VERŻJONI ELETTRONIKA

L.N. 119 of 2017

REGULATOR FOR ENERGY AND WATER SERVICES ACT (CAP. 545)

Sale of Electricity generated from Cogeneration Units Regulations (Amendment) Regulations, 2017

IN exercise of the powers conferred by article 37(1) of the Regulator for Energy and Water Services Act, the Prime Minister, after consultation with the Regulator for Energy and Water Services, has made the following regulations:

Citation.

1. The title of these regulations is the Sale of Electricity generated from Cogeneration Units Regulations (Amendment) Regulations, 2017, and these regulations shall be read and construed as one with the Sale of Electricity generated from Cogeneration Units Regulations, hereinafter referred to as "the principal regulations".

S.L.545.29.

Amends regulation 2 of the principal regulations.

2. Regulation 2 of the principal regulations shall be amended as follows:

(a) the definition "marginal cost per KWh" shall be deleted;

(b) immediately after the definition of "premises code", there shall be added the following new definition:

" "proxy for the market price" means the average of the estimated variable cost of meeting 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;".

Amends regulation 4 of the principal regulations.

3. Regulation 4 of the principal regulations shall be amended as follows:

(a) paragraphs (a) and (b) of sub-regulation (1) thereof shall be deleted and shall be substituted by the following new paragraphs:

"(a) either sell all the electricity generated by the cogeneration unit to the distribution system operator and be paid by the distribution system operator the proxy for the market price established under the Second Schedule; or

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(b) generate electricity primarily for own consumption and be paid by the distribution system operator the proxy for the market price established under the Second Schedule for any excess electricity generated and exported to the distribution system:

Provided that the consumption of the electricity generated, in accordance with this paragraph, may only be done by the installation operator who is a registered consumer with the distribution system operator with respect to the same premises code where the cogeneration unit is installed."

(b) sub-regulation (4) thereof shall be deleted and shall substituted by the following new sub-regulation:

"(4) An installation operator who generates electricity from a cogeneration unit connected with the same premises code as solar photovoltaic installations installed primarily for own consumption and exporting any excess electricity to the distribution system and, or other installations generating electricity from renewable energy other than solar photovoltaic installations, being all installed with the option to generate primarily for own consumption, shall for any excess electricity generated and exported to the distribution system be paid by the distribution system operator at the proxy for the market price established under the Second Schedule.".

Amends regulation 5 of the principal regulations.

4. In sub-regulation (2) of regulation 5 of the principal regulations the words **"**marginal cost per kWh" shall be substituted by the words "proxy for the market price established under the Second Schedule".

Amends regulation 6 of the principal regulations.

5. In sub-regulation (2) of regulation 6 of the principal regulations the words **"**marginal cost per kWh" shall be substituted "proxy for the market price established under the Second Schedule".

Amends regulation 7 of the principal regulations.

6. In regulation 7 of the principal regulations the words "marginal cost per kWh" shall be substituted by the words "proxy for the market price established under the Second Schedule".

Amends regulation 11 of the principal regulations.

7. In regulation 11 of the principal regulations the words "marginal cost" wherever they occur shall be substituted by the words "proxy for the market price established under the Second Schedule".

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Adds new regulation 5A to the principal regulations.

8. Immediately after regulation 5 of the principal regulations there shall be added the following new regulation:

"Transitory provision.

5A. Any installation operator, who in force of these regulations, is being paid or may be paid the marginal cost, however so described, shall, as from the entry into force of this regulation, be paid the proxy for the market price.".

Amends the First Schedule to the principal regulations.

9. In the First Schedule to the principal regulations the words "marginal cost" shall be substituted by the words "proxy for the market price".

Substitutes the Schedule to the principal regulations.

10. The Second Schedule to the principal regulations shall be deleted and shall be substituted by the following new Schedule:

"SECOND SCHEDULE

(Regulations 4, 5, 6, 7 and 11)

Proxy for the market price per kWh applicable for electricity generated by the cogeneration units and exported to the distribution system.

The proxy for the market price per kWh referred to in regulations 4, 5, 6, 7 and 11 shall amount to the proxy for the market price per kWh as approved by the Regulator from time to time.

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

The proxy for the market price per kWh for the year 2017 shall be of seven cents and twenty-five mils (€0.07,25) per kWh.".

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