where the final customer has not provided a meter reading for a given billing interval;

(d) where the final customer has a meter that allows remote reading by the operator, accurate billing information based on actual consumption shall be provided at least every month; such information may also be made available via the internet, and shall be updated as frequently as allowed by the measurement devices and systems used.

3. Breakdown of the final customer's price

The customer's price is the sum of the following three components: the energy and supply component, the network component (transmission and distribution) and the component comprising taxes, levies, fees and charges.

Where a breakdown of the final customer’s price is presented in bills, the common definitions of the three components in that breakdown established under Regulation (EU) 2016/1952 of the European Parliament and of the Council shall be used.

4. Access to complementary information on historical consumption

To the extent that complementary information on historical consumption is available, such information shall be made available, at the request of the final customer, to the supplier or service provider designated by the final customer.

Where the final customer has a meter that allows remote reading by the operator installed, the final customer shall have easy access to complementary information on historical consumption allowing detailed self-checks.

Complementary information on historical consumption shall include:

(a) cumulative data for at least the three previous years or the period since the start of the electricity supply contract, if that period is shorter. The data shall correspond to the intervals for which frequent billing information has been produced; and

(b) detailed data according to the time of use for any day, week, month and year, which is made available to the final customer without undue delay via the internet or the meter interface, covering the period of at least the previous twenty-four (24) months or the period since the start of the electricity supply contract, if that period is shorter.

5. Disclosure of energy sources

Suppliers shall specify in bills the contribution of each energy source to the electricity purchased by the final customer in accordance

with the electricity supply contract (product level disclosure).

The following information shall be made available to final customers in, with, or signposted to within their bills and billing information:

(a) the contribution of each energy source to the overall energy mix of the supplier (at national level, namely in the Member State in which the electricity supply contract has been concluded, as well as at the level of the supplier if the supplier is active in several Member States) over the preceding year in a comprehensible and clearly comparable manner;

(b) information on the environmental impact, in at least terms of CO_2 emissions and the radioactive waste resulting from the electricity produced by the overall energy mix of the supplier over the preceding year.

As regards paragraph (a) of this item, with respect to electricity obtained via an electricity exchange or imported from an undertaking situated outside the Union, aggregate figures provided by the exchange or the undertaking in question over the preceding year may be used.

For the disclosure of electricity from high efficiency cogeneration, guarantees of origin issued under Article 14(10) of Directive 2012/27/EU may be used. The disclosure of electricity from renewable sources shall be done by using guarantees of origin, except in the cases referred to in points (a) and (b) of Article 19(8) of Directive (EU) 2018/2001.

The Regulator shall take the necessary steps to ensure that the information provided by suppliers to final customers pursuant to this point is reliable and is provided at a national level in a clearly comparable manner.

SECOND SCHEDULE
Smart Metering Systems
(regulations 16, 17 and 18)

1. The distribution system operator shall be responsible for the deployment of smart metering systems in Malta which may be subject to an economic assessment of all of the long-term costs and benefits to the market and the individual consumer or which form of smart metering is economically reasonable and cost-effective and which time frame is feasible for their distribution.

2. Such assessment shall take into consideration the methodology for the cost-benefit analysis and the minimum functionalities for smart metering systems provided for in Commission

Recommendation 2012/148/EU (1) as well as the best available techniques for ensuring the highest level of cybersecurity and data protection.

3. Subject to that assessment, the distribution system operator shall prepare a timetable with a target of up to ten years for the deployment of smart metering systems. Where the deployment of smart metering systems is assessed positively, at least eighty per cent (80%) of final customers shall be equipped with smart meters either within seven years of the date of the positive assessment or by 2024 if the systematic deployment of smart metering systems has occurred before 4th July 2019.

Amended by: L.N. 236 of 2025.

THIRD SCHEDULE
Exemptions from the Requirement of an Authorisation or Licence
(regulations 6 and 54)

PART A. New generation capacity

1. A producer who:

(a) produces electricity solely for his own use; and

(b) is not connected in parallel to the distribution system; and

(c) has installed a total peak generation capacity of less than 1500 kVA;

shall be exempted from the requirement of an authorisation to construct the new generation capacity and from the requirement to hold a licence.

2. A producer producing electricity solely from renewable energy or cogeneration plant, with a total continuous steady state 230/400V AC rating up to 3.68kW (16 Amps) on any phase, or up to 4.6kW (20 Amps) on any phase, when the generation capacity is equipped with automatic volt-var control, shall be exempted from the requirement of an authorisation to construct the new generation capacity and from the requirement to hold a licence but shall still be required to notify the Regulator, in such form and manner as required by the Regulator prior to construction of such new generation capacity and submit to the Regulator such information as the Regulator may request from time to time.

PART B. Energy Storage

1. Energy storage facilities shall be notified to the Regulator in such form and manner specified and made public by the Regulator.

FOURTH SCHEDULE
(regulation 54A)

Added by: L.N. 44 of 2023. Amended by: L.N. 193 of 2024. Substituted by: L.N. 132 of 2025; L.N. 41 of 2026.

Rate determined to be the proxy for the market price	**Year**
Ten cents and forty-eight mils (€0.10,48) per kWh	2024
Ten cents and seventy mils (€0.10,70) per kWh	2025
Ten cents and sixty mils (€0.10,60) per kWh	2026
