L.N. 186 of 2004

MALTA RESOURCES AUTHORITY ACT (CAP. 423)

Promotion of Electricity produced from Renewable Energy Sources Regulations, 2004

BY virtue of the powers conferred by article 28 of the Malta Resources Authority Act, hereinafter referred to as "the Act", the Minister for Resources and Infrastructure, after consultation with the Malta Resources Authority, has made the following regulations:-

Title, commencement and scope

1. (1) The title of these regulations is the Promotion of Electricity produced from Renewable Energy Sources Regulations, 2004.

(2) These regulations shall come into force on the 30th April, 2004.

(3) The purpose of these regulations is to promote the contribution of renewable energy sources to electricity production in Malta and to create a basis for future development thereof.

Interpretation

2. (1) For the purposes of these regulations:

'biomass' means the biodegradable fraction of products, waste and residues from agriculture including vegetal and animal substances, forestry and related industries, as well as the biodegradable fraction of industrial and municipal waste;

'competent authority' means the Malta Resources Authority;

'consumption of electricity' means national electricity production, including auto-production, plus imports, minus exports (gross national electricity consumption);

'electricity produced from renewable energy sources' means electricity produced by plants using only renewable energy sources, as well as the proportion of electricity produced from renewable energy sources in hybrid plants also using conventional energy sources and including renewable electricity used for filling storage

systems, and excluding electricity produced as a result of storage systems;

'Minister' means the Minister responsible for Resources and Infrastructure;

'renewable energy sources' means renewable non-fossil energy sources, that is, wind, solar, geothermal, wave, tidal, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases;

(2) Unless inconsistent with the provisions of these regulations, the definitions in the Electricity Regulations, 2003 shall apply to these regulations.

Reports prepared by the competent authority.

3. (1) Not later than 27 June 2005, the competent authority shall submit to the Minister a report identifying feasible national indicative targets for future consumption of electricity produced from renewable energy sources in terms of a percentage of electricity consumption for the next 10 years. The report may also propose measures to be taken to achieve these national indicative targets. This report shall be revised by not later than 27 June 2007 and every five years thereafter. To set these targets until the year 2010, the competent authority shall:

(i) take into account the national indicative target published in the Schedule to these regulations. Any inconsistencies with the national indicative target shall be justified and, or based on scientific evidence;

(ii) ensure that the targets are compatible with any national commitments accepted in the context of climate change commitments.

During the preparation or review of the report the competent authority shall make known to the public the matters it intends to take into consideration and shall provide adequate opportunities for individuals and organisations to make representations to the Authority. The measures proposed shall be accompanied by a cost-benefit analysis.

(2) The competent authority shall submit to the Minister, for the first time not later than 27 June 2005 and every two years thereafter, a report which includes an analysis of success in meeting the national indicative targets taking into account, climate factors likely to affect the achievement of the national indicative targets. In its report, the competent authority shall indicate to what extent the measures taken

are consistent with the national climate change commitment, the regulatory framework established under regulation (6), measures taken to ensure the reliability and accuracy of the guarantee system adopted under regulation (5).

(3) The Minister may approve the reports referred to in sub-regulations 3(1) and 3(2), in whole or in part, with or without modifications or conditions, or may refer it back to the competent authority. When the reports have been approved, the competent authority shall publish the reports together with a statement of the representations it has received and the responses it has made to those representations.

National indicative targets and measures.

4. The national indicative targets and the measures that may be established to contribute to the achievement of the national indicative targets referred to in regulation 3 shall be published in the Schedule to these regulations. These national indicative targets and measures may be revised every two years, within three months of the submission of the reports required by regulation 3.

Guarantee of origin of electricity produced from renewable energy sources.

5. (1) The competent authority shall issue guarantees of origin of electricity produced from renewable energy sources in response to a request made to it.

(2) The competent authority may designate a competent person or persons, independent of generation or distribution activities, to supervise the issue of such guarantees of origin.

(3) A guarantee of origin shall:

(i) specify the energy sources from which the electricity was produced, the dates and places of production, and in the case of hydroelectric installations, indicate also the capacity;

(ii) enable producers of electricity from renewable energy sources to demonstrate that the electricity they sell is produced from renewable energy sources within the meaning of these regulations.

(4) Guarantees of origin, issued by other Member States of the European Union shall be recognised as proof of elements referred to in sub-regulation (3). Any refusal to recognise a guarantee of origin as such proof, in particular for reasons relating to the prevention of fraud, must be based on transparent and non-discriminatory criteria.

Administrative procedures.

6. (1) The competent authority shall ensure that the authorisation and other procedures, which are applicable to production plants for electricity produced from renewable energy sources:

(i) reduce, as much as possible, the regulatory and non-regulatory barriers to the contribution in electricity production from renewable energy sources,

(ii) streamline and expedite procedures at the appropriate administrative level, and

(iii) ensure that the procedures are objective, transparent and non-discriminatory, and take fully into account the particularities of the various renewable energy source technologies.

Access

Network issues.

7. (1) Without prejudice to the maintenance of the reliability and safety of the network, the network system operator shall guarantee the conveyance of electricity produced from renewable energy sources. The competent authority may also authorise for priority access to the network of electricity produced from renewable energy sources.

Dispatching

(2) When dispatching generating installations, the network operator shall give priority to generating installations using renewable energy sources insofar as the operation of the national electricity system permits and according to criteria established in the network code as approved by the competent authority.

Costs

(3) The network operator shall establish, subject to the prior approval of the competent authority, and the provisions of the electricity regulations, the standard rules relating to the bearing of costs of technical adaptations, such as network reinforcements, which are necessary in order to integrate new producers feeding electricity produced from renewable energy sources into the network. These standard rules shall be included in the network code, by not later than six months after the publication of the report referred to in regulation 3 (2).

(4) The rules established under sub-regulation (2) shall:

(i) take into account all the costs and benefits associated with the connection of these producers to the network;

(ii) relate to the sharing of costs of system installations, such as network connections and reinforcements between all producers benefiting from them;

(iii) ensure that fees charged by the network operator for the conveyance of electricity from plants using renewable energy sources reflect realisable cost benefits resulting from the plant's connection to the network.

(5) Network operators shall be required to provide to any new producer wishing to be connected to the network, a comprehensive and detailed estimate of the costs associated with the connection.

(6) Where appropriate, the competent authority may require the network operator to bear in full or in part, the costs referred to in sub-regulation (2).

(7) The report indicated in regulation 3 shall also indicate the measures taken to facilitate access to the network of electricity produced from renewable energy sources and the feasibility of two-way metering.

Compliance orders.

8. (1) Where the competent authority becomes aware, whether through carrying out an investigation or otherwise, that any person subject to these regulations has contravened any of the provisions contained therein, it shall issue a compliance order to the person concerned, ordering him to comply immediately with the provisions of the said regulations.

(2) Any person who fails to abide by the provisions of a compliance order issued by the competent authority shall, without prejudice to any other liability under these regulations, the Act or any other law, be guilty of an offence and be liable, on conviction, to a fine (*multa*) of not less than one hundred liri and not more than one thousand liri for each day during which the offence subsists;

Provided that such aggregate fines *(multa)* shall, not exceed the amount of ten thousand liri.

Offences and penalties.

9. (1) Any person who contravenes any of the provisions of these regulations or of a licence or approval issued thereunder, shall be guilty of an offence and shall, on conviction, be liable to a fine (*multa*) of not more than ten thousand Maltese liri (Lm10, 000).

(2) Any person who, when information with respect to these regulations requested by the competent authority, knowingly or recklessly:

(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 hundred liri and not more than one thousand liri.

(3) Without prejudice to sub-regulations (1) and (2) of this regulation, where any person fails to comply with the provisions of these regulations for a period exceeding six months, the competent authority may revoke his or her licence.

SCHEDULE

National Indicative Target

The national indicative target shall be 5% electricity produced from renewable energy sources of gross national electricity consumption by 2010.

Measures

None

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