

ENERGY POLICY FOR MALTA

Energy Efficiency in Transport

A technically and socially difficult area with strong environmental demands not always compatible with technical improvements. E.G. Lean-burn engines– with low CO₂ emissions /km- cannot use a standard catalytic converter to treat emissions.

- ***Background:*** Combined wish list/statements with no quantitative backing. e.g. Remarks about the age of vehicle stock-- any effect of introduction of VRT?
- Qualitative remarks about “high fuel consumption” have no quantitative basis, partly because much data is lacking. Road transport toe/cap.=0.41 vs EU toe/cap.=0.75 (but per vehicle makes more sense)
- Malta distances small and no good information on average vehicle km p.a. 10000km vs 30000km??
- Rough estimates of veh.km p.a. and using 0.7 veh./cap (ML) and 0.5 veh./cap (EU) would make our use of energy in road transport 15-20% less efficient than that in EU.

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- ***Action at EU level:*** While not very relevant to our situation, it acknowledges the fact that at the basic manufacturing and innovation level, there is little we can do.
- **Specifications by manufacturers may not be too useful because of our physical conditions as well as driving styles. Local data on fuel consumption and average speeds not available.**
- **The relevant part: market oriented measures where we can at least make sure that the applicable ones are properly handled here.**
- **Objectives: Weak and incorrect in the only figure it uses. Transport accounts for some 40% of primary energy use.**

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- ***Work undertaken:*** In fact a mixture of “work done” and “measures proposed”.
- The section on work actually done deals exclusively with public transport measures: these are not dominated by any efficiency considerations but rather by the demands of the PTA. No reference to results- qualitative or quantitative.
- Of the “intentions” section of “Work undertaken”, Reorganisation of PT is going nowhere very fast.
- Car-use management by restriction of free parking has been dealt a serious blow with the modified Park & Ride.
- Integrating land use and transport planning can have only limited application now.

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- **National single vehicle approval system: proposals to reduce importation of older vehicles- private and commercial- would produce some improvements to air quality especially.**
- **License cost discrimination between motor cycles, small cars and large cars needs to be widened.**
- **No indication of present scale and/or results of roadside VRT and emissions testing.**
- **Alternative mass transit systems will only work with strong restrictive measures on private car use. Surface systems may have very limited space.**

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- **Measures proposed:**
- **Proposals for collection of data required to refine policy are absent.**
- **For improvements in efficiency of energy use in transport there has to be incentives for energy efficient vehicles like emissions-related tax. This would have to apply also to public transport vehicles.**
- **Electric and (plug-in) hybrid vehicles require a charging infrastructure for widespread use, as well as capacity building for local servicing.**

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- **Measures proposed:**
- **Environmentally friendly fuels: start has been made with bio-diesel; %mix with mineral diesel??**
- **Not spelt out--further moves on alternative fuels: LPG for cars and NG for buses. Hydrogen in longer term-local production.**
- **For serious cut-backs in transport energy use, restrictions on intensity of private car use are essential.**

DELIVERING ENERGY EFFICIENTLY AND EFFECTIVELY

- ***General background:*** we may have a conflict between EU policy using market-based tools and restrictions of the local market.
- This view is reinforced in *Background* section for ***COMPETITION AND REGULATION:*** derogation from consumer right of supplier of choice has been granted.
- **Case for alternative supplies from wind/PV/CHP has not been considered.**
- **Difficulty of having customers choose their electricity supplier, yet Policy says that there still have to be mechanisms to ensure a competitively priced and secure source of electricity. What competition??**
- **Belief that when we are connected to the European grid (via the Sicily cable) we will be able to choose suppliers in Europe but that will probably only happen on a national not a local scale. Integrated euro-network required.**

DELIVERING ENERGY EFFECTIVELY AND EFFICIENTLY

- **Section on *Regulation*:**
- **Specification and definition of MRA; (i) and last para. Seem to suggest overlap of jurisdiction between MRA and Enemalta.**
- ***Objectives:* Very dry ; talk of allowing the generation of electricity using the cheaper fuel at any one time carries implications for use of particular generation sets. E.g. “gas” turbines use diesel which is generally more expensive than HFO used by steam turbines.**
- **And what if “cheaper” fuel is also “dirtier” fuel??**
- ***Work undertaken:* Electricity generation market liberalised. What about the 3.7kWp limit for domestic PV?? Confusion about PV feed-in rate??**

DELIVERING ENERGY EFFICIENTLY AND EFFECTIVELY

- ***OPENING UP THE FUEL SECTOR TO COMPETITION***
- **Behind EU deadlines.**
- **Main objective is to regulate a liberalised fuel market**
- **Enemalta to shed its fuels (INCLUDING GENERATION FUELS??) activity– importation, handling, storage and sales aspects.**
- **Privatisation of LPG section imminent.**
- **No mention of any Enemalta part in possible introduction of natural gas.**

DELIVERING ENERGY EFFICIENTLY AND EFFECTIVELY

- ***AN EFFECTIVE ELECTRICITY SECTOR:***
- ***Objective:*** “ to introduce competition in generation” something that was essentially ruled out in previous section!
- ***Work undertaken:*** “ Legislation formally in place” and private generators are active– but only on the minute scale of 3.7kWp of PV!! Limit not observed by “state” generators.
- “ Private investors have already shown interest” : Too vague for inclusion in Policy. Any connection with Generation Plan?
- Measures proposed are somewhat mixed and confused, with hark back to time when Enemalta was guardian of “social and economic cohesion”.
- High time surcharge with sliding scale eliminated and a new set of charges-liable to revision every 6 months- be instituted.

DELIVERING ENERGY EFFECTIVELY AND EFFICIENTLY

- ***POLICY AREA 4A: COMPETITION AND REGULATION***
- ***4A.1 Background:***
- ***Electricity***
- **In the pure supply business (“wholesale customers”), the costs amount only to 1.5% of the total costs of electricity supplied to customers. In such a situation, competition will not [be?] on basis of prices, but the good supplied will [be?] highly branded and possibly differentiated (e.g. by bundling with non-electricity products).**
- **What does this mean??**

Energy Economics

Impact of electricity costs on industry:

In 2004, Turnover in manufacturing industry was Lm1,011,757,000

Industry paid Enemalta for electricity Lm13,809,000

Cost of electricity as % of turnover = 1.36%

In 1994, Turnover in manufacturing industry was Lm799,546,000

Industry paid Enemalta for electricity Lm13,670,000

Cost of electricity as % of turnover = 1.71%

Sources of Information: Enemalta annual report 2005, NSO

Surcharge had not yet been introduced

**It is being assumed that industry refers to the same entities throughout
Enemalta's year is financial (Oct 2003 to Sept 2004), NSO's year is calendar**