

# Feed in Tariffs scheme 2010

MRA Stakeholder information meeting

# IMPORTANT NOTICE

This presentation is being organized for information purposes.

The Legal Notice 422 of 2010 is the binding document that regulates the FIT

The LN applies for PV installations where the operator does not receive a grant of more than 50% on the initial investment

# Feed in tariffs 2010 RESIDENTIAL AND DOMESTIC PREMISES

Electricity generated by PV installations and exported to the distribution system shall be paid by Enemalta at the following rates:

- Malta 25c/kWh for each unit exported
- Gozo 28c/kWh for each unit exported
- FIT guaranteed for 8 years
- Max 4800kWhr/annum

# Feed in tariffs 2010 non-residential & institutional premises

Electricity generated by PV installations and exported to the distribution system shall be paid by Enemalta at the following rates:

- 20c/kWh for each unit exported
- FIT guaranteed for 7 years
- Max 160,000kWhr/annum

# Thresholds

- Any electricity exported in excess of the thresholds set for the type of premises shall be paid at the marginal cost of EMC, which marginal cost and components shall be established annually by MRA. (0.11€/kWh in 2010)

# Eligibility criteria of the Feed in tariffs

- Electricity generated exclusively by PV installations and exported to the distribution system for 2010 is capped at 12,000,000kWh:
- Processing of applications shall be on a first come first served basis. Each kW installed shall be attributed a generation potential of 1600kWh.

# Eligibility criteria of the Feed in tariffs

- PV installation notified/authorised by the Authority during the year the FIT is established;
- New PV installations shall be commissioned within 12 months of authorisation or notification;
- FIT shall not apply if the installation operator benefits from a grant exceeding 50% of the initial capital investment or project specific arrangement.

# Options for PV operators presently benefiting from net metering

PV Installation operators currently benefiting from a net metering system for electricity generated by PV installations may opt to either :

Option 1: retain the present net metering arrangement and be paid the present spill of tariff (€0.0699/kWh) for any electricity produced in excess of consumption (not applicable where there is an undertaking with Enemalta to switch to FIT once established);

Option 2: generate electricity primarily for own use and be paid the feed in tariff rate for the electricity exported to the distribution system subject to the caps established - FIT and not net metering;

Option 3: Opt to sell all the electricity generated at the feed in tariff subject to the caps established and renounce to the present net metering arrangement;

- In the case of option 1 the PV installation capacity may not be increased;
- In the case of options 2 & 3 the guarantee period will be calculated from date of commissioning of installation of the system.

# Options available for PV Installations approved in 2010

- Operators of PV installations approved in 2010 may opt to:
  - generate electricity primarily for own use and be paid the feed in tariff rate for the electricity exported to the distribution system subject to the caps established;
  - sell all the electricity generated at the feed in tariff subject to the caps established;
- The above options do not apply if the installation operator receives more than 50% grant on the initial investment.

# After the guarantee period

- After the expiry of the guarantee period installation operators may opt either to
  - generate primarily for own use and be paid for surplus electricity the marginal cost of EMC; or
  - sell all the electricity generated to EMC at the marginal cost of EMC;
- Any expenses for the modifications including changes in the metering arrangement are to be borne by the installation operator.

# Taxation, VAT and Excise duty

- Income from electricity generated by PV installed on residential and domestic premises shall be exempt for the lifetime of the PV from
  - VAT
  - Income TAX;
- Income from electricity generated by PV installed on non-residential premises and institutional households shall be
  - subject to VAT
  - shall be included in the calculations of profit. However the intallation operator would be eligible for the normal deductions in respect of expenses incurred in the production of the said income (i.e. capital allowances, repairs, maintenance, etc.);
- Electricity generated from all PV installations shall be exempt from excise duty.

# Procedure for participation in the FIT scheme

- The FIT applies to PV systems which are notified and/or authorized by MRA during 2010;
- A request to participate in the FIT scheme has to be submitted to MRA and is subject to approval;
- A power purchase agreement with Enemalta must be made (where applicable);
- Installation operator must request and obtain a licence for the PV installation once commissioned (where an authorisation was required);
- An application must be submitted to Enemalta to connect the system to the grid;
- The FIT starts once the PV is connected to the grid via the metering equipment provided by Enemalta.

# Payment

- Enemalta may set-off amounts due by the installation operator for the electricity supplied by Enemalta against amounts due to the installation operator for exported electricity;
- An installation operator may request to be paid any balance due with respect to exported electricity after four consecutive billing period;
- Meter readings for electricity exported shall be made by Enemalta at the same frequency as consumption readings;
- Enemalta shall keep a register of all the installations and FIT arrangements.