

**2024 Pre-Budget Document Proposals by  
The Malta Chamber of Commerce, Enterprise and Industry on:**

## **ENERGY**

1. **Substantially larger investment in the distribution network is necessary for reliable energy supply and operational efficiency**, particularly as the country transitions towards greener energy and mobility targets. A modern grid enhances energy efficiency, reduces maintenance costs and prevents blackouts, thereby supporting commercial operations and improving competitiveness. A trade-off between energy subsidies and investment in the distribution network is inevitable – key upgrades need to be completed by summer 2024.
2. A **Long-Term Energy Resilience Plan** that boosts renewable energy generation, allowing for gradual subsidy reduction and a diverse energy mix, including offshore wind and solar energy is required. Infrastructural upgrades are crucial for RES projects and energy efficiency measures.
3. Malta has been granted derogations under the EU Electricity Market Directive regarding third-party access, unbundling of distribution system operators and ownership unbundling of transmission systems and operators, and an 8-year derogation until 2027 for the free choice of supplier. A transparent roadmap and stakeholder discussions are needed to **liberalize the distribution market by 2027**.
4. Malta should **gradually reduce energy subsidies giving a 6-month advance notice** for each reduction, and shift focus on education, energy frugality, and sufficiency. At current levels of energy subsidization it is likely that excessive consumption is also being subsidised. The Malta Chamber reaffirms that **units that are over and above the eco-reduction entitlement should not be subsidized** with immediate effect.
5. A **widespread national campaign on climate change and the water and energy nexus is required** to inform businesses and citizens about the real cost of energy. There is an opportunity cost to every subsidy, where funds could be allocated towards sustainable measures. In line with this campaign:
  - a) Energy bills should display **the real and subsidised price for energy**
  - b) **Carbon emissions** should be displayed in a large font on the energy bill
  - c) Energy Bills should provide **data comparisons (monthly and yearly) in units and percentage** increases or decreases that track energy use
  - d) Bills should contain **recommendations on how to reduce energy use**
  - e) All energy users should have access to **real-time energy consumption data** through a free Smart Grid metering app **on their phone or device**.
6. The private sector is interested in investing in renewable energy sources (RES) and energy efficient technologies. Improved financial and administrative frameworks can significantly boost photovoltaic (PV) capacity and infrastructural upgrades. SMEs often struggle with measuring energy efficiency. A **holistic client-journey approach, promoting EWA, Malta**

**Enterprise, REWS and other applicable schemes together**, with targeted technical information is recommended. The processing and granting of **financial aid for RES and energy efficiency investments should be simplified** as much as possible.

7. **Energy saving technologies**, such as motion detectors, should be installed in **public infrastructures** such as streetlights and government buildings, and promoted and incentivised in **industrial and domestic settings**.
8. Government should **negotiate the revised Gross Block Exemption Regulation (GBER) capping system for renewable energy projects** to address the country's low renewable energy project percentage, as rigid parameters and interpretations are failing to meet the country's potential, as demonstrated with the recent ITB scheme.

