Energy Efficiency in Industry & SMEs

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MBB's Work on Energy

MALTA BUSINESS BUREAU

INVESTING IN ENERGY

- Leading Investing in Energy Project
- Supporting Energy Efficiency Partner Initiative
- Business and Energy Auditor support

EEPI
Energy Efficiency Partner Initiative

EU & Member State Targets

	2020	2030
EU Target	20% increase in energy efficiency	32% increase in energy efficiency
Malta’s Target	0.7 Mtoe	TBC
Malta’s Performance (2016)	0.7 Mtoe	N/A

Principal Barriers to Energy Efficiency

Financing solutions have to take into consideration the wider business environment relating to energy efficiency.

1. Economic Environment
2. Legislative Environment
3. Capacity
4. Financing

Scoping the Economic Environment

- Economic boom -> high product/service demand.
- Businesses experiencing this high demand give less priority to inward-looking measures.
- Different story for businesses which:
    - are not experiencing increasing demand, or;
    - are already undergoing major changes to premises/operations.
- Timing is key.

Legislative Environment

- Energy audits still in their infancy in Malta.
- Energy audits vary considerably.
- Energy audits are only obligatory for non-SMEs.
- Many non-SMEs shelf audit reports once completed.
- Low numbers of SME energy audits.

Capacity for Energy Management

- Limited internal energy management capacity from business.
- Lack of employees who understand energy management at the technical/financial level.
- Energy auditors may not always present the business case.
- Capacity building on both fronts is needed.

Financing Energy Efficiency

- Three main financing streams for energy:
  - Tax Credit Schemes – unattractive.
  - Traditional Bank Finance – difficult to source for energy measures.
  - Own finance.
- Other investment priorities.
- Need for a dedicated financial instrument which does not affect businesses’ ability to invest in other areas.

Financing Energy Efficiency

MALTA BUSINESS BUREAU

- Financing needs to offer:
  - Flexibility – allowing the company to pursue higher strategic priorities.
  - Calibration – energy measures vary in ROI and investment intensity.
  - Technical support – expertise is present but availability needs to be considered.
  - Capacity – internal capacity varies greatly. Shortfalls should be addressed.