



REGULATOR FOR
ENERGY & **WATER**
SERVICES



Annual Report

2025

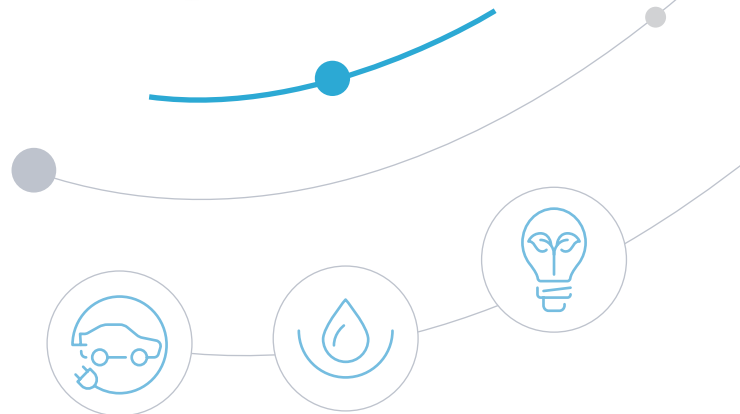




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Year of publication: 2026



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A dynamic and fluid organisation working for and with stakeholders for the sustainability and affordability of energy and water services.

Our Vision

Our Mission

To regulate and monitor the efficient production and use of water and energy to guarantee a safe, secure, and sustainable service for the benefit and welfare of the consumer.



Board of Directors



Ms Nancy Caruana
Chairperson



Perit Dr Randolph Carl Borg
Deputy Chairperson



Ms Doriette Scicluna
Board Member

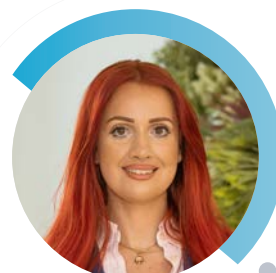


Mr Ryan Schembri
Board Member



Ms Mary Grace Gauci

Board Member



Ms Angela Azzopardi

Board Member



Mr Kenneth Busuttil

Board Member



Dr Claudio Zammit

Board Secretary



Ing. Maria Aquilina

Chief Executive Officer

Chairperson's Message



It is a privilege to serve as Chairperson of the Regulator for Energy and Water Services, a role I assumed in September 2025 after more than forty years in the public service. REWS occupies a strategic position in safeguarding essential services while supporting Malta's economic resilience, environmental sustainability, and social well-being. Strong, independent regulation remains fundamental to ensuring fairness, security of supply, and long-term national value.

Throughout 2025, the Regulator continued to strengthen its role as a trusted public institution. REWS oversaw key regulatory functions across the energy and water sectors, supported national sustainability targets, and expanded consumer-focused schemes that directly benefit consumers.

My professional journey across multiple ministries and leadership roles has reinforced the importance of strategic planning, sound governance, and collaboration. These principles guide my approach as Chairperson, ensuring that REWS remains forward-looking, responsive, and grounded in the public interest. The organisation's continued investment in digitalisation, regulatory clarity, and stakeholder engagement has enhanced both efficiency and transparency.

I would like to commend the Board, management, and staff of REWS for their professionalism and commitment throughout 2025. As we look ahead, I am confident that the Regulator will continue to build on its achievements, supporting a secure, sustainable, and consumer-centred energy and water framework for Malta.

A stylized, handwritten signature in black ink, consisting of a large loop at the top and several smaller loops below.

Ms Nancy Caruana
Chairperson

CEO's Message



I am honoured to have been appointed as Chief Executive Officer of the Regulator for Energy and Water Services in July 2025. Leading the organisation at a time of significant transition in the energy and water sectors is both a responsibility and an opportunity. REWS continues to play a pivotal role in implementing national and EU policy through effective regulation that safeguards consumers, supports regulated industries, and protects the environment.

During 2025, priority was given to enhancing operational efficiency across the Regulator's core functions, including compliance and monitoring activities, as well as strengthening stakeholder engagement. In parallel, digital platforms and internal procedures were further developed and improved to streamline processes and enhance overall performance.

Looking ahead, REWS is well positioned to build on the positive momentum achieved in previous years. Our work will remain guided by a strong commitment to consumer protection while supporting Malta's transition towards more sustainable and resilient energy and water systems. With a dedicated team and robust governance structures in place, I am confident that REWS will continue to deliver meaningful and lasting impact in the years ahead.

A stylized, handwritten signature in black ink, consisting of a large, fluid 'M' followed by a series of loops and a long horizontal stroke.

Ing. Maria Aquilina
Chief Executive Officer





Corporate Governance

The Regulator for Energy and Water Services (REWS) 2025 year-end report has been prepared in accordance with Article 30 of the REWS Act (Chapter 545). The report presents an overview of REWS's operational activities during 2025 and details the proceedings undertaken and policies implemented throughout the year. It also includes financial estimates and audited financial statements, prepared in compliance with the requirements of the REWS Act.

Legislative Developments

Amendments to Legislation

The table below lists all Legislation amendments made in year 2025:

Table 1: Amendments to Legislation

Based on National Objectives and Policies	Legal Notice 3 of 2025. Promotion of Energy from Renewable Sources (Amendment) Regulations, 2025
	Legal Notice 48 of 2025. Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) (Amendment) Regulations, 2025
	Legal Notice 54 of 2025. Competitive Bidding Rules for Installations Producing Electricity from Renewable Energy Sources (Amendment) Regulations, 2025
	Legal Notice 132 of 2025. Electricity (Amendment) Regulations, 2025
	Legal Notice 234 of 2025. Promotion of Energy from Renewable Sources (Amendment No. 2) Regulations, 2025
	Legal Notice 235 of 2025. Electricity (Amendment No. 2) Regulations, 2025
	Legal Notice 236 of 2025. Electricity (Amendment No. 3) Regulations, 2025
	Legal Notice 271 of 2025. Data Centres (Sustainability Reporting Obligations) Regulations, 2025

Promotion of Energy from Renewable Sources (Amendment) Regulations, 2025

Legal Notice 3 of 2025 partially transposed the provisions of the Renewable Energy Directive II recast¹ (hereinafter, the "RED II") as amended by the Renewable Energy Directive III², dealing with permitting processes related to the deployment of renewable energy installations. While amending the existing Regulations³, such transposition incorporated the simplification and acceleration of these permitting processes into Maltese law.

¹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast)

² Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652

³ Promotion of Energy from Renewable Sources Regulations (S.L. 545.35)

Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) (Amendment) Regulations, 2025

Legal Notice 48 of 2025 maintained the applicability of the feed-in tariff of 15c/kWh for twenty (20) years for new solar photovoltaic (PV) installations with a capacity between 1kWp up to less than 40kWp for systems approved during the year 2025. The total capacity that may be allocated and paid for this feed-in tariff is 8MWp. The same Legal Notice also extended the feed-in tariff of 10.5c/kWh to be paid for twenty (20) years for electricity generated from PV systems approved with a residential sector grant during 2025.

The Legal Notice further updated the Regulations⁴ to cater for the removal of the “start of works” condition of the General Block Exemption Regulation⁵ (hereinafter, the “GBER”) and the digitalisation of the feed-in tariff application form.

Competitive Bidding Rules for Installations Producing Electricity from Renewable Energy Sources (Amendment) Regulations, 2025

Legal Notice 54 of 2025 introduced the possibility for up to five (5) installations having a capacity lower than 40kW, which cumulatively add up to at least 40kW, to be presented in one single bid as one capacity for the award of one bid price under the competitive process. The definition of “contract for difference” was also amended to clarify that the contract regulates payment of the premium, and not the entire bid price for the established guaranteed period.

The Legal Notice further removed the possibility of extensions for the time allowed for the deployment of installations to simplify contract administration. It also removed the pre-requisite of an approved planning permit at proposal stage, as part of the permits required for the bidding process, subject to an exhaustive list of conditions.



Source: REWS

Electricity (Amendment) Regulations, 2025

Legal Notice 132 of 2025 amended the Fourth Schedule to the Electricity Regulations (S.L. 545.34) to establish the rate of 0.10,70€/kWh as the proxy of the market price applicable for the year 2025.

Promotion of Energy from Renewable Sources (Amendment No. 2) Regulations, 2025

Legal Notice 234 of 2025 transposed Article 1 of Directive (EU) 2024/1711⁶ amending the RED II Directive. This requires that direct price support schemes in the form of a market premium, which could be, *inter alia*, sliding or fixed, shall not apply for technologies for which Contract for Difference schemes apply.

⁴ Feed-in Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) Regulations (S.L. 545.27)

⁵ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

⁶ Directive (EU) 2024/1711 of the European Parliament and of the Council of 13 June 2024 amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union's electricity market design

Electricity (Amendment No. 2) Regulations, 2025

Legal Notice 235 of 2025 transposed the provisions of the Electricity Market Directive recast⁷ (herein after, the "EMD") as amended by Directive (EU) 2024/1711 setting out the obligations regarding frameworks to allow:

- flexible connection agreements
- supplier risk management
- supplier of last resort
- protection against disconnection for vulnerable and energy poor customers
- free choice of supplier
- entitlement to a fixed-term and fixed-price electricity supply contract
- duty of distribution system operators to publish information on network capacity, and
- duty of regulatory authorities to monitor the removal of unjustified obstacles and restrictions.

Electricity (Amendment No. 3) Regulations, 2025

Legal Notice 236 of 2025 aligned the Electricity Regulations (S.L. 545.34) with the GBER and with the relevant provisions of the EMD, by amending regulation 54A of the Regulations. In particular, the obligation on the distribution system operator to offer to purchase the electricity from approved renewable energy generators or from high efficiency co-generation plants ceases once any organised market place becomes accessible.

Furthermore, the Legal Notice updated the Third Schedule of the Regulations to simplify the approval procedure for small installations generating electricity from renewable energy sources by introducing an exemption from holding an authorisation and/or licence to construct the installation, subject to notification to the Regulator.

Data Centres (Sustainability Reporting Obligations) Regulations, 2025

Legal Notice 271 of 2025 transposed Article 12 and Article 26(6) of the Energy Efficiency Directive recast⁸. These Regulations ensure that obligated data centres in Malta make the information requested publicly available and communicate such information to the European database on data centres. These Regulations also ensure that data centres of a substantial size utilise the waste heat or other waste heat recovery applications unless they can show that it is not technically or economically feasible to do so.

Pursuant to Article 5(3) of Delegated Regulation (EU) 2024/1364⁹, as the Maltese competent authority, the REWS was appointed to serve as the contact point to receive and access information relating to reporting of data centres as set out in the Legal Notice.

⁷ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (recast)
⁸ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast)
⁹ Commission Delegated Regulation (EU) 2024/1364 of 14 March 2024 on the first phase of the establishment of a common Union rating scheme for data centres

Decisions taken by the REWS

In year 2025, the Regulator for Energy and Water Services issued four (4) decisions as listed in table 2 below.

Table 2: Decisions taken by the REWS

Decisions taken by the REWS in year 2025	Decision No. 1 of 15 th January 2025 (Resolution of Dispute against Water Services Corporation and Arms Limited)
	Decision No. 2 of 21 st February 2025 (Imposition of an Administrative Fine)
	Decision No. 3 of the 22 nd of May 2025 issued in virtue of the Regulator for Energy and Water Services Act 2015 of the Laws of Malta, to Liquigas Malta Limited (C44954) and Gasco Energy Ltd (C44953) with regard to the review of the LPG cylinder price mechanism
	Decision No. 4 of the 10 th of December 2025 issued in virtue of the Regulator for Energy and Water Services Act (Cap. 545 of the Laws of Malta) with respect to the request for an increase in the LPG cylinders Distributors' commission

The first decision was taken following a complaint made by a customer disputing a water bill, whilst the second case involved the imposition of an administrative fine.

The third decision updated the principles of the methodology established in MRA Decision notice 03/2013/ED. This was based on the Regulator's function under the Regulator for Energy and Water Services Act to:

- regulate, monitor and keep under review all practices, operations and activities relating to energy
- to regulate the price structure for any activity regulated by the Regulator for Energy and Water Services Act and, where appropriate, to establish the mechanisms whereby the price to be charged for the acquisition, production, manufacture, sale, storage and distribution thereof is determined
- to promote the interest of consumers and other users in Malta, particularly vulnerable consumers, especially in respect of the prices charged for.

By means of decision number 4, the Regulator determined that:

- The commission applicable to the holders of an authorisation for the carrying out of the retail activity of portable cylinders filled with LPG, including retail from a fixed point of sale, should increase by €0.0633/kg, resulting in a maximum commission of €0.2145/kg (excluding VAT); and
- The increase in the commission shall commence to be applicable as from the 1st January 2026; and
- This increase in commission is approved and is approved and applies to all holders of an Authorisation for the carrying out of the retail activity of portable cylinders filled with LPG, including retail from a fixed point of sale.

The legal bases of this decision were the same as those on which Decision No. 3 of the 22nd of May 2025 was founded.



Corporate Affairs

Information and Communications Technology

The Regulator for Energy and Water Services (REWS) continued to strengthen its Information and Communications Technology (ICT) function as a key enabler of regulatory effectiveness, organisational resilience, and service delivery. The ICT unit focused on maintaining stable and secure operations while supporting the Regulator's ongoing digital transformation agenda.

A number of initiatives were undertaken to modernise internal systems and improve operational efficiency. These efforts aimed to streamline processes, reduce reliance on manual workflows, and enhance the accessibility and integrity of data across the organisation. Digital tools and platforms were further leveraged to support collaboration, reporting, and informed decision-making, aligning ICT services with REWS's objectives.

Cybersecurity and IT governance remained a central priority throughout the year. REWS continued to reinforce its security posture through the implementation of appropriate controls, policies, and monitoring mechanisms to safeguard information assets and ensure business continuity. Particular emphasis was placed on protecting systems and data against evolving cyber threats, while promoting awareness and responsible use of technology among staff.

The ICT Unit also played a key role in supporting staff through reliable day-to-day services, infrastructure maintenance, and user support, ensuring minimal disruption to core regulatory functions. Ongoing investments in infrastructure and systems resilience contributed to improved performance, scalability, and sustainability.

Looking ahead, REWS remains committed to further strengthening its digital capabilities, enhancing system integration, and adopting innovative solutions that support efficient regulation, transparency, and high-quality service delivery. The ICT unit will continue to play a strategic role in enabling the Authority to meet future challenges and evolving stakeholder expectations.



Internal Control

REWS continues to strengthen its control environment through process automation, incorporating built-in checks and validations that enhance both operational efficiency and transparency. This approach remains central to future process design and supports the application of sound governance practices. In parallel, REWS seeks to simplify and streamline policies and procedures to ensure timely, consistent and efficient outcomes for the benefit of the end user.

Where appropriate, REWS also engages external expertise to provide specialised guidance, assurance and input. This external collaboration supports management in maintaining effective and proportionate governance practices and operational arrangements, and ensures that emerging risks and regulatory obligations are appropriately addressed.



Human Resources

During the year 2025, Ing. Marjohn Abela retired from his post as Chief Executive Officer (CEO). Ing. Maria Aquilina was appointed as the new CEO in July of the same year, ensuring continuity in the strategic leadership of the organisation.

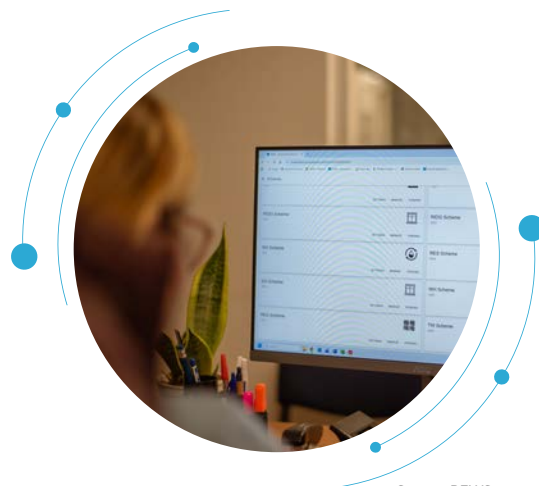
Apart from the leadership transition, five (5) employees were recruited into professional roles, and four (4) employees into administrative positions. In the same period, two (2) employees in professional roles and four (4) in administrative roles resigned by the final quarter of the year. Additionally, one (1) employee retired by year-end. As at 31 December 2025, the total number of employees at REWS stood at fifty-four (54), of whom sixty-one percent (61%) occupy professional roles within the organisation.

The total number of sick leave availed of by REWS employees during 2025 was of three hundred and one (301) days, compared to a similar figure in 2024 of three hundred and twelve (312) days. This translates to an average of 5.85 days per employee per year compared to 6.13 days in the preceding year.

Training and Professional Development

The Regulator remains committed to continuous professional development to ensure regulatory effectiveness and institutional resilience.

Professional staff actively participated in international regulatory forums and technical working groups organised by the Agency for the Cooperation of Energy Regulators (ACER), the Council of European Energy Regulators (CEER), the Water Regulators Association (WAREG), and the Renewable Fuels Regulators Club (REFUREC). Participation in these bodies enhances regulatory alignment, facilitates knowledge exchange, and strengthens the Regulator's contribution to European policy and technical developments.



Source: REWS



Economic and Utility Regulation



Economic and Utility Regulation

Electricity Market

The following tables show the electrical energy generation capacity installed for each of the three (3) electrical supply sources i.e. fossil fuel generation, renewable energy installations, and Malta-Italy electricity cable link.

Table 3: Capacity and Energy Figures

Fossil Fuel Generation Capacity (installed as at end of 2025)	Installed Capacity (MW)
Running on natural gas (of which 66MW dual fuel with the possibility to operate also on gas oil)	368
Running on gas oil	235
Total installed capacity	603

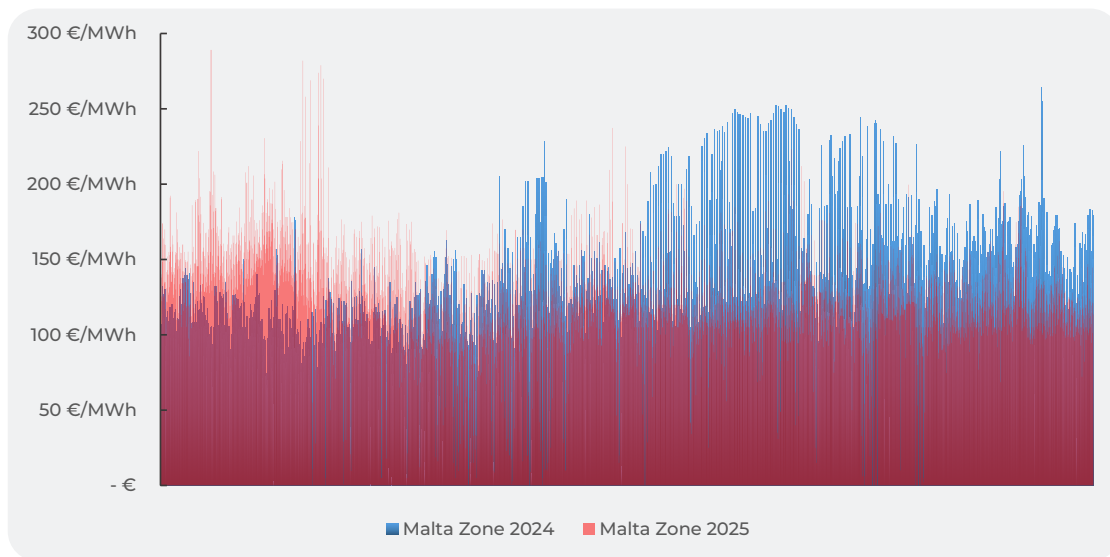
Renewable Energy Capacity (installed as at end of 2025)	Installed Capacity (MWp)
Solar photovoltaic installations	267.6
Micro wind	0.057
Combined heat and power	2.823
Total installed capacity	270.48

Malta-Italy Electricity Interconnection in 2025	
Electricity imports (970.42 GWh in 2024)	1,031.03 GWh*
Electricity exports (2.93 GWh in 2024)	0.43 GWh*
Percentage of the time the day-ahead hourly wholesale prices were higher than the same hour the preceding year (40.0% in 2024)	53.3%*
Percentage contribution of the interconnector to the demand in 2025 (31.3% in 2024)	32.4%*
Net imbalances between the volumes determined in the day-ahead market and actual electricity flows amounted	+89.37 MWh* (Imports) -145.64 MWh* (Exports)

*Provisional Data

The 2025 day-ahead hourly prices for the Malta Zone, applicable to electricity purchased in the Italian day-ahead market for import to Malta, were higher than the prices recorded in 2024 for 53.3% of the hours. The average hourly price for 2025 was 116.1€/MWh, that is, 3.4% higher of the average hourly price recorded in 2024 (112.3€/MWh).

Figure 1: Yearly trends of the Interconnector Day-Ahead Hourly wholesale electricity prices (source: GME)



Energy Use

The following tables show details of the electricity system demand and the various performance indicators which are related to the reliability of supply and service quality.

Table 4: Electricity System Demand*

Electricity System demand (in 2025)**	3,183.27 TWh
Electricity System demand (in 2024)	3,106.10 TWh
Annual increase in Electricity System demand**	2.50%

*As detailed in Table 5, the Electricity System Demand is estimated as the sum of electricity sent out by fossil fuel power stations, net imports via the interconnector and electricity generated by renewable sources (including self-consumption).

**Provisional Data

Table 5: Details of Electricity System Demand in GWh per year

Source of Electricity	2021	2022	2023	2024	2025*
Electricity sent out by Enemalta plc	9.26	15.35	9.09	4.02	8.04
Electricity sent out by UNEC Temporary Plant	-	-	-	0.31	0.33
Electricity sent out by ElectroGas Malta Ltd.	1,464.86	1,547.97	1,548.34	1,384.08	1,458.77
Electricity sent out by D3 Power Generation Ltd.	423.10	381.38	419.88	414.18	345.03
Electricity generated by Renewable Energy Sources	263.05	296.42	318.27	336.01	340.50
Net Electricity imported via Interconnector	513.65	640.11	622.13	967.49	1030.60
Total Electricity System Demand	2,673.92	2,881.23	2,917.71	3,106.10	3,183.27

*Provisional Data

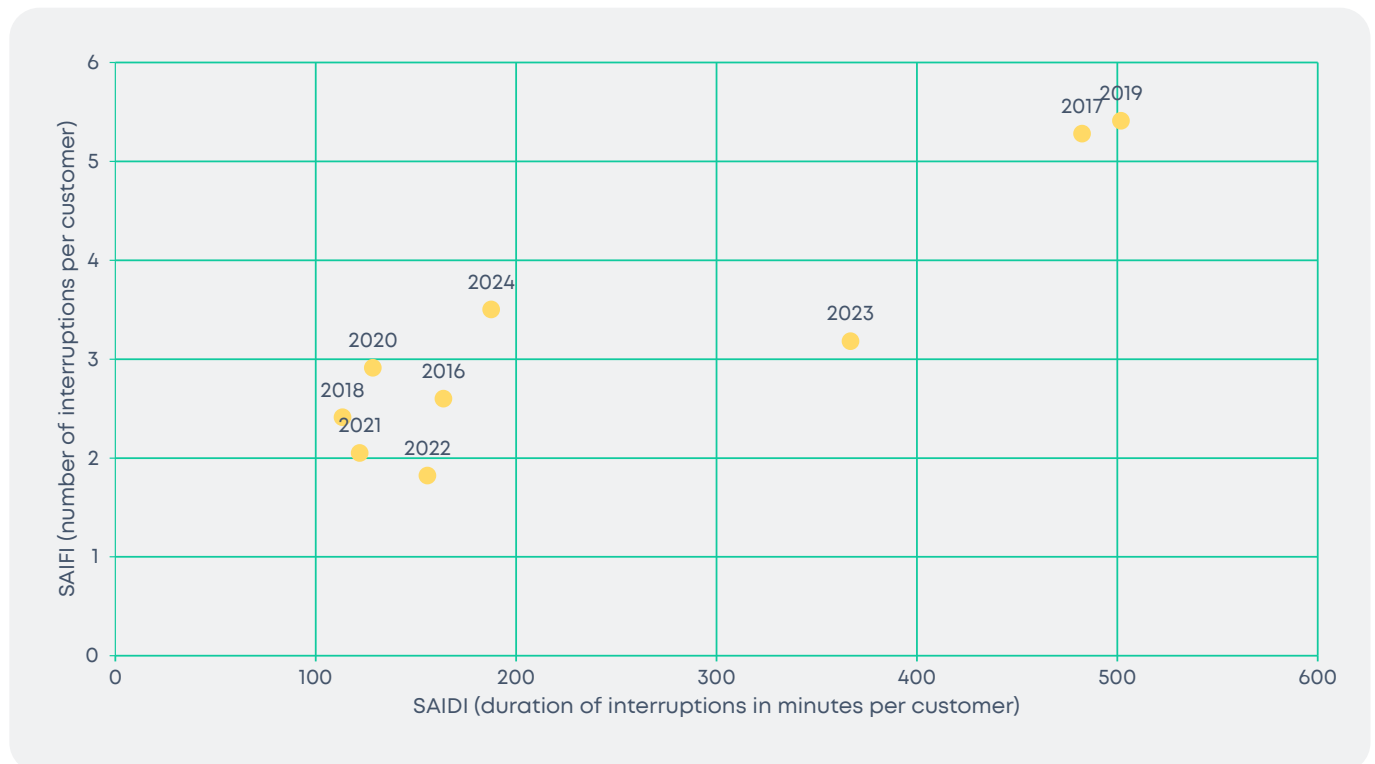
Table 6: Operational Indicators - Enemalta plc

Operational Outputs	Unit	2020	2021	2022	2023	2024
Total units sent out to the grid from all sources: local fossil, renewables and interconnector	GWh	2,391.38	2,624.84	2,791.62	2,837.91	2,991.31
Total units billed	GWh	2,337.55	2,467.65	2,685.77	2,706.87	2,794.94
Total number of active accounts	no.	328,532	356,646	348,983	353,194	388,161

Performance Indicators Operational Efficiency	Unit	2020	2021	2022	2023	2024
Total distribution losses as percentage of sent out (including losses in interconnector)	%	5.33	4.29	6.70	6.89	7.70

Performance Indicators Reliability of Supply and Service Quality Outputs	Unit	2020	2021	2022	2023	2024
Number of incidents that resulted in loss of supply	no.	1,072	1,216	1,085	1,255	1,791
% Customer interruptions restored in 1 hour	%	82.43	74.26	63.37	57.64	78.22
% Customer interruptions restored in 3 hours	%	96.50	93.80	86.77	87.12	93.01
Average customer minutes lost per connected customers per year (SAIDI)	min/ customer	128.62	122.07	155.80	366.88	187.62
Average number of interruptions per connected customers per year (SAIFI)	no.	2.91	2.05	1.82	3.18	3.50

Figure 2: SAIDI and SAIFI correlation from 2016 to 2024



Electricity Distribution and Retail

Enemalta plc remains the exclusive distribution system operator and the sole supplier of electricity to final customers in Malta.

Table 7: Number of active accounts (end of 2025)

Residential	234,194
Domestic	106,746
Non-Residential	57,214

Table 8: Smart Metering (end of 2025)

Total number of smart meters installed and reachable remotely	367,426
Total number of meters installed	398,154
Percentage of the meters that are reachable remotely	92.28

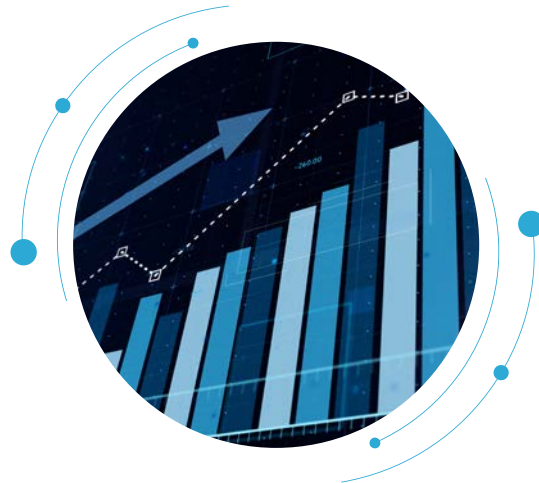
Monitoring of the performance of Licensees

The performance of licensed electricity generators D3 Power Generation Ltd., ElectroGas Malta Ltd., UNEC Ltd. and Enemalta plc, is monitored primarily through the licence monitoring report that includes both technical and financial information. Technical information related to the local generation, including sales to Enemalta plc and imports from the interconnector, are collected on a monthly basis.

Enemalta plc, which is licensed as a distribution system operator and electricity supplier, is also required to submit annually data related to:

- Key outputs and performance indicators
- Corporate measures
- Network development, operation, and maintenance
- Network connections and access figures
- Demand and supply forecasts
- Quality of supply, including service interruptions
- Measures and information relating to vulnerable customers
- Customer service quality and performance.

The Regulator reviews the submitted data and any performance issues and data-quality matters with the licensee. Relevant data are subsequently disclosed to the National Statistics Office (NSO).



Security and continuity of supply of electricity

The National Risk Preparedness Plan for the Energy Sector describes Malta's strategy for identifying and assessing potential threats to the energy system while defining the roles and responsibilities of key stakeholders in crisis management. This National Plan has been drafted in accordance with Article 10 of Regulation (EU) 2019/941 that prescribes each European Member State to establish risk-preparedness plans based on the identified regional and national electricity crisis scenarios. According to the National Risk Preparedness Plan, the Regulator for Energy and Water Services is responsible for collecting and reporting data about the security of electricity supply and supporting the Competent Authority, that is the Ministry responsible for Energy. During 2025, the Regulator was actively involved in the revision of the National Risk Preparedness Plan.

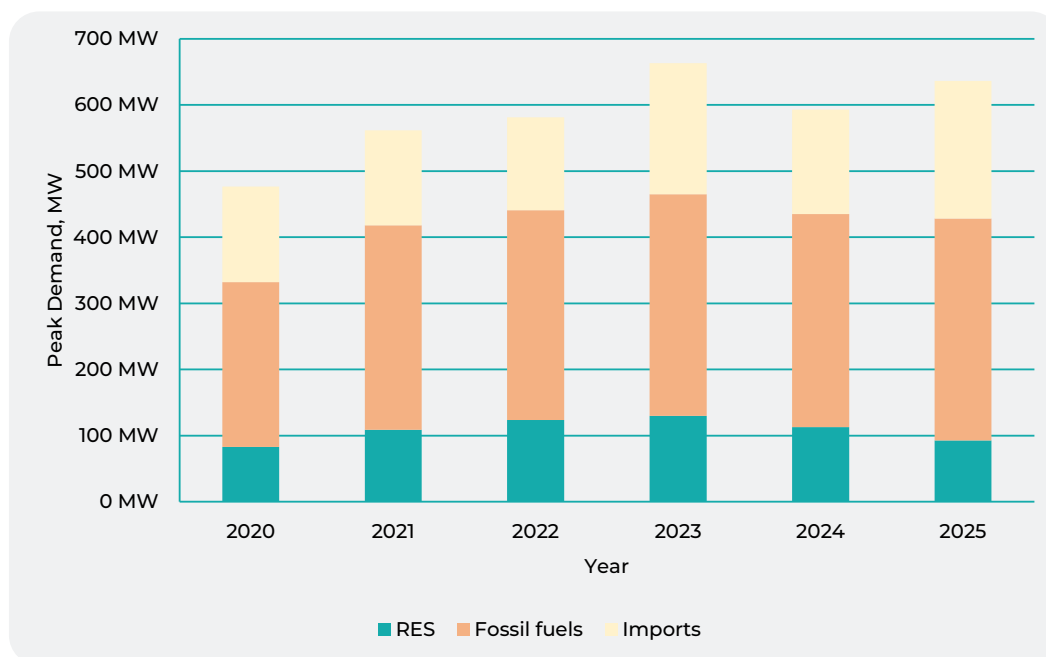
In 2025, the Regulator was tasked by the Competent Authority with carrying out a national assessment of the risks related to the ownership of infrastructure that is critical for the security of electricity supply. This assessment, undertaken in accordance with Article 7(4) of Regulation (EU) 2019/941 on risk-preparedness in the electricity sector, examines the ownership structures of key electricity assets and evaluates any measures in place to prevent or mitigate potential risks. The outcomes of this exercise support the National Risk Preparedness planning and contribute to Malta's obligations under the EU regulatory framework.

During the year under review, the REWS continued to monitor the seasonal adequacy situation, in line with its responsibilities in the area of security of supply. These assessments, which are typically submitted to the Competent Authority ahead of the winter and summer periods, evaluate Malta's electricity security of supply by analysing peak demand forecasts against available generation capacity and interconnection under the scenarios outlined in the National Risk Preparedness Plan. In this context, the Regulator also reviews the adequacy of reserve margins and the system's ability to withstand potential contingencies. In addition, the Regulator monitors the continuity of electricity supply, including the frequency and duration of interruptions, and oversees the implementation of reinforcement and upgrading works undertaken by the distribution system operator to enhance grid reliability and resilience.

During 2025, the maximum peak load recorded was 636.6MW, occurring on the 25th of July at 17:00. This load represents an increase of 7.3% over the peak load experienced in the previous year (593.2MW) but is lower than the record peak registered on the 25th of July 2023 at 15:00 (663.3MW). The 2025 peak demand was covered by local fossil-fuel generation (52.8%), the Italy-Malta electricity interconnector (32.7%), and solar photovoltaic installations (14.6%). No DSO owned backup power plants were used to cover the peak demand in 2025.



Figure 3: Annual System Peak Demand and Sources of Supply, 2020 - 2025



During the year 2025, Enemalta plc reported fifteen (15) major incidents. These incidents impacted a total of 715 substations and resulted in a cumulative interruption duration of 11 hours and 27 minutes over the year. An incident is classified as major when it affects adversely, or has the potential to affect adversely, the security and quality of supply, including the unavailability of a circuit, transformer, or switchgear at 33kV level or higher voltages, or when critical loads are impacted.

Electricity Regulatory Accounts

In terms of Regulation 45 of the Electricity Regulations S.L.545.34, Enemalta plc is required to keep in its internal accounting system a separate profit and loss, and balance sheet for each of its generation, distribution and supply activities; and to have these accounts verified such as to ensure that the obligation to avoid discrimination, cross-subsidisation and distortion of competition is met. During the year, the Regulator continued its discussions with Enemalta plc regarding the preparation of the separate profit and loss and balance sheet for each of the divisions of Enemalta plc as required by Regulation 45. In particular, the methodology to calculate the costs of the ancillary services has been established by Enemalta plc and submitted to the Regulator. Enemalta plc also submitted to the Regulator a set of unbundled accounts consisting of a profit and loss account, and balance for each of the licensed activities based on the updated methodology. These submissions are currently being reviewed.

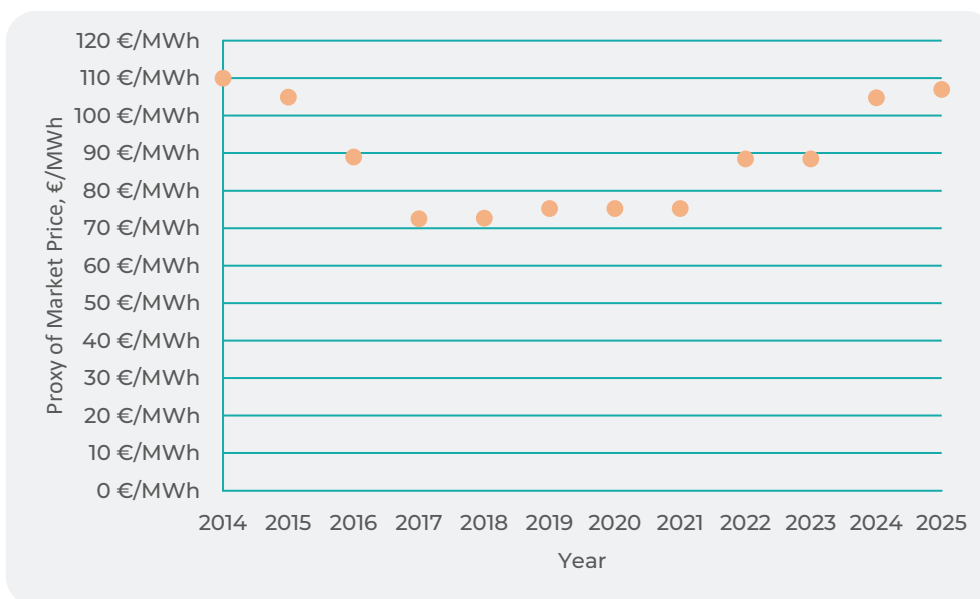
D3 Power Generation Ltd. and ElectroGas Malta Ltd., are also required to keep regulatory accounts for their generation activities separated from any other activity. Both operators are required to submit reports as prescribed in the licence for the generation of electricity conditions that cover the technical and financial aspects.

The Regulator continues to monitor the compliance of the licensees with the unbundling of accounts requirements.

Proxy of the Market Price of Electricity

The proxy market price for 2025 was determined in accordance with the provisions of the Electricity Regulations (S.L.545.34) and was brought into force through Legal Notice 132 of 2025, which amended the Fourth Schedule to the Electricity Regulations (S.L.545.34). The rate of €0.1070/kWh was established as the proxy market price applicable from 1st January 2025. The proxy of the market for electricity is an average per unit based on the forecasted average of the variable cost part of electricity mix sourced by Enemalta plc to meet demand excluding electricity from renewable energy.

Figure 4: Trend of the proxy of the market price for electricity during the last ten (10) years



Electricity Fuel Mix

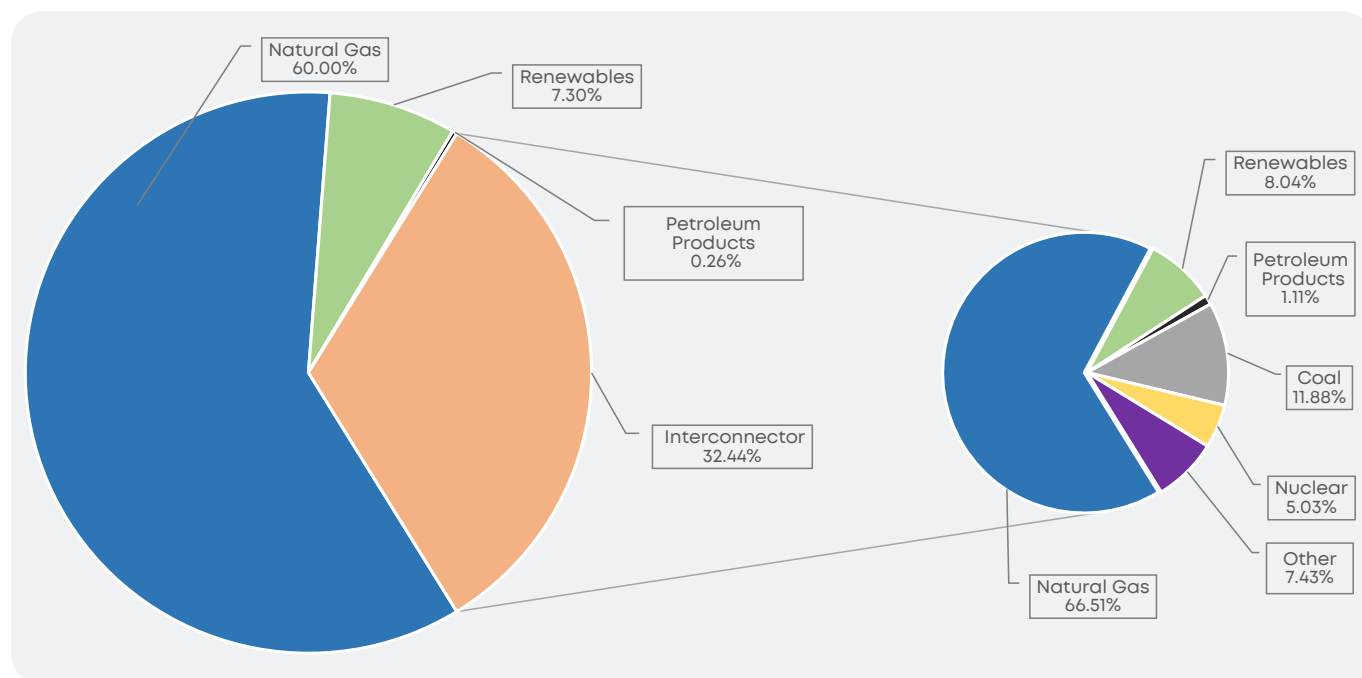
The Fuel Mix indicates the share of the different primary energy sources used for electricity production. Suppliers are required by the Electricity Regulations to provide information to their customers concerning the Fuel Mix of the electricity supplied and their environmental impact. Enemalta plc, the only electricity supplier in Malta, determines the Fuel Mix of the electricity supplied to the Maltese customers and its overall environmental impact in term of Carbon Dioxide (CO₂) emissions. The Fuel Mix calculation includes electricity needed to cover distribution losses and does not include electricity generated and consumed “behind the meter”, such as electricity self-consumed by renewable energy producers. Fuel Mix data is updated on annual basis and published on Enemalta plc website (link: https://www.enemalta.com.mt/2016/02/25/fuel_mix_for_energy_distribution). The latest Fuel mix figures available refer to the year 2024.



Scan me

The Regulator monitors the determination and disclosure of the Fuel Mix and of the Carbon Dioxide (CO₂) emissions factor in accordance regulations 5(a) and 5(b) of the First Schedule of the Electricity Regulations (S.L.545.34).

Figure 5: Fuel mix for energy distributed by Enemalta plc in 2024*



*Data is provisional and may be subject to revision

The provisional Carbon Dioxide (CO₂) emission factor of the electricity supplied in Malta in 2024 is 389 gCO₂/kWh.

Customer complaints against ARMS Ltd and Enemalta plc

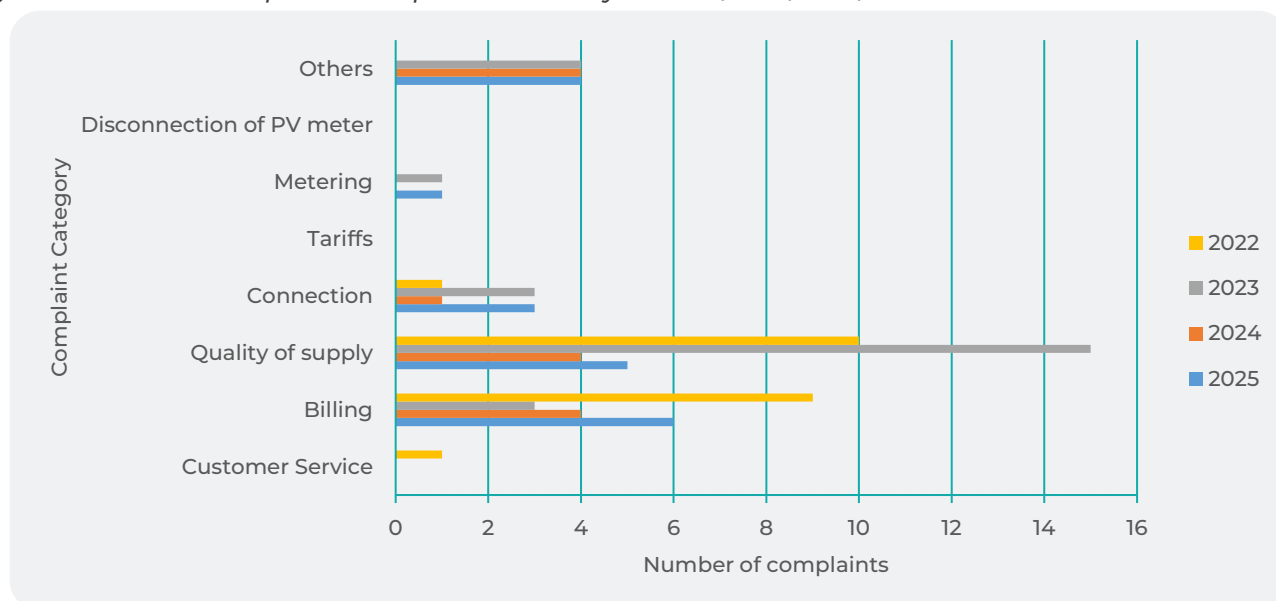
Twelve (12) complaints were submitted by email or post or via our customer care office.

Seven (7) requests for dispute resolution concerning complaints against Enemalta plc and/or ARMS Limited were submitted through the formal dispute resolution mechanism, of which:

- Six (6) of these dispute resolutions were settled directly with the respective entity, without requiring a formal dispute resolution decision. None of these dispute resolutions led to the issue of a formal decision by the Board of the Regulator
- One (1) dispute is still open.

All nineteen (19) complaints and dispute resolutions which were received in 2025 are categorised and compared to previous years as shown in Figure 5 on the next page.

Figure 6: Customer complaints comparison for the year 2022/2023/2024/2025.



Complaints relating to unlicensed supply of electricity

In terms of the regulation 54 of the Electricity Regulations (S.L.545.34), the activity of supply to final customers must be performed under a licence. However, in view of the derogations from the application of Articles 4 and 6 of Directive (EU) 2019/944 granted to Malta, pursuant to Article 66 of Directive (EU) 2019/944, and until such time as the aforesaid derogations remain in force, such a licence may only be issued to the distribution system operator.

A total of six (6) cases of unlicensed supply of electricity by landlords were under investigation during 2025, of which:

- three (3) were new cases reported in 2025
- the other three (3) cases were carried forward from the previous year.

Out of these six (6) cases, one (1) reached compliance with the Electricity Regulations.

Publication of Capacity Available Maps

Regulation 28(3)(a) of S.L. 545.34 complements Article 57(3) of Regulation (EU) 2019/943 by providing for distribution system operators to regularly publish clear, transparent information on the capacity available for new connections in their area, with high spatial granularity and in line with security and confidentiality requirements. The Regulator has overseen the publication by the distribution system operator, Enemalta plc, of an online mapping tool that provides an estimate of the available capacity in the low-voltage distribution network at each locality. This tool is available at the following web address: <https://enemalta.com.mt/available-capacity/>.

By zooming in on a substation, users can view the spare transformer capacity (in kVA) and the indicative additional capacity available for renewable energy installations (in kWp), calculated on the basis of transformer rating, historical maximum demand, existing RES capacity and voltage stability criteria. The figures indicate the possible capacity that may be connected and are updated quarterly; they do not take into account ongoing grid reinforcement works, do not reflect all potential constraints elsewhere in the

network and do not constitute a binding commitment by Enemalta plc. Each individual connection request continues to be assessed in line with the Electricity Connection and Supply Regulations (S.L. 545.41) and may require a grid study and/or network reinforcement.

Report of National Practices regarding electricity data interoperability

Implementing Regulation (EU) 2023/1162 lays down common European interoperability requirements and transparent, non-discriminatory procedures for access to electricity metering and consumption data. Its aim is to make access to such data safe, simple and standardised, so that customers can participate more actively in the market and data-driven smart energy services can develop across the EU. To this end, it introduces a common reference model (roles, information and processes) and requires all Member States to prepare and keep updated a detailed national mapping of how these roles and processes are implemented in practice. This mapping exercise was submitted to the European Commission in July 2025.

As required by Regulation 20 of S.L. 545.34, the Regulator is responsible for ensuring the efficient and secure management, access and exchange of electricity data in Malta, and has coordinated the submission of the necessary information using the template provided by the Commission. This work has been carried out in close cooperation with Enemalta plc, which manages the centralised national metering and data system, and its subcontractor ARMS Ltd, which is responsible for invoicing customers and providing them with hourly and monthly electricity consumption data. Customers can view their electricity consumption data through an e-ID-enabled platform accessible via the ARMS Ltd and Enemalta plc websites.

Second Malta-Italy Cable Link (IC2)

The following Engineering, Procurement and Commissioning (EPC) tender calls for the implementation of the IC2 project were awarded:

- the manufacture and installation of the onshore 245kV and 145kV Cables
- the supply and installation of 245kV 250MVA Auto-Transformer, 120MVar & 240MVar Variable Shunt Reactors
- the supply and installation of a 132kV Shunt Reactor;
- the supply and installation of the 220kV Switchgear, Fire Suppression System, and the Upgrade Of Control System, and
- the 245kV subsea cable manufacturing, laying and protection.

Works commenced on all contracts in 2025, and will continue throughout 2026.

As part of the subsea cable manufacturing at the Nexans factory in the USA, the copper stranding of the entire cable lengths was completed in 2025 and the lay-up procedure to amalgamate the three cores into one single submarine cable (99km length) has commenced.

With regards to onshore works, cables have been laid along 6km out of the 21km route in Sicily and trenching works have started along the 2km route in Malta. The design of the 220kV/132kV transformer and the 220kV variable shunt reactors were completed during 2025 and are planned to be delivered to Malta and Ragusa in 2026. The foundation work for the new reactor in the Ragusa terminal station has also been completed.

The Project has once again been included in the European Ten-year Network Development Plan (TYNDP) of 2026.

Future Energy Expansion Projects

Future energy expansion projects are being considered to meet the projected increase in electricity demand post 2030, to strengthen the island's security of supply, and in consideration to Government's plans to invest in offshore renewable energy generation and the 2050 decarbonisation objectives in electricity generation.

As also expressed in the Malta Vision 2050, the Maltese Government is exploring a 3rd connection with EU and/or North Africa, increasing interconnectivity within the EU energy market while surveying international hydrogen pipelines' solutions. The Regulator for Energy and Water Services follows these initiatives and contributes from a regulatory perspective.

Utility Scale Battery Energy Storage Systems (BESS)

To complement the second cable interconnector, strengthen the electricity distribution network, enhance the resilience of the grid, reduce grid bottlenecks and provide flexibility in terms of the ability of the system to accommodate additional renewable energy, Malta is working on the implementation of two utility scale Battery Energy Storage System ('BESS') Projects.

Both projects (located respectively in Delimara and Marsa) will be co-financed by the European Union. The public call for the award of an EPC contract for the procurement and installation of two utility-scale BESS facilities closed in 2025 and sixteen (16) offers were submitted. The tender award is currently on-hold in view of an appeals procedure. The state aid procedure was successfully finalised in 2025.

Cybersecurity of Cross-Border Electricity Flows

The Network Code on sector-specific rules for cybersecurity aspects of cross-border electricity flows (NCCS), established by Commission Delegated Regulation (EU) 2024/1366, sets out harmonised requirements to enhance the cyber resilience of the European electricity system. It defines common rules for risk assessment, preparedness, incident reporting and information sharing among key entities involved in cross-border electricity flows.

The Regulation provides that, until a competent authority is formally designated at national level, the regulatory authority shall assume the tasks of the competent authority under the NCCS. In its role as temporary competent authority, the Regulator for Energy and Water Services has carried out these duties in collaboration with relevant national entities with responsibilities in cybersecurity, such as the Malta Critical Infrastructure Protection Directorate (CIPD).

During 2025, the work of the Regulator was focused on the identification of candidates for classification as high-impact and critical-impact entities, and on conducting preparatory work for the benchmarking analysis of current investments in cybersecurity.

The Regulator also participated actively in EU working groups established by ACER and the European Commission to support the harmonised and effective implementation of the NCCS. Through this participation, the REWS contributed to the exchange of best practices and the development of consistent approaches across Member States.

Offshore Wind Project

Following the publication of the Pre-qualification questionnaire (PQQ) in December 2024, three offers were submitted in reply to the PQQ call in July 2025. The evaluation process started shortly afterwards and is expected to continue during 2026. The evaluation will include a financial and technical due diligence of the proponents. The shortlisted candidates will proceed to further stages, eventually leading to the selection of a developer who will construct, operate, and manage the wind farm under a 35-year concession agreement, and a 25-year Contract for Difference (CfD). Apart from owning and operating the floating offshore wind farm, the developer will also be responsible for the construction, operation and maintenance of a Grid Connection System, which will be owned by the Government and includes an offshore substation and export cables system.

The Offshore Grid Connection System Project has been included in the European Ten-year Network development Plan (TYNDP) of 2026 in November 2025, making it eligible as a PCI candidate for the Project of Common Interest list of 2027. The Project will substantially increase the indigenous RES production, strengthen the island's energy resilience, reduce reliance on non-renewable sources, and enhance sustainability and marks a significant milestone in Malta's journey towards carbon neutrality by 2050.



Natural Gas

The Natural Gas Market Regulations (Subsidiary Legislation 545.12) provides the regulatory framework related to all activities connected to the natural gas value chain and specifically for the supply, storage, distribution, and retail of this product.

During 2025 there were no entrants of any new undertaking into this market and no new authorisations or licences were requested and/or issued under these regulations.

The actual situation of the natural gas market in Malta sees the presence of one LNG operator, ElectroGas Malta Ltd, that was licensed in 2017 to operate the LNG facility located in Delimara. The same undertaking also holds an authorisation, issued under S.L. 545.12, to supply natural gas to the two power plants, DPS-3 and DPS-4. In addition, ElectroGas Malta Ltd is licensed to carry out the activity of electricity generation (Subsidiary Legislation 545.34) and is authorised to import and wholesale LNG (Subsidiary Legislation 545.17).

In terms of regulation 21(2) of the Natural Gas Market Regulations S.L. 545.12, ElectroGas Malta Ltd is required to keep in its internal management accounts, separate accounts for the LNG and supply of gas activities. ElectroGas Malta Ltd is required to submit regulatory reports that cover the technical and financial aspects of the natural gas operations on an annual basis. The data on the stock movements of LNG is submitted to the Regulator on a monthly basis.

Table 9: LNG Imports and Use

	Unit	2020	2021	2022	2023	2024	2025*
Number of LNG cargoes	No.	7	6	6	6	6	6
Total LNG imported	TWh	3.950	4.262	4.178	4.091	4.131	4.175
Maximum peak LNG output rate	GWh/hr	0.766	0.761	0.810	0.761	0.750	0.757
Average re-gasification usage factor	%	52.0	52.0	53.0	54.9	51.0	49.3
Peak demand	TWh/day	0.0160	0.0173	0.0174	0.0174	0.0171	0.0160
Natural gas delivered to power plants	bcm (1atm, 15degC)	0.381	0.381	0.387	0.404	0.373	0.360

*Provisional Data

Security and continuity of supply of natural gas

The Natural Gas Market Regulations S.L.545.12 prescribes that the REWS has the duty to monitor the balance of supply and demand of natural gas at national level, in order to ensure that the system is capable to cover peak demand. For this reason, the LNG system operator (ElectroGas Malta Ltd) sends monthly reports about imports, stock levels and delivery of natural gas to power generation. This data is also forwarded to the National Statistics Office.

Under the previously mentioned regulations, ElectroGas Malta Ltd is also required to report to the Regulator any incident related to the gas infrastructure that may adversely impact the security and quality of supply of natural gas. ElectroGas Malta Ltd did not report any major incident related to Floating Storage and Regasification Units (FSU) during the year 2025. The only reported events were two separate Storm Mooring procedures, conducted from the 16th to the 19th of January and from the 22nd to the 25th of March, as a

preventive measure to protect the FSU following forecasts of strong winds exceeding allowable criteria. These events had no impact on the electricity supply to customers.

The Regulation (EU) 2017/1938 sets out measures to safeguard the security of gas supply in the European Union. The competent authority within the scope of this Regulation is the Ministry for the Environment, Energy and Public Cleanliness, which drafted and submitted to the European Commission Malta's Preventive Action Plan and the Emergency Plan. According to these plans, the REWS is endowed only with monitoring duties and has to provide to the Crisis Manager a monthly Report on Gas Security of Supply, gathering data provided by the LNG system operators, the electricity DSO (Distribution System Operator) and gas power plants operators.

Melita TransGas Hydrogen Ready Pipeline

Following the upgrade to a hydrogen ready pipeline in 2023, the Project has retained its PCI status in the 2025 PCI list, pursuant to the derogation provided by in Article 24 of the TEN-E Regulation (EU) No 2022/869. The pipeline provides the possibility to import renewable gases, including green hydrogen, once the market develops. The Project Promoter is continuously assessing how the hydrogen market is developing, and in particular, the availability of green hydrogen from Italy and possible supply from North Africa.

REMIT Implementation

The Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of Europe of 25 October 2011 on wholesale energy market integrity and transparency ("REMIT") was brought into force on 28 December 2011 and was amended by Regulation (EU) 2024/1106 that entered into force on the 7th of May 2024.

The REMIT established EU-wide market rules and monitoring framework applicable to electricity and natural wholesale energy markets. In terms of the REMIT implementing Acts, market participants are required to register with the relevant National Energy Regulatory Authority of each EU Member State.

The 2024 REMIT revision strengthened the integrity and transparency of EU energy markets by aligning with financial market rules, expanding its scope to include energy storage and algorithmic trading, enhancing ACER's investigatory powers in cross-border cases, and maintaining enforcement primarily at the national level while tasking ACER with oversight of information platforms and reporting mechanisms.

In Malta, the relevant regulatory authority with respect to REMIT is the Regulator for Energy and Water Services. There were no new registrations during the year under review whilst one participant terminated his/her registration during the year. Hence, a total of eighteen (18) energy market participants were registered with REWS as at the end of 2025.

ElectroGas Ltd reports Urgent Market Messages at the following electronic address <https://pip.ipex.it/PipWa/Front/#/GasUmms>. This disclosure of insider information is done in accordance with Article 4(a) REMIT Regulation and with ACER Guidance on the REMIT application. It covers the unavailability of electricity and gas facilities (namely the Regasification Plant and D4 Power Station) that are likely to significantly affect wholesale energy prices and other relevant market information.



Price Regulation Structure

Tariff methodology for shore-side electricity supply facilities to ships berthed in maritime ports

With the decision No. 9 of the 26th of October 2023, the Board of the Regulator approved the Tariff Methodology for the Supply of Electricity from Shore-side Electricity Facilities to Ships and published on the REWS website at the following link: <https://www.rews.org.mt/#/en/rewsfa/23>.

This decision facilitates the supply of electricity from shoreside facilities to ships (in particular cruise liners) that can therefore switch off their fuel engines when berthed in Maltese ports and use electricity instead. It has been estimated that this project may contribute to a decrease of 90% of air pollution by cruise liners when berthed in the Grand Harbour.

The methodology is being used by Enemalta plc to determine, on a quarterly basis, the electricity flat rate tariff applicable to electricity supplied to ships from electricity shoreside facilities.

Following a request from the Ministry for Transport, Infrastructure, and Public Works (MTIP), Enemalta plc is required to publish the shore-to-ship tariffs budgeted for the whole year, i.e. four (4) tariffs for each quarter prior to beginning of the year, at the following link: <https://www.enemalta.com.mt/shore-to-ship/>.

LPG Cylinders Price Mechanism

The Regulator for Energy and Water Services continues to regulate the wholesale price of portable LPG cylinders bottled by Liquigas Malta Ltd in view of the company's dominant position in the LPG cylinder wholesale market.

Liquigas Malta Ltd provides the Regulator with the yearly audited financial statements and a set of regulatory accounts, including the operational costs unbundled according to activity on the basis of established principles. Liquigas Malta Limited also submits the information for the determination of the wholesale price of LPG cylinders for the subsequent year. The aforementioned submissions are thoroughly analysed by the Regulator and discussed with the company to establish the operational cost component in the LPG Cylinders' wholesale price.

Similar to 2024, during 2025, the Regulator once again engaged the services of a consultant to assist in the review the unbundled accounts provided by the operator for the different licensed activities and information submitted, for the determination of the fair wholesale price for LPG in portable cylinders.

The wholesale price of portable cylinders is regulated using a price mechanism developed and updated along the years. During 2025, the wholesale price was determined following the Regulator's approval of some changes to the underlying LPG Price mechanism methodology, in particular the methodology for determination of the allowed return and assessment of the raw material cost. The changes were brought into force through Decision No. 3 of the 22nd May 2025 issued in virtue of the Regulator for Energy and Water Services Act 2015 of the Laws of Malta, to Liquigas Malta Ltd (C44954) and Gasco Energy Ltd (C44953) with regard to the review of the LPG cylinder price mechanism. The updated LPG price mechanism was used to determine the fair wholesale price of LPG Cylinders applicable in the year 2026.

LPG Cylinder Price Stabilisation

The consumer retail prices for LPG sold in portable cylinders remain at April 2020 levels, with the maximum consumer retail price for the 12kg cylinder remaining at €15. The retail prices of the other standard cylinder volumes are calculated pro rate. These prices remain unchanged to date.

LPG Cylinder Distributors' Commission

During the year under review, the maximum commission that may be charged by LPG Distributors and operators of fixed points of sale for the retail of portable LPG cylinders was increased from €0.1512/kg (excluding VAT) to a maximum of €0.2145/kg. The increase, applicable as from 1st January 2026, came into force through Decision No. 4 of the 10th of December 2025 issued in virtue of the Regulator for Energy and Water Services Act (Cap. 545 of the Laws of Malta) with respect to the request for an increase in the LPG cylinders Distributors' commission.

In the decision to increase the commission, the Regulator took into account the effect of inflation on the costs of the portable LPG cylinder distribution, given that the latest revision had taken place in 2018.



Petroleum Filling Stations Mark-up

During 2025, the maximum mark-up charged for every litre of petrol and diesel sold by Petroleum Filling stations remained unchanged and Decision no. 9 of 20th June 2019 remained applicable.



Regulation of the Water Sector

Regulatory Review

The Regulator for Energy and Water Services (REWS), in accordance with the provisions of the Regulator for Energy and Water Services ACT (Cap. 545), continued to exercise its regulatory oversight of the operations of the Water Services Corporation (WSC) throughout the reporting period. WSC is the sole licensed operator responsible for the provision of potable water supply and wastewater services in Malta and Gozo. The Regulator's monitoring activities are aimed at ensuring that the operator's services are delivered in full compliance with applicable national legislation and licensing conditions.

In fulfilment of its reporting and accountability obligations as stipulated in the applicable Licence, WSC is required to submit a range of reports to REWS, including the annual Licence Monitoring Report (LMR), together with other supporting regulatory and operational documentation. Accordingly, the LMR for the calendar year 2024, along with the corresponding audited financial statements relating to the preceding year, were formally submitted to the Regulator within the established reporting timelines for detailed review and assessment. The Regulator requested further clarifications and supplementary information to support its analysis. Such information was duly provided by WSC, thereby enabling the Regulator to conduct a comprehensive evaluation of WSC's compliance with its regulatory and licensing obligations.

Key Challenges in the Water Services Sector

The sustained economic growth experienced in recent years, together with a significant increase in Malta's resident and transient population, has placed considerable pressure on the operations and infrastructure of the Water Services Corporation. Rising demand from households, industry, tourism, and commercial activities has led to higher consumption levels, requiring WSC to operate its systems at increased efficiency and capacity while maintaining stringent quality and service standards. These pressures are further compounded by Malta's inherent water scarcity, as the islands are characterised by limited natural freshwater resources, low rainfall, and the absence of permanent rivers or lakes. Groundwater bodies, which have historically been a critical source of water supply, are increasingly vulnerable to over-abstraction and salinisation. As a result, WSC faces the ongoing challenge of balancing growing demand with the sustainable management of scarce water resources, necessitating continued reliance on energy-intensive water sources (desalination plants), alongside investments in water reuse, network efficiency, and measures to safeguard long-term water security.

To ease the pressure on both the energy intensive RO water production and the natural ground water resource, the WSC had embarked on the New Water Programme (NWP) which produces high-quality treated water from wastewater. This water is suitable for crop irrigation, landscaping and industrial use.

In 2023, 1.6Mm³ of new water was produced across the three plants, i.e. Ta' Barkat (Xgħajra), Iċ-Ċumnija (Mellieħa), and Ras il-Ħobz (Għajnsielem, Gozo); and made available for disposal for registered farmers (more than 1,800) across the various electronic dispensers which are operated with a smart card. The NWP sees an expansion of the network itself by a further 57km by year 2030, 16km of which will serve the southwest of Malta to reach a further 1,000 hectares of farmland. The yearly annual production is planned to increase to between four (4) and five (5) million cubic metres, depending on the demand and plant availability. The investment required to reach these predicted volumes is estimated to be €18.6M for plant capacity upgrades and an additional €28M for new water distribution network extensions.

Water Services Corporation – National Investment Plan

Water Services Corporation has published a National Invest Plan (NIP) that sets out a strategic, high-level framework to address Malta's current and future water and wastewater service challenges over a ten-year period (from year 2023 till year 2033). The NIP identifies critical gaps in infrastructure, compliance with EU legislation, and service capacity arising from sustained population growth, economic expansion, climate change pressures, and the country's inherent water scarcity. At the same time, climate change is expected to yield more drought conditions, groundwater stress, and system vulnerabilities, reinforcing the need for resilience and energy efficiency across the sector.

The NIP outlines demand forecasts for potable water, wastewater generation, and reclaimed water up to 2033, concluding that significant investments are required to safeguard security of supply, meet peak demand, and ensure compliance with the Drinking Water Directive (recast) and the Urban Wastewater Treatment Directive. Key priorities include the expansion of desalination capacity, upgrades to wastewater treatment plants, reduction of seawater infiltration into sewer networks, enhancement of drinking water quality, and the extension of reclaimed water infrastructure in line with circular economy objectives. By 2027, WSC plans to increase the desalination production capacity to 127,000m³/day. This upgrade will safeguard the security of supply and the water table beyond 2030, further reducing the dependency on stressed groundwater to meet future demands. Such investments will be complemented by higher operational efficiency, which will increase the energy savings in water production and distribution.

Overall, the Plan identifies total investment needs of approximately €310 million over the ten (10) year period, covering both renewal of ageing infrastructure and upgrades to meet future demand for drinking water, wastewater, and reclaimed water. Funding is expected to be sourced through a combination of EU funds (€126M), national Government support, WSC's own resources, and sustainable financing instruments. Through this investment programme, the NIP aims to ensure the long-term sustainability, resilience, regulatory compliance, and quality of Malta's water and wastewater services.

Water Services Corporation – Drinking Water Quality

During the year 2024, the Water Services Corporation maintained full compliance with all mandatory microbiological and chemical requirements of the Drinking Water Directive, supported by a comprehensive monitoring regime comprising more than 8,000 water samples and over 78,000 physical, chemical and bacteriological tests undertaken through ISO 17025-accredited facilities.

Measurable improvements were achieved in drinking water quality indicators that directly influence consumer perception, particularly taste. This improvement was driven by increased reliance and efficiency on reverse osmosis desalination plants, optimisation of blending strategies, and targeted network interconnections. Over the same period, groundwater abstraction for potable use decreased from 13.2 million cubic metres to 13.1 million cubic metres per annum, while the reverse osmosis to groundwater blending ratio was improved from 64:36 to 66:34 in 2024.

To support further improvements, the Corporation has prioritised network quality interventions, including the identification of 100 kilometres of potable water mains for renewal by 2033, focusing on the replacement of cast iron and galvanised pipes associated with rusty water and taste deterioration. Complementary



measures include the optimisation of residual chlorine levels, and the introduction of real-time AI-supported water blending and chlorine dosing, to further improve the consistency in quality and taste of the drinking water across Malta and Gozo.

2025 Drinking Water Improvements & National Campaign

In March 2025, Malta launched the *'Iftaħ u Ixrob'* (Open and Drink) national campaign to increase awareness on the quality of the local tap water and encourage further tap water consumption over bottled water. Malta's tap water now exceeds the strictest European safety standards and ranks among the top 20 countries worldwide for tap water safety¹. The campaign was supported by significant quality improvements made to improve the tap water quality. The improved quality was a result of several key factors, including a thirty percent (30%) reduction in chlorides and chlorine levels, which improved the water's taste. Additionally, the blending ratio of reverse osmosis water to groundwater was adjusted to 70:30, enhancing further the quality. Another significant development was the standardisation of water taste across different localities through the establishment of a unified water quality zone, ensuring a consistent tap water experience throughout Malta and Gozo.

The WAW website (www.waw.com.mt) was initially developed to support and promote this national campaign and now serves as a central information hub for consumers seeking information about tap water quality in Malta. The site outlines the improvements made to water quality and provides comprehensive information on the voucher scheme, including redemption procedures.

Carbon Filter Schemes

The Regulator for Energy and Water Services introduced, and is administering schemes, to financially help eligible applicants to purchase an activated carbon filter to reduce the use of plastic containers utilised for bottled water. Both schemes are funded through national funds and applies to private individuals (natural persons) for use in their residential properties, and for organisations that are not carrying out an economic activity.

The first scheme was launched in March of 2025 and is renowned as the Tap Water Scheme. This scheme offers a grant of sixty percent (60%) on the purchase price and installation of activated carbon filters, up to a maximum grant of €100. Eligible applicants can apply for the grant, after the purchase and installation of the equipment, by completing the REWS application form.

Following the launch of the Tap Water Scheme, in July of the same year the Government extended its support to vulnerable households by providing easier access to activated carbon water filtration systems. This scheme has broadened the use of such filters within vulnerable households which provides, free of charge, an approved activated carbon water filter from any registered retailer up to a maximum value of €100.

Water Services Corporation – Key Figures

The tables on the next page showcase the key performance indicators of WSC, which are part of the annual License Monitoring Report submission. In 2023, the total volume of potable water supplied amounted to 37.1Mm³ and the energy consumption of water production and supply was of 3.39kWh/m³. The infrastructure leakage index was reported at 1.84 for the same year.

¹ PR250454en 20/03/2025 Press release by the Ministry for the Environment, Energy and Public Cleanliness 'Landmark tap water initiative launched'.

Table 10: Key performance Indicators

Operational Outputs	Unit	2020	2021	2022	2023	2024*
Total potable water supplied	m ³	35,008,580	34,589,934	35,787,869	37,127,986	39,053,256
Total wastewater collected	m ³	28,888,949	28,508,526	29,378,163	30,574,158	29,924,887
Total number of active accounts	no.	290,493	296,162	313,349	322,533	323,800
Percentage population served (water and sewerage connections)	%	100	100	100	100	100
Total capital investment	€	37,842,000	50,230,000	72,897,000	59,155,000	110,578,000
Total income (sale of water and service charge)	€	71,312,042	72,546,882	76,623,948	83,212,762	89,643,980
Total potable water billed	m ³	20,635,150	21,666,568	24,260,329	26,429,747	28,707,661

Operational Efficiency	Unit	2020	2021	2022	2023	2024*
Estimated leakage	m ³	3,411,377	3,368,550	3,368,909	3,494,111	3,379,573
Estimated leakage	l/prop/day	32.17	31.16	29.46	29.68	27.85
Estimated leakage	m ³ /km/day	3.66	3.63	3.66	3.77	3.61
Infrastructure Leakage Index - ILI	No.	1.87	1.84	1.82	1.84	1.75
Energy consumption of water supply	kWh/m ³	3.18	3.19	3.56	3.39	3.51

Water Quality Outputs	Unit	2020	2021	2022	2023	2024*
% Tests at consumer taps complying with micro-biological standards	%	98.0	99.0	99.0	100.0	100.0
% Tests at consumer taps complying with chemical and indicator parameters	Mandatory Parameters, %	100.0	98.7	100.0	100.0	100.0
	Indicator Parameters, %	94.0	87.5	89.3	99.3	99.8

Reliability of Supply and Service Quality Outputs	Unit	2020	2021	2022	2023	2024*
% Households receiving low water pressure	%	0.28	0.24	0.22	0.28	0.25
Total number of water supply interruptions greater than 24 hours	No. / annum	50	97	85	102	119

*Management Accounts Data for year 2024

Dispute Resolution

The Regulator for Energy and Water Services receives and considers disputes that may arise between the consumer and an authorised provider; in this case Water Services Corporation (WSC) and Automated Revenue Management Services Ltd (ARMS Ltd). Subsidiary Legislation 545.30 titled 'Dispute Resolution (Procedures) Regulations' establishes the dispute resolution procedure and related timeframes in respect of matters regulated by the Act, ensuring the rights and obligations of both parties whilst preserving the parties' rights to pursue other legal remedies outside this dispute resolution mechanism.

In addition to the general queries and clarifications received about either the water supply or bills, the Regulator also received five (5) complaints against ARMS Ltd and/or WSC. These disputes required a full review by the REWS Management. These complaints were lodged by the consumers using the two official channels for dispute resolution requests; i.e. by filling the online dispute form, or by sending an email.



Security of Supplies



Security of Supplies

Maintenance of Minimum Stocks of Petroleum Products

The Regulator for Energy and Water Services also administers the National emergency stockholding obligation for the Maltese Islands. This is done in accordance with the requirements of Council Directive 2009/119/EC transposed into national law through Subsidiary Legislation 545.09 and amended by Directive (EU) 2018/1581 transposed into national law through L.N. 156 of 2019.

The emergency stockholding obligation for Malta must, at the very least, amount to either ninety (90) days of average daily net imports in Tonnes of Crude Oil Equivalent (TCOE), or to sixty-one (61) days of average daily inland consumption in TCOE, whichever of the two quantities is the greater. The calculation is based on the data submitted by each economic operator during the previous year with the final aim being that of ensuring a minimum stock level in the case of a supply crisis in the community.

This obligation is delegated to licensed importers and bunkering operators of petroleum products, except for the portion of the obligation that is related to the importation of Kerosene Jet A1, bitumen and lubricants. The latter is held by the Regulator on behalf of the Government of Malta.

The delegated obligation may be held either in the form of physical stock which is owned by the delegated operator and usually held in own storage facility and, or, in the form of ticket arrangements. Under a ticket contract, the seller agrees to reserve, on behalf of the buyer, a predetermined amount of designated fuel in return for an agreed fee. Emergency stock holding ticket arrangements may be held by the seller on behalf of the buyer in storage facilities located in Malta and/or in any other EU Member State.

Data Reporting on Emergency and Commercial Stocks

The compliance of the entities delegated with an emergency stock holding obligation is monitored by the Regulator. Operators are required to report monthly data related to commercial and emergency stocks held on their behalf and on behalf of third parties, being local or foreign entities who are holding stocks on behalf of Malta or other EU Member States. The emergency stocks data includes details of the volume, nature, location of storage and ownership of the emergency stocks held as at the end of the reference month. Upon receipt of the report, all the data is reviewed and validated by technical staff within the Regulator's office and monthly reports are submitted to the National Statistics Office. These monthly reports distinguish between the types of stocks held, namely:

- Emergency Stocks held physically and as tickets in Malta,
- Emergency Stocks held physically or else as tickets abroad,
- Emergency Stocks held locally for other EU Member States, and
- Total commercial stocks.

In addition, verification inspections are carried out every quarter by a third-party contractor engaged by the Regulator's office. Four verification inspections of oil stocks, including those stocks declared as emergency stocks, were conducted at the end of March, June, September, and December of the year 2025. The contractor is required to verify the level of oil stocks held by all primary storage economic operators and all

oil stocks held by the economic operators having an obligation to hold emergency stock. These verifications include checks that are necessary to verify emergency stocks reported as physical stocks. Furthermore, the inspections cover emergency stocks held in Malta under bilateral agreements and/or ticket contract agreements on behalf of Malta and/or other EU Member States.

The following is a quarterly overview of the location of emergency stocks held in Malta and abroad to cover the National stockholding obligation during the year 2025:

- During the first quarter of the year 2025, 88% of the emergency stocks were held as tickets abroad while 12% were held locally, both as physical stocks as well as in the form of local ticket arrangements.
- During the second quarter of the year under review, the percentage of emergency stocks held as tickets abroad increased to 92%. The remaining 8% were held locally, both as physical stocks as well as in the form of local ticket arrangements.

During the third and fourth quarter of the year under review, there was a slight change in scenario because some emergency stock, pledged in favour of the Maltese islands, was held physically abroad in another European country.

- During the third and fourth quarter of 2025, 83% of the emergency stocks were held abroad both in physical format, or else as part of a contract ticket arrangement. The remaining 17% of emergency stocks were held in Malta, both as physical stocks as well as in the form of local ticket arrangements.

Between January and December 2025, the office of the Regulator reviewed and approved a total of thirty (30) arrangements. These were categorised as follows:

- Nine (9) ticket arrangements for emergency stocks to be held locally on behalf of Malta,
- Twelve (12) ticket arrangements for emergency stocks held abroad in other EU countries on behalf of Malta. These are approved following communication with the Competent Authority of the EU country where such stocks are located.
- Six (6) ticket arrangements which cover the emergency stock holding obligation with respect to kerosene Jet A1, lubricants and bitumen. The office of the REWS is holding this obligation on behalf of the Government of Malta.
- Furthermore, during 2025, REWS approved two (2) ticket agreements for fuel to be held in storage locations in Malta on behalf of foreign operators/entities. This is a relatively rare occurrence. In such instances, the operators of these storage facilities will be required to report to the Regulator the actual stock levels being held at the end of each month, as part of the monthly reporting procedures.
- During the year under review, the Regulator approved one arrangement for emergency stock to be held physically abroad by one Maltese economic operator.

The pie charts on the next pages show the location and volumes of emergency stocks held abroad in European countries as well as in Malta, expressed as percentages of the total.



Figure 7: Location and Volumes of Emergency Stocks held on behalf of Malta, expressed as a percentage (Quarter 1, 2025)

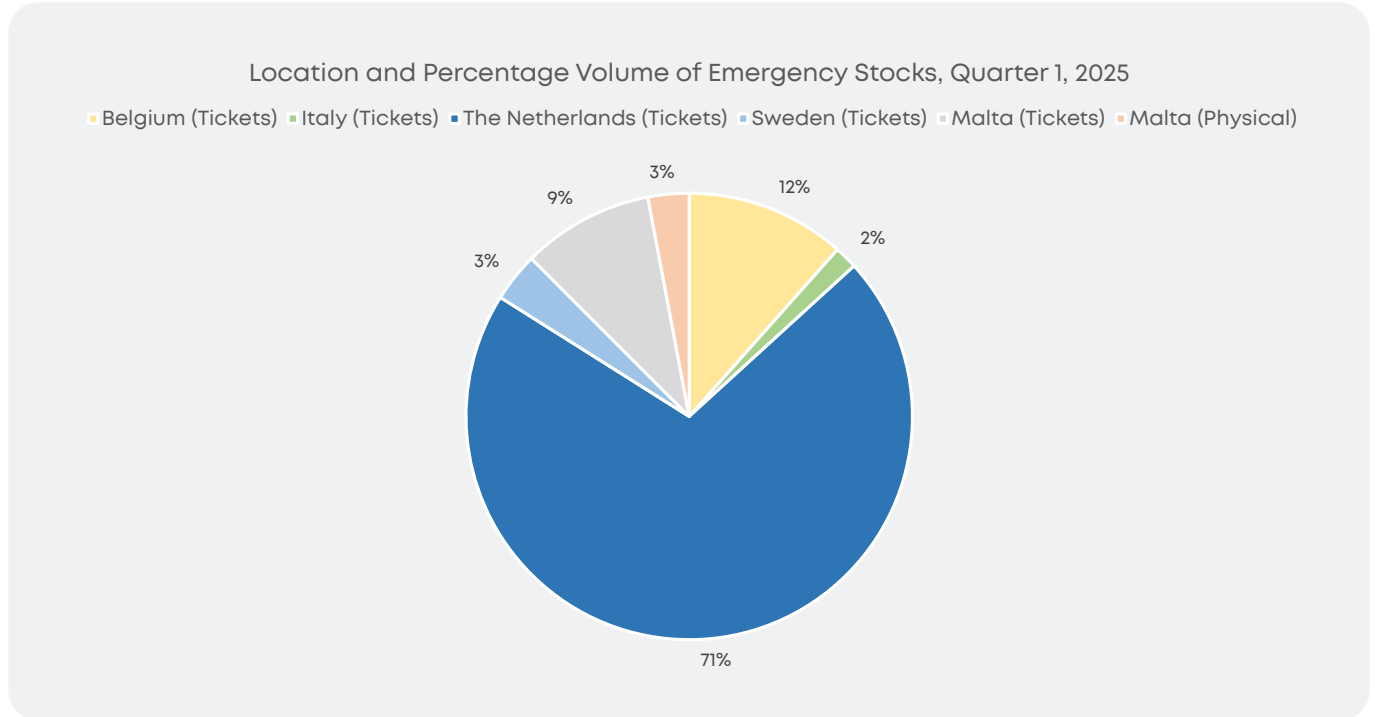


Figure 8: Location and Volumes of Emergency Stocks held on behalf of Malta, expressed as a percentage (Quarter 2, 2025)

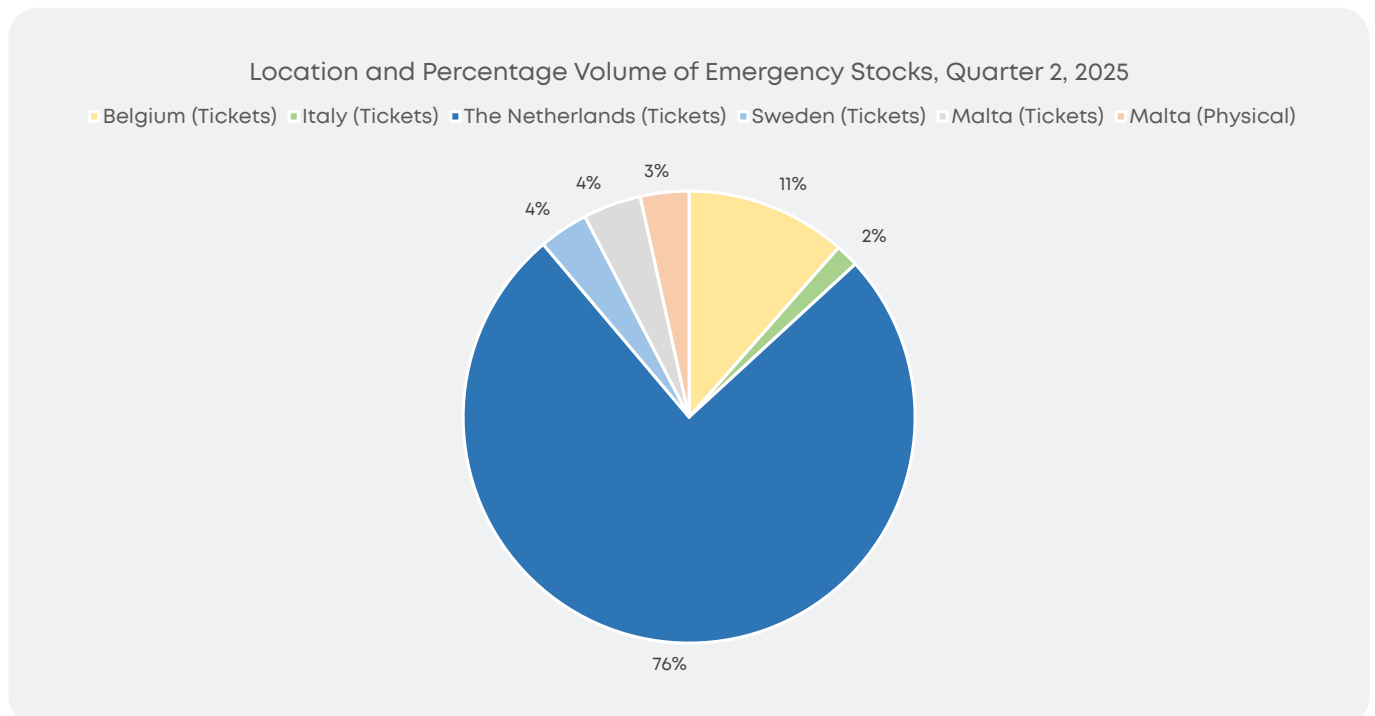


Figure 9: Location and Volumes of Emergency Stocks held on behalf of Malta, expressed as a percentage (Quarter 3, 2025)

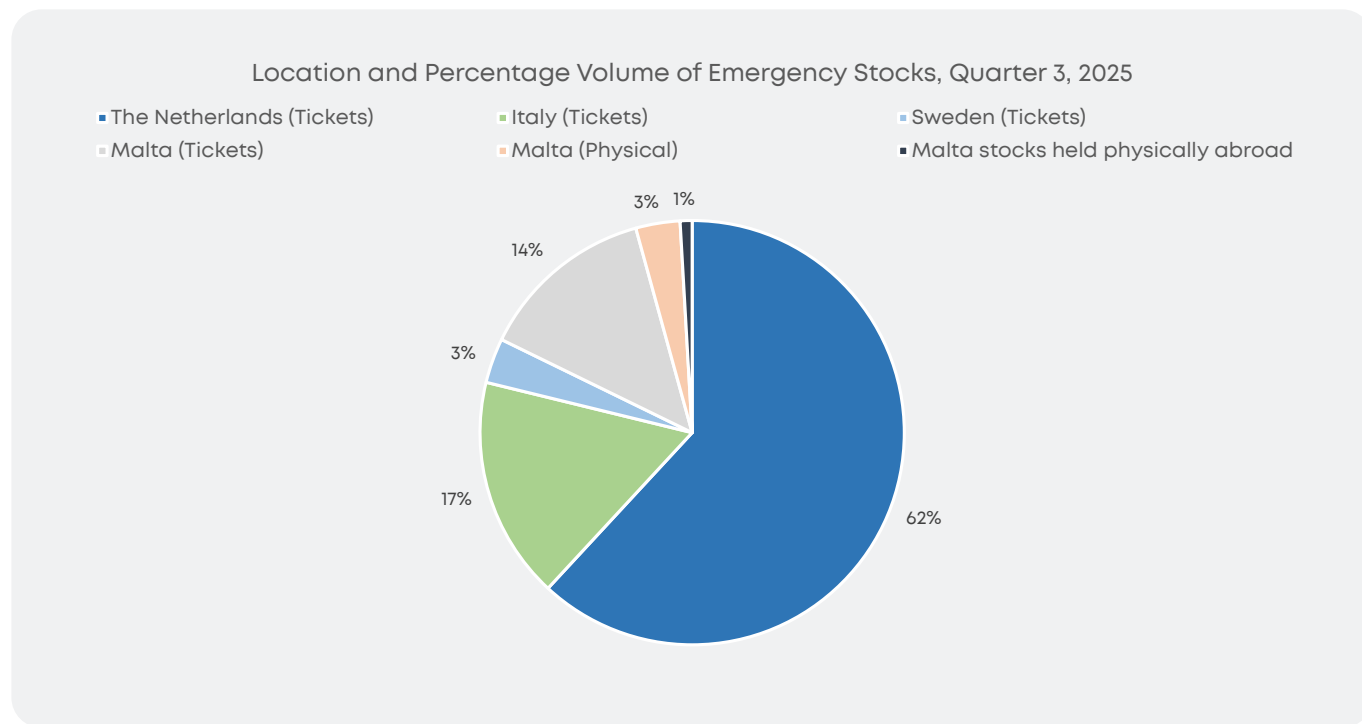
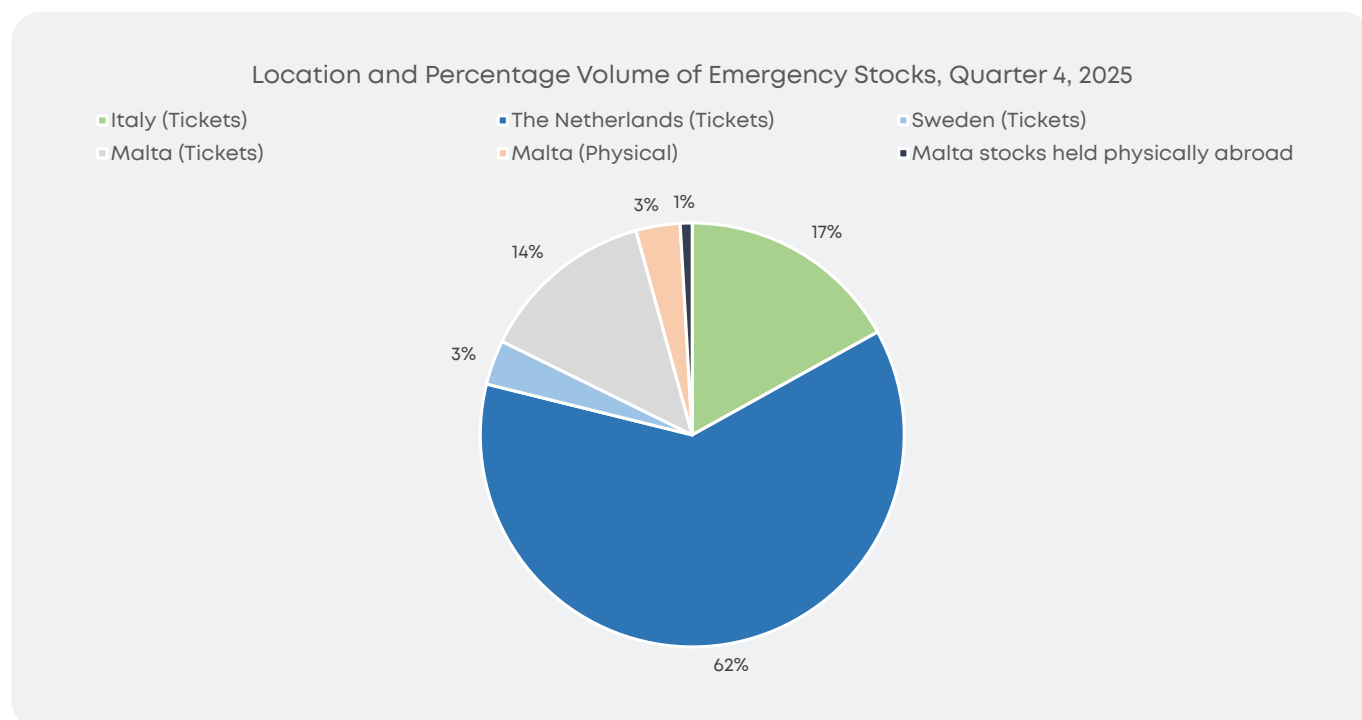


Figure 10: Location and Volumes of Emergency Stocks held on behalf of Malta, expressed as a percentage (Quarter 4, 2025)





Competence, Licensing and Enforcement



Competence, Licensing and Enforcement

Licensing

The Regulator for Energy and Water Services issues authorisations and, or licences required to regulate the operations and activities performed in the energy and water sectors in Malta. For certain activities an authorisation is not required but the activity still needs to be notified to the Regulator. This is also applicable to competences required to give a service provision in different trades within the same sectors.

Table 11: Authorisations and Licences below give details on the number of requests made to the Regulator in 2025 for the granting, transfer, or renewal of authorisations/licences.

Authorisation/Licence	New	Transfer	Renewal of Authorisation
Authorisation to construct or reconstruct a generating station other than PV systems	Nil	Nil	Nil
Licence to generate electricity (fossil fuel)	Nil	Nil	Nil
Authorisation to construct or reconstruct a PV installation larger than 16Amps per phase at 230V	41	N/A	Extended 2
Licensed PV installation larger than 16Amps per phase at 230V	32	13	Nil
Licence to carry out the function of electricity distribution system operator	Nil	Nil	Nil
Authorisation to act as an Operator of Publicly Accessible Electric Vehicles Charging Infrastructure (PCIO)	4	Nil	Nil
Number of registered publicly accessible EV Charging Points	72	Nil	Nil
License to carrying out the activity of supply of Natural Gas	Nil	Nil	Nil
Licence for the carrying out of the functions of a LNG system operator	Nil	Nil	Nil
Authorisation to carry out the activity of Importer and, or Wholesaler of petroleum	Nil	1	Nil
Authorisation to operate a Primary Storage Facility	Nil	Nil	Nil
Authorisation for the Bottling of LPG	Nil	Nil	Nil
Authorisation to retail portable cylinders filled with LPG by truck	Nil	Nil	1
Authorisation to retail portable cylinders filled with LPG from a fixed point of sale	Nil	Nil	Nil
Authorisation to operate a Fixed Piped Network of LPG	4	Nil	Nil
Authorisation to operate an Autogas Retail Station	Nil	Nil	Nil
Authorisation to carry out the activity of a bulk LPG distributor	Nil	Nil	Nil
Authorisation to operate a secondary storage facility of LPG	9	4	18

Authorisation/Licence	New	Transfer	Renewal of Authorisation
Authorisation to operate a Retail Petroleum Filling Station	Nil	1	2
Authorisation to operate a Commercial Petroleum Filling Station	3	Nil	Nil
Authorisation to operate a secondary storage facility of Petroleum	15	Nil	3
Authorisation to carry out the activity of a fuel distributor	3	Nil	3
Authorisation to operate a Marine Fuel Retail Station	Nil	Nil	Nil
Authorisation to operate a barge or a marine terminal/facility	Nil	Nil	1
Authorisation to load, discharge, and transfer fuels from a road tanker to a receiving ship	Nil	Nil	Nil
Licence to operate a swimming pool	100	103	4,530
Licence to supply water:			
(i) to a customer by water tanker(s)	4	Nil	78
(ii) exclusively for own use by water tanker(s)	Nil	Nil	36

Table 12: Details of Authorisations/Approvals of competent persons

Authorisation	New	Renewal
Authorisation A for the Installation, Alteration, Extension and Certification of Single-Phase Electrical Installations	110	Nil
Authorisation B for the Installation, Alteration, Extension and Certification of Single-Phase Electrical Installations and Three Phase Electrical Installations rated up to 300Amps per Phase	94	Nil
Approval as a competent person as established by the Petroleum for the Inland (Wholesale) Fuel Market Regulations	Nil	N/A
Approval as a competent person as established by the Liquefied Petroleum Gas Market Regulations	2	1
Approval as a competent LPG installer as established by the Liquefied Petroleum Gas Market Regulations	Nil	N/A
Approval as a competent person as established by the Petroleum for the Inland (Retail) Fuel Market Regulations	Nil	N/A
Approval as a competent person - Autogas (Installation and Certification) Regulations	Nil	Nil

Table 13: Details of One-Time Registrations or Notifications submitted

Registrations/Notifications	New	Transfer
Electricity generation using small combined heat and power (CHP) plant and micro wind turbines (not larger than 16 Amps per phase @ 230/400V)	Nil	Nil
Electricity generation using photovoltaic system (not larger than 16 Amps per phase @ 230/400V)	3,017	127
Notification to carry out the activity of a Biofuel and/or Bioliquid operator	Nil	N/A
Notification to operate a secondary storage facility of LPG	3	N/A
Notification to operate a secondary storage facility of petroleum	11	N/A
Registration of a Drilling Rig/Boring Equipment	Nil	N/A
Notification of the importation and wholesaling of less than 20,000 litres of motor spirit during the course of one calendar year	1	N/A

Licensing by Sector - Energy

Electricity and Renewable Energy Sources

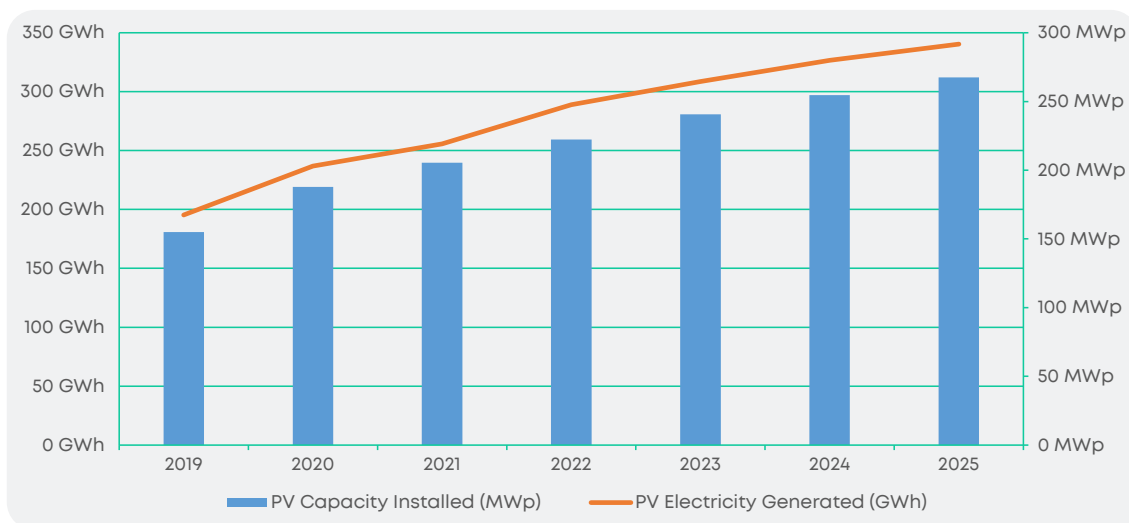
This section offers a comprehensive snapshot of the current state and recent developments in the renewable energy sector.

The overview below includes figures relating to solar photovoltaic installations, installed capacity, and the support measures provided during the reporting year. It highlights the number of new and existing installations, capacities connected to the grid, applications for financial incentives, and the allocation of benefits such as feed-in tariffs.

- 41 Number of solar photovoltaic new capacity authorised in 2025 (total capacity 16.45MWp).
- 12 Number of solar photovoltaic applications granted a one-time extension of feed-in tariff eligibility (total capacity 213.74kWp).
- 48 Number of Solar photovoltaic applications expired during 2025 for a total capacity of 432.5kWp.
- 32 Number of Operation licences issued in 2025 (total capacity 11.394MWp).
- 267.6MWp solar photovoltaic capacity connected to the grid by the end of 2025 (provisional figure).
- 13.29MWp (provisional figure) solar photovoltaic capacity connected to the grid in 2025, made up of the following amounts:
 - 2.3MWp benefited from a feed-in tariff only under the Feed-in Tariffs Regulations (S.L.545.27),
 - 3.18MWp were installed primarily for self-consumption with the surplus being paid at the proxy of the market price.
 - 3.62MWp were installed by households and benefited from a grant and a feed-in tariff.
 - 4.19MWp benefitted from support awarded through an Invitation to Bid
- Expiry of payment of the feed-in tariff (in 2025 only) for 6.227MWp and 1,691 beneficiaries.
- 6.226MWp Domestic and Residential (1,691) beneficiaries switched to the feed-in tariff of 10.5c/kWh (for 12 years or 14 years as applicable) after the expiry of original feed-in tariff (LN 61 of 2021)
- 127 applications were approved in 2025 for “repowering”
- 9 applications were approved in 2025 for “New & add on”.
- 10.3MWp Solar Photovoltaic Installations (3,017 applications) exempted from the requirement to obtain and hold an authorisation and a license. Capacity included 2.83MWp which did not benefit from any grant on the initial investment and such installations were allocated a feed-in tariff and 0.807MWp to be installed primarily for own use or additional to existing with the export paid at the applicable proxy of the market price for electricity.

Figure 11 on the next page shows the development of photovoltaic capacity and generation from year 2019 till year 2025 (2025 figures are provisional).

Figure 11: Development of PV Capacity and Generation from 2019 to 2025 (2025 figures are provisional)

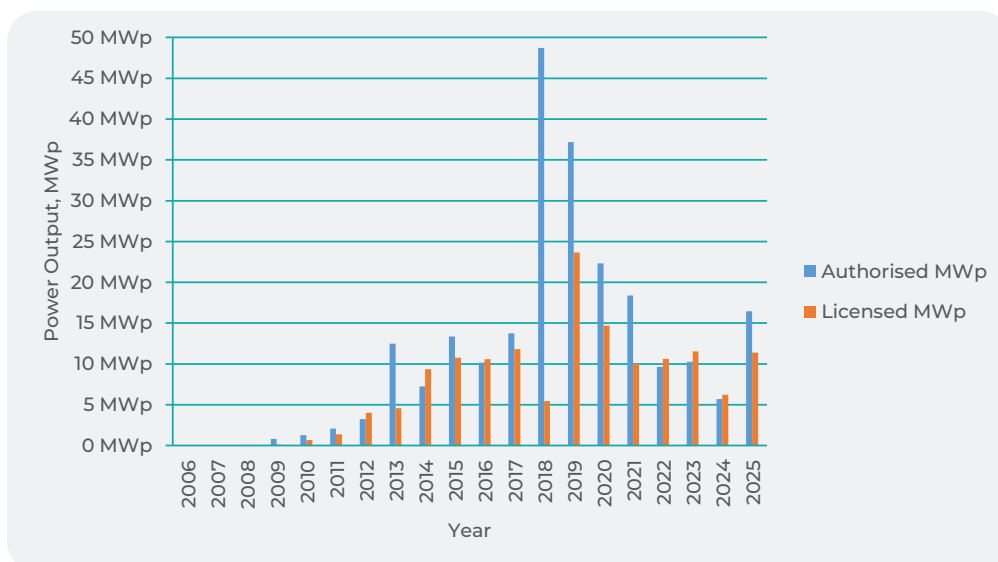


Feed-in tariff for PVs under 40kWp

The feed-in tariff scheme for solar PV installations with a capacity of up to less than 40kWp introduced in year 2021 continued throughout the year 2025. This feed-in tariff scheme, issued under Commission Regulation (EU) No 2023/2831 of 13th December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis, provides for a feed-in tariff of €0.15 for 20 years for all sectors (excluding the agriculture and fisheries sectors). The notification and authorisation process for applicants wishing to install a Solar PV Installation with capacity less than 40kWp, includes also an application for a feed-in tariff, referred as Part 1. During 2025, applications have been received through the One-Stop-Shop Portal which is a fully digitalised application process where applications are submitted through an online form and processed through the one stop shop platform. The one stop shop includes security features such as electronic endorsement by parties involved in the submission of the application through the use of E-ID which is combined with a consent procedure for applicants who are not able to use E-ID login feature.

Lists showing all the Part 1 applications received, their status and the capacities which are allocated a feed-in tariff, are made public on the One-Stop-Shop portal Dashboard tab.

Figure 12: Solar photovoltaic installations authorised or licensed (MWp)



Competitive Bidding Process

The role of the Regulator is to administer the competitive bidding process and also sit on the evaluation committee for the award of the ITB, together with representatives of the MEEC and the Energy and Water Agency (EWA). The successful bidders then sign a contract with the Contracting Authority (MEEC).

RES Capacities from 40kWp up to less than 1,000kW

During the year 2025, the Regulator administered the competitive bidding process for renewable energy capacities from 40kW up to less than 200kW and from 200kW up to less than 1,000kW on behalf of the Ministry for the Environment, Energy and Public Cleanliness (MEEC).

Two Invitation to Bid (ITB) calls for the award of financial support for electricity from renewable sources of energy installations, covering capacities between 40kW up to less than 1000kW under the scheme launched through Government Notice No. 763 of 2025, were held during 2025. The Government notice GN 763 of 2025 established the dates for the receipt of bids and the methodology for the calculation of the capacity to be made available for allocation.

The ITBs awarded and committed through contract during 2025 were the following:

- Two ITB calls for capacities from 40kW up to less than 200kW - 158kW
- Two ITB calls for capacities from 200kW up to less than 1,000kW - 229.36kW

In addition, the following ITBs from ITB calls during 2024 were committed through contract during 2025:

- Four ITB calls for capacities from 40kW up to less than 200kW - 97.65kW
- Four ITB calls for capacities from 200kW up to less than 1,000kW - 843kW

RES capacities of 1MW or more

During the year 2025, the Regulator also administered one competitive bidding process for renewable energy capacities equal to or larger than 1,000kW on behalf of the Ministry for the Environment, Energy and Public Cleanliness (MEEC).

The invitation to Bid (ITB) for the award of financial Support for Electricity from Renewable Sources of Energy Installations with a capacity of 1,000kW or more was launched through Government Notice No. 762 of 2025. The Government Notice established the dates for the receipt of bids and that the capacity available for allocation was 38MW. One (1) bid was submitted for the award of support under this ITB with a capacity of 1.4MW. This bid was not recommended for award resulting in no bids awarded under this ITB.



Single Point of Contact - Renewable Energy

Article 16 of the Renewable Energy Directive II recast, as amended by the Renewable Energy Directive III, and as transposed into Maltese law by Regulation 19 of S.L. 545.35, requires Member States to establish one or more contact points to handle the whole permit-granting process for generators producing electricity from renewables (One-Stop-Shop). The Single Point of Contact guides through and facilitates the entire administrative permit application and granting process. The permit-granting process covers the relevant administrative permits to build, repower and operate plants for the production of electricity from renewable sources and assets necessary for their connection to the grid. The applicant shall not be required to contact more than one contact point for the entire process. The permit-granting process shall comprise all procedures from the acknowledgment of the receipt of the application to the outcome of the procedure to the applicant of all the authorities and entities involved. Applicants shall also be allowed to submit the documentation in digital form.

In accordance with regulation 19(10) of S.L. 545.35, the Regulator made available a manual of procedures providing guidance and assistance to users regarding different administrative permitting procedures. The REWS also met the 21st of November 2025 deadline as required by Regulation 19(9), by implementing the One-Stop-Shop platform allowing all permit-granting procedures to be carried out digitally. The aforementioned Manual of Procedures and One-Stop-Shop platform, as further detailed below, both contribute to facilitate the Single Point of Contact system.

As part of the implementation of the Single Point of Contact for Renewable Energy Permitting in Malta, a comprehensive Manual of Procedures was compiled to provide clear guidance to users navigating the administrative processes required for the installation and connection of renewable energy generation systems and energy storage systems.

The Manual outlines the full permitting procedure in a structured and accessible manner. It begins with the planning requirements, detailing any permits that may be needed from the Planning Authority. It then presents the procedures administered by the REWS, including notifications, authorisations, and licensing obligations. The document subsequently explains the processes undertaken through the REWS One-Stop Shop, followed by an overview of the applicable connection arrangements and available support schemes.

The Manual concludes with a description of the steps required to complete the final connection to the electricity grid. A dedicated webpage was developed to present the Manual of Procedures associated with the Single Point of Contact for renewable energy permitting. This webpage provides users with streamlined access to all relevant REWS resources and includes direct links to the webpages that govern the various permitting processes and comprehensive information on connection arrangements and available support schemes featured on the REWS website. By centralising these resources, the webpage enhances accessibility, improves user navigation, and supports a clear understanding of the requirements and steps involved in the permitting and connection of renewable energy systems in Malta.



One-Stop-Shop

The REWS was delegated with the provision of this one-stop-stop. A one-stop-shop digital platform was created, and the first applications were received in May 2024 as a pilot trial. Phase 1 of the platform was officially launched in June, 2024. The digital platform includes an online version of the Regulator's authorisation and notification paperwork procedure including the feed-in tariff request for PVs less than 40kW, RES installed for own use, the inclusion of additional capacity to existing systems and the RES authorisation to construct projects awarded through the ITB process.

The digital platform integrates the inputs/outputs of the process of the other authorities and entities involved in the RES generators granting process (Enemalta plc and ARMS Ltd). Applicants wishing to install a RES generator will use the platform for the whole permitting process up to the connection to the grid of the generator. During 2025, it became mandatory to use the One-Stop-Shop portal for new applications. Applications which had been initiated prior to the launch were processed through the former procedure.

During the same year, further development continued on Phase 2, which covers processes for requesting changes to existing installed renewable energy sources (RES). These changes include change of ownership, relocation, reduction in capacity, decommissioning, modification or extension of an existing photovoltaic (PV) installation, relocation of meters, and change in premises type. This phase is required for carrying out any modifications to existing RES installations. Phase 2 will also be extended to cover existing RES installations that were previously registered under the former procedure. In due course, all such records will be migrated to the new portal database.

A detailed step-by-step guide was developed to support individuals, companies, organisations, sole traders and voluntary organisations applying for a single permit via the REWS One-Stop-Shop platform for Renewable Energy Sources (RES) and Combined Heat and Power (CHP) installations. The guide is intended to assist applicants throughout the entire application lifecycle, from the initial submission of data and supporting documentation, through internal review and technical validation stages, to final approval and issuance of the permit.

Key elements covered in the guide include:

- Eligibility and scope of applications for RES and CHP permits.
- Required documents and data submission standards.
- Stepwise instructions for using the One-Stop-Shop platform (submission, editing, and resubmission).
- Internal processing steps, including administrative checks and technical validation.
- Typical timelines and decision points within the review process.
- Post-approval requirements and next steps for connection and compliance.

The guide improves user confidence and administrative efficiency by clarifying procedural expectations, reducing submission errors, and facilitating smoother interactions between applicants and REWS.

Regulatory Framework for Publicly Accessible EV Charging Infrastructure

The Publicly Accessible Electric Vehicle Charging Infrastructure Regulations (S.L.545.38) were published in September 2022 through Legal Notice 226 of 2022. This regulatory framework aims to regulate publicly accessible charging infrastructure to ensure that the EV users are provided with the required level of service.

The regulations introduce:

- the requirement to obtain an authorisation issued by the Regulator for Energy and Water Services for the operation of publicly accessible charging infrastructure. Any person wishing to act as an operator of publicly accessible charging infrastructure would need to obtain this authorisation, followed by the registration of each charging point once installed
- provisions concerning the electrical safety of the infrastructure, grid connection, metering, pricing, price display and data exchange
- provisions for ad hoc charging without the need of a contract, in line with Directive 2014/94/EU
- provisions for the possibility of having in place contract-based charging arrangements, in line with the requirements of Directive 2014/94/EU, and
- provisions for operators of publicly accessible charging points to offer roaming charging to users having a contract with other or different electric vehicle charging providers.

Since the entry into force of the Publicly Accessible Electric Vehicle Charging Infrastructure Regulations in 2022, a total of fourteen (14) applicants were issued with an authorisation to operate publicly accessible charging points. Four (4) of these authorisations were issued during the year under review (2025). Among other requirements, authorised providers are required to register the publicly accessible charging points operated by them. The number of charging points registered with the Regulator as at the end of 2025 totals to eighty-eight (88). Of these, seventy-two (72) points were registered during the year under review.

The REWS has been appointed to act as the Identification Registration Organisation (IDRO) as required by article 20 of the Alternative Fuels Infrastructure Regulation (AFIR). The IDRO shall be responsible to issue and manage unique identification codes to identify operators of recharging point and mobility service providers.

Scheme for the Registration of Training Courses leading to the Certification of Renewable Energy Systems Installers

EU Directive 2009/28/EC on the promotion of the use of energy from renewable sources establishes a requirement for Member States to provide means for registering the certification schemes of installers of renewable energy installations.

In line with Government Notice 404 in 2013, the Regulator for Energy and Water Services retains a register of approved course providers and certified installers. These registers are published on the Regulator's website. Similarly, in accordance with the requirements of the Energy Efficiency Regulations (S.L.545.33), the Regulator registers service providers of training courses for energy auditors and energy managers, together with lists of successful candidates attending these courses.

- There are two (2) persons registered as installers of photovoltaic systems in single phase
- There are nine (9) persons registered as installers of photovoltaic systems in both single phase and in three phase.

The certification for all the categories above is valid for five (5) years, following which, a refresher course must be applied for.

During the year under review, there were five (5) new Energy Auditors (non-buildings), while fourteen (14) others refreshed their certification for a total of one hundred and sixty five (165) active Energy Auditors.

Electrical Safety Regulation



Electricians who carry out electrical installation works falling within the scope of the Electrical Installations Regulations require an Authorisation A in the case of works on single phase installations and an Authorisation B in case of works on three phase installations respectively, both issued by the Regulator. These authorisations are issued to applicants having the required academic qualifications and relevant experience, and who are successful in the interview held for such purposes by an ad hoc Technical Committee established by the Regulator.

With the coming in force of LN 283 of 2024, warranted electrical engineers are also required to obtain an Authorisation to be able to design and certify electrical installations. Unlike Authorisation B holders who can certify installations of up to 300Amps, warranted electrical engineers holding an Authorisation B, have no such threshold. This requirement came in force after 30th June 2025.

Further to other amendments included in LN283 of 2024, the REWS has posted related explanatory information on its website and has produced a booklet which was sent to every Authorisation holder with the Authorisation renewal notice. This information addresses mainly the proper use of the earth fault protection with the appropriate type of device given the advanced technologies in equipment and electro domestic appliances with energy efficiency technology e.g. inverter technologies; as well as the setting of EV charging circuits in private garages and car spaces.

The Regulator maintains updated lists of Authorisation A and Authorisation B holders on its website for the information of the general public. These lists will permit verification of duly authorised personnel carrying out electrical installation. During 2025, there were:

- 110 new Authorisation A issued, bringing the total number of Authorisation A holders to 1,874 as at the end of 2025
- 94 new Authorisation B issued, bringing the total number of Authorisation B holders to 1,483 as at the end of 2025
- 106 applicants who were successful in the interview for Authorisation A out of 138 interviewed
- 104 applicants who were successful in the interview for Authorisation B out of 121 interviewed

In total, by the end of 2025, there were 1,874 Authorisation A holders and 1,700 Authorisation B holders, of which 133 are warranted electrical engineers. There were no valid applicants requesting either an Authorisation A or Authorisation B with an alternative foreign qualification other than a pass from the local Wireman Examinations. No applications were received from EU-MS candidates in 2025.

During 2025, the Regulator for Energy and Water Services received and addressed three issues related to alleged non-compliance to electrical installation regulations and standards. One issue was addressed with the respective Authorisation holder. The other two, related to works carried from an alleged un-authorised person, are still ongoing.

Licensing by Sector - Fuel Market

Market activities involving fuels for road and marine transport, electricity generation, heating, and other uses are governed by the regulatory frameworks outlined in the following subsidiary legislation:

- Natural Gas Market Regulations (Subsidiary Legislation 545.12)
- Biofuels and Bioliquids Market Regulations (Subsidiary Legislation 545.15)
- Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG and Primary Storage Facilities Regulations (Subsidiary Legislation 545.17)
- Liquefied Petroleum Gas Market Regulations (Subsidiary Legislation 545.20)
- Petroleum for the Inland (Retail) Fuel Market Regulations (Subsidiary Legislation 545.22)
- Bunkering (Authorisation) Regulations (Subsidiary Legislation 545.25)
- Autogas (Installation and Certification) Regulations (Subsidiary Legislation 545.26)

In 2025, the Regulator for Energy and Water Services (REWS) continued to issue authorisations and ensure compliance with the conditions stipulated in these regulations. Additionally, fuels utilised for road and marine transport, as well as for heating, commercial, and industrial applications, are subject to the Quality of Fuels Regulations (Subsidiary Legislation 545.18). Throughout the year, the Regulator actively monitored adherence to these provisions, reinforcing its commitment to maintaining standards across the fuel sectors.

Natural Gas Market Regulations

The Natural Gas Market Regulations (Subsidiary Legislation 545.12) stipulate that specific operations and activities within the natural gas market require a licence issued by the Regulator. These activities include:

- Operating as a storage system operator
- Operating as an LNG system operator
- Performing the functions of a distribution system operator
- Operating a direct line
- Supplying natural gas

In 2025, there were no new entrants into the natural gas market, and no new licences were issued under these regulations.

Table 14 provides an overview of active authorisations under the Natural Gas Market Regulations as at the end of 2025.

Table 14: Active authorisations under the Natural Gas Market Regulations

Total number of active licenses for the operation of a Storage System Operator and LNG System Operator

1

Biofuels and Bioliquids Market Regulations

The Biofuels and Bioliquids Market Regulations (Subsidiary Legislation 545.15) require biofuel and bioliquid operators intending to import, store, produce, blend, wholesale, or retail such products to obtain an authorisation or submit a notification to the Regulator. Specifically:

- An authorisation is mandatory if the annual volume of biofuel or bioliquid for these purposes exceeds 2,000 litres.
- A notification is sufficient if the volume does not exceed this threshold.

In 2025, the Regulator received an application for the importation of biofuel and this is currently under review. Moreover, there were no local producers of biofuels in Malta, resulting in no active authorisations being issued under these regulations. Instead, all biofuels required to meet the substitution obligation targets for transport fuels, as defined by Regulation 33 and the Sixth Schedule of the Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG and Primary Storage Facilities Regulations (Subsidiary Legislation 545.17), were imported.

The Regulator continued to oversee economic operators placing automotive fuels on the market, ensuring compliance with biofuel quality and sustainability obligations. Sustainability for all biofuel types is verified through an approved scheme as established by the Biofuels, Bioliquids and Biomass Fuels (Sustainability Criteria) Regulations (Subsidiary Legislation 545.37).

Furthermore, according to Regulation 4 (8) of the Biofuels, Bioliquids and Biomass Fuels (Sustainability Criteria) Regulations (S.L. 545.37), the suppliers of automotive fuel shall publish and keep up to date the information on the geographic origin and type of feedstock of the biofuels imported on their official website so that such information is made available to the consumer. Given that this information needs to be updated on an annual basis, the Regulator monitors the suppliers' official websites from time to time and reminds suppliers when revisions to published lists are necessary.

Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG and Primary Storage Facilities Regulations

The Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG, and Primary Storage Facilities Regulations (Subsidiary Legislation 545.17) establish the regulatory framework governing activities at the upstream level of the liquid fuels and Liquefied Petroleum Gas (LPG) markets. These regulations cover the importation and wholesale of fuels, as well as their storage in tank farms prior to distribution.

Under these provisions, the Regulator for Energy and Water Services is authorised to issue authorisations for the following activities:

- Importation and/or wholesale of petroleum
- Operation of primary storage facilities
- Bottling of LPG

Additionally, the regulations provide for the approval of competent persons responsible for primary storage installations, ensuring that these critical facilities adhere to safety and operational standards.

Authorisation for Import/Wholesale of Petroleum Products

The Regulator grants authorisations to operators seeking to import and or wholesale petroleum products within the country. These authorisations are issued for a validity period of six (6) years and are accompanied by specific conditions designed to ensure compliance with established safety, environmental, and market standards. This regulatory framework aims to promote a secure, efficient, and sustainable petroleum supply chain while encouraging fair competition within the sector.

In 2025, the Regulator received two (2) requests from operators in this field to renew their existing authorisation. One (1) authorisation for the importation and or wholesale of petroleum was renewed for an additional six-year period, and the other request is still being processed.

Authorisation for Primary Storage Facilities

The Regulator issues authorisations to operators intending to establish and operate primary storage facilities for petroleum products. These authorisations are valid for a period of thirty (30) years and include specific conditions to ensure compliance with safety, environmental, and market standards. This regulatory framework is designed to support a secure, efficient, and sustainable petroleum supply chain while fostering fair competition within the sector.

In 2025, the Regulator received one (1) application for transfer of a Primary Storage Facility and is currently under review. This site was classified as a COMAH site (falling under the scope of the Control of Major Accident Hazards Regulations). Moreover, during this period, the Regulator received a request to revoke one (1) authorisation because the installation was decommissioned.

As part of its ongoing monitoring program, the Regulator requires all existing authorised Primary Storage sites to submit inspection reports to ensure adherence to safety and environmental standards:

- COMAH sites (those falling under the scope of the Control of Major Accident Hazards Regulations) must provide inspection reports prepared by the COMAH competent authority.
- Non-COMAH sites are required to submit an annual inspection report prepared by an approved REWS-competent person.

These inspections are critical to maintaining high safety and environmental standards across all authorised storage facilities.

Authorisation for Bottling LPG

The Regulator issues authorisations to operators intending to bottle Liquefied Petroleum Gas (LPG). These authorisations are valid for a period of thirty (30) years. The current authorised sites are classified as COMAH sites (falling under the scope of the Control of Major Accident Hazards Regulations) and as such they must provide inspection reports prepared by the COMAH competent authority.

The Regulator did not receive any new requests from operators in this field during the year under review.

Competent persons in Primary Storage Installations

The Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG, and Primary Storage Facilities Regulations provides for the approval of competent persons responsible for primary storage installations. In order to obtain the necessary authorisation, one must:

- practise the profession of an *ingénieur* under the *Ingeniera Act*
- be suitably trained, has sufficient knowledge, experience and capability as approved by the Regulator to:
 - carry out assessment inspections of authorised facilities
 - supervise material alterations to authorised facilities
 - certify in writing that authorised facilities are being maintained and operated as prescribed in any authorisation conditions and, or guidelines and, or Codes of Practice duly approved by the Regulator
 - certify in writing the design, construction, testing and commissioning of equipment and, or sites intended to be designated by the Regulator as authorised facilities
 - carry out other work of a technical nature that is ancillary to the above.

The Regulator did not receive any new requests from engineers working in this field during the year under review.

Overview of active authorisations

Table 15 below provides an overview of active authorisations under the Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG, and Primary Storage Facilities Regulations as at the end of 2025.

Table 15: Active authorisations under the Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG, and Primary Storage Facilities Regulations

Importation and/or wholesale of petroleum	18
Operation of primary storage facilities	14
Bottling of LPG	2
Competent Persons in Primary Storages	11

Liquefied Petroleum Gas Market Regulations

The operations and activities related to the distribution, retail, and storage of Liquefied Petroleum Gas (LPG) are governed by the Liquefied Petroleum Gas Market Regulations (Subsidiary Legislation 545.20). Under these regulations, the Regulator for Energy and Water Services is authorised to grant approvals for the following activities:

- Retail of portable cylinders filled with LPG, including sales from fixed points of sale
- Operation of a fixed piped LPG network
- Operation of an autogas retail station
- Activity of a bulk LPG distributor

- Operation of a secondary LPG storage facility
- Competent Persons

LPG distribution from primary storage facilities and bottling plants can be conducted via bulk tankers or portable cylinders, with capacities ranging from 10kg to 25kg. Bulk tankers supply LPG to final consumers having secondary storage facilities and to autogas dispensing stations, which retail LPG for automotive propulsion. Additionally, the regulations include provisions for the approval of competent persons involved in LPG installations, ensuring safety and compliance with operational standards.

Authorisation for the Retail of Portable Cylinders filled with LPG, including Retail from a Fixed Point of Sale

Operators involved in the retail of portable cylinders filled with Liquefied Petroleum Gas (LPG), including those conducting retail activities from a fixed point of sale require an authorisation. The process ensures that retail operations comply with relevant safety, environmental, and market standards. By issuing authorisations, the Regulator aims to maintain a secure and efficient LPG distribution system while ensuring public safety and promoting fair competition within the sector. These authorisations are valid for a period of six (6) years.

In 2025, the Regulator for Energy and Water Services did not receive any new requests for authorisation for the distribution and retail of portable LPG cylinders by truck. Moreover, the Regulator received one (1) renewal of existing authorisation and five (5) requests for the revocation of existing authorisations.

Additionally, a number of authorised distributors requested amendments to their fleet of trucks used for LPG distribution. The Regulator approved the addition of six (6) new trucks.

In year 2025, the Regulator received one (1) application for the renewal of the authorisation for the retail of portable cylinders filled with LPG from a fixed point of sale. This request is currently being evaluated. The Regulator for Energy and Water Services continued to monitor the retail of portable LPG cylinders from fixed points of sale and a substantial effort was made to curb retail from unauthorised sites.

Authorisation for the Operation of an LPG Fixed Piped Network

An LPG Fixed Piped Network is a system of permanent pipes used to transport Liquefied Petroleum Gas (LPG) from a centralised storage facility to various distribution points, such as commercial or residential buildings. These networks are essential for large retail and commercial establishments, as they facilitate the installation of service meters for outlets drawing LPG from the centralised storage tank. Authorisations to operate such networks are granted for a period of twenty (20) years, ensuring compliance with the required safety, environmental, and regulatory standards.

In 2025, the Regulator for Energy and Water Services received one (1) new application for the operation of an LPG fixed piped network. During the same period, four (4) new authorisations were issued.

As in previous years, authorised operators were required to submit periodic inspection reports prepared by an approved REWS competent person to ensure compliance with safety requirements and the conditions of their authorisation. A random selection of these reports was subjected to detailed audits, with a particular focus on the implementation of corrective actions identified in previous inspections.

Authorisation for the Operation of an Autogas Retail Station

An Autogas Retail Station is a facility where Liquefied Petroleum Gas (LPG) is sold specifically for use as an automotive fuel. These stations provide LPG, commonly known as Autogas, to vehicles equipped with LPG conversion systems. The station typically includes the necessary infrastructure for refuelling vehicles, such as pumps and storage tanks; and in most cases, these are situated within existing fuel stations.

Authorisations to operate such stations are granted for a period of ten (10) years. The expansion in Autogas Stations enhances the availability of autogas, further supporting Malta's efforts to promote the use of alternative fuels in the automotive transport sector.

In 2025, the Regulator for Energy and Water Services did not receive any new applications for the operation of autogas retail stations.

Authorisation to carry out the Activity of a Bulk LPG Distributor

A Bulk LPG Distributor is an entity authorised to transport and supply Liquefied Petroleum Gas (LPG) in large quantities, typically using specialised vehicles or equipment designed for safe handling and delivery. These distributors play a critical role in the supply chain by delivering LPG to industrial facilities, commercial establishments, and centralised storage tanks.

Operations of bulk LPG distributors are regulated to ensure compliance with safety, environmental, and market standards, safeguarding public safety and promoting efficient energy distribution. Authorisations for Bulk LPG are valid for a period of six (6) years.

In 2025, the Regulator for Energy and Water Services did not receive any new applications for authorisations to distribute LPG in bulk by road tankers.

Authorisation to Operate an LPG Secondary Storage

LPG Secondary Storage refers to facilities designed to store Liquefied Petroleum Gas (LPG) in smaller quantities compared to primary storage facilities. These facilities act as intermediate storage points, typically located closer to end-users such as commercial or residential areas. LPG Secondary Storage systems ensure a steady and reliable supply to smaller distribution networks, including fixed piped systems. Authorisations for Secondary Storage of LPG are valid for a period of ten (10) years.

In 2025, the Regulator for Energy and Water Services continued to monitor existing authorisations and process new applications for the operation of Liquefied Petroleum Gas (LPG) secondary storage systems (including bulk tanks and interconnected cylinders) in compliance with the Liquefied Petroleum Gas Market Regulations and the LPG Codes of Practice.

Most installations in this sector involve bulk LPG tanks with a storage capacity exceeding 150kg of LPG or six (6) or more interconnected portable LPG cylinders.



During the year, the following key actions were carried out:

- 27 new applications were submitted
- 22 clearance letters were issued to applicants, allowing them to proceed with obtaining a development permit from the Planning Authority
- 9 authorisations were issued to new sites after applicants met all required criteria and installed an LPG secondary storage in accordance with the Codes of Practice
- 10 authorisations were revoked because the LPG secondary storage installations were either decommissioned, transferred or converted to fixed piped network installations.

Approval to practise as a Competent Person in the LPG Market

The Liquefied Petroleum Gas Market Regulations (Subsidiary Legislation 545.20) provides for the approval of competent persons responsible for Secondary Storage installations. In order to obtain the necessary approval, one must:

- practise the profession of an *ingénieur* under the *Ingenieria Act*
- be suitably trained, has sufficient knowledge, experience and capability as approved by the Regulator to:
 - carry out assessment inspections of authorised facilities
 - supervise material alterations to authorised facilities
 - certify in writing that authorised facilities are being maintained and operated as prescribed in any authorisation conditions and, or guidelines and, or Codes of Practice duly approved by the Regulator
 - certify in writing the design, construction, testing and commissioning of equipment and, or sites intended to be designated by the Regulator as authorised facilities
 - carry out other work of a technical nature that is ancillary to the above.

In 2025, the Regulator received two (2) new requests from Competent persons in the LPG market. These were eventually granted. The Regulator also received and granted one (1) application for renewal.



Overview of active authorisations

Table 16 provides an overview of active authorisations under the Liquefied Petroleum Gas Market Regulations (Subsidiary Legislation 545.20) as at the end of 2025.

Table 16: Active authorisations under the Liquefied Petroleum Gas Market Regulations

Retail of portable cylinders filled with LPG	35
Retail of portable cylinders filled with LPG from a Fixed Point of Sale	6
Fixed Piped Networks	24
Autogas Retail Stations	8
Bulk LPG Distributors	4
Secondary Storages	416
Competent Persons	18

Petroleum for the Inland (Retail) Fuel Market Regulations

The Petroleum for the Inland (Retail) Fuel Market Regulations (Subsidiary Legislation 545.22) govern the operations and activities related to the distribution, retail, and storage of liquid fuels at consumer facilities. Under these regulations, the Regulator for Energy and Water Services may grant authorisations for the following activities:

- The operation of a petroleum filling station
- The operation of a secondary storage facility for petroleum (excluding LPG)
- The activity of a fuel distributor
- Competent Persons

The distribution of liquid fuels, including petrol (EN 228), diesel (EN 590), kerosene, and gasoils, from primary storage facilities is carried out by bulk tankers, which are registered under the authorisations granted to fuel distributors. These tankers deliver fuel to final consumers with secondary storage facilities and to petroleum filling stations. The regulations also provide for the approval of competent persons overseeing the operation of petroleum filling stations and liquid fuel secondary storage facilities, ensuring compliance with safety and operational standards.

Authorisation to operate a Petroleum Filling Station (Retail).

A Petroleum Filling Station is a specialised facility that supplies motor vehicles with petroleum-based fuels such as petrol and diesel. These stations are integral to transportation systems, offering safe and efficient refueling services for private, commercial, and public vehicles.

Typically, a petroleum filling station is equipped with fuel dispensers connected to underground storage tanks that store different types of fuels. These tanks are designed with safety measures to prevent leaks and environmental contamination. The dispensers are calibrated to deliver precise quantities of fuel, ensuring accuracy and transparency for customers. Authorisations for Petroleum Filling Stations are valid for a period of ten (10) years.

Throughout 2025, the Regulator continued to monitor the asset replacement program at existing filling stations. This program aims to upgrade the stations to meet the required standards and specifications outlined in the Guidance for the Design, Construction, Modification, Maintenance, and Decommissioning of Filling Stations, published by the Association of Petroleum Engineers (APEA) and the Energy Institute (EI). The Regulator also worked closely with the Planning Authority, the Environment and Resources Authority, and other relevant authorities to streamline permitting procedures for these refurbishments.

In recent years, several authorised providers of petroleum filling stations, as well as suppliers of related equipment, have requested approval for the installation of temporary sites to continue operation during the asset replacement program. These requests are addressed on a case-by-case basis, with careful consideration given to public health and safety.

As per the regulations, authorised providers of petroleum filling stations are required to submit an annual inspection report to the Regulator for Energy and Water Services (REWS), prepared by an REWS-approved competent person. A random selection of these reports was audited in detail during 2025, with particular focus on the implementation of corrective actions proposed in previous reports.

Key activities during 2025 included:

- The transfer of one (1) authorisation to a different authorised provider
- The renewal of two (2) authorisations
- The commissioning of two (2) petroleum filling stations following the completion of their asset replacement programs
- The approval granted to three (3) stations to embark on the asset replacement program
- The completion of refurbishment works by fifty (50) stations.

Additionally, the Regulator attended the annual APEA Conference in Milton Keynes, UK, where forecourt and fuel installation owner-operators gathered to network and engage with industry-leading suppliers.

Authorisation to operate a Petroleum Filling Station (Commercial)

Commercial petroleum filling stations are facilities that dispense automotive fuel but are not accessible to the general public. These stations are typically located on premises owned by entities with significant vehicle fleets, such as car rental companies. Authorisations for Petroleum Filling Stations are valid for a period of ten (10) years.

Throughout 2025, the Regulator maintained its commitment to process applications for these installations and provide guidance to prospective applicants.

During the year, the Regulator received seven (7) new applications and issued three (3) new authorisations for the operation of commercial petroleum filling stations. Additionally, the Regulator issued four (4) notice letters to applicants who met all technical and design criteria. These letters are integral to the consultation process with the Planning Authority for obtaining a Development Permit. Once the permitting process is finalised, and the site is constructed and commissioned, the Regulator issues the necessary authorisation to commence operations. Furthermore, two (2) unauthorised commercial sites were decommissioned.

In 2025, the Regulator also continued to revisit previously submitted applications that had stalled due to incomplete follow-ups by applicants. A number of inspections were conducted over the year to assess the

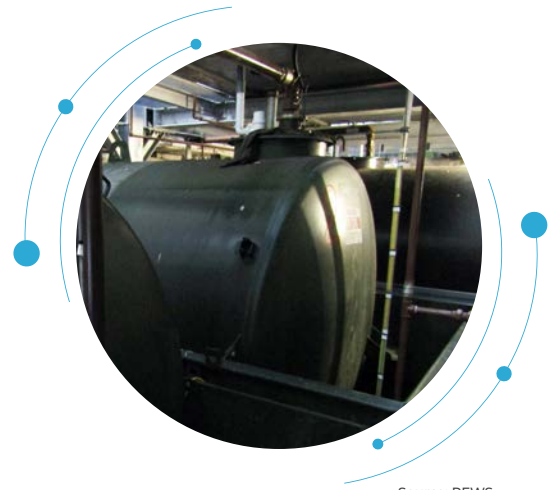
status of these installations. These inspections aimed to determine whether the sites had been constructed and were operational. For sites found to be operational, further details were requested, and assistance was provided to guide operators in regularising their position. In cases where operators failed to cooperate, the Regulator initiated enforcement actions to address non-compliance.

Authorisation to Operate a Secondary Storage Facility of Petroleum

Secondary storage facilities of petroleum refer to installations that store liquid fuels for exclusive use, which are not classified as primary storage facilities. These facilities typically serve industrial, commercial, or domestic purposes.

The following are the key regulations for secondary storage facilities of petroleum:

- Class 1 fuels (e.g. petrol, with a flash point below 21°C) are only allowed if the total volume stored does not exceed 300L
- Class 2 or Class 3 fuels (with flash points ranging from 21°C to 55°C, and above 55°C, respectively) require:
 - Notification to the Regulator if the total volume is between 300L and 3,000L
 - An authorisation from the Regulator if the volume exceeds 3,000L.



Source: REWS

Secondary storage facilities do not include storage for dispensing automotive fuel and the validity of the authorisation is four (4) years.

In 2025, the Regulator received the following applications and processed the associated approvals and notifications:

- Sixty-One (61) new applications were received, which included:
 - Eighteen (18) applications for the granting of authorisations
 - Thirty-Five (35) notification applications
 - Eight (8) applications for renewal of authorisation
- Fifteen (15) facilities were authorised
- Eleven (11) notification applications were processed and added to the Notifications Database
- Three (3) authorisations were renewed
- Eight (8) applications received clearance to proceed with obtaining a Planning Authority Permit before the issuance of the REWS authorisation
- Three (3) sites were decommissioned.

This process ensures that secondary storage facilities meet safety and regulatory standards based on the fuel type and storage volume.

Authorisation to Carry out the Activity of a Fuel Distributor

Fuel distributors play a critical role in the supply chain by transporting and delivering fuel to various endpoints, such as filling stations, industrial facilities, and other consumers. The authorisation process ensures that distributors comply with safety, quality, and environmental standards, maintain proper storage and handling practices, and adhere to all legal and operational requirements. This framework is designed to promote reliability, accountability, and safety within the fuel distribution sector. Authorisations for Fuel Distributors are valid for a period of six (6) years.

During the year under review, the Regulator continued to oversee the distribution and retail of liquid fuel through the issuance of authorisations to operate as fuel distributors, as established by the Petroleum for the Inland (Retail) Fuel Market Regulations. The authorisations for fuel distribution processed in 2025 are summarised as follows:

- Three (3) new authorisations were issued
- Three (3) authorisations were renewed for a further six-year period
- Six (6) requests for fleet expansions were received from six (6) existing authorised providers.

Competent persons in the Inland (Retail) Fuel Market

The Petroleum for the Inland (Retail) Fuel Market Regulations provides for the approval of competent persons responsible for Secondary Storage installations and Petroleum Filling Stations. In order to obtain the necessary approval, one must:

- practise the profession of an *ingénieur* under the *Ingenieria Act*
- be suitably trained, has sufficient knowledge, experience and capability as approved by the Regulator to:
 - carry out assessment inspections of authorised facilities
 - supervise material alterations to authorised facilities
 - certify in writing that authorised facilities are being maintained and operated as prescribed in any authorisation conditions and, or guidelines and, or Codes of Practice duly approved by the Regulator
 - certify in writing the design, construction, testing and commissioning of equipment and, or sites intended to be designated by the Regulator as authorised facilities
 - carry out other work of a technical nature that is ancillary to the above.

Overview of active authorisations

Table 17 provides an overview of active authorisations under the Petroleum for the Inland (Retail) Fuel Market Regulations (Subsidiary Legislation 545.22) as at the end of 2025.

Table 17: Active authorisations under the Petroleum for the Inland (Retail) Fuel Market Regulations

Petroleum Filling Station (Retail / Commercial Sites)	79
Secondary Storages (Liquid Fuel)	27
Fuel Distributors	30
Competent Persons	15

Bunkering (Authorisation) Regulations

The Bunkering (Authorisation) Regulations (Subsidiary Legislation 545.25) outline the regulatory framework governing bunkering operations and activities, including the importation, wholesale, and retail of fuels. The following activities require authorisation from the Regulator for Energy and Water Services:

- Operating a marine fuel station equipped with dispensers located near the shoreline and intended exclusively for ships
- Loading, discharging, and transferring fuels between a bunker barge, marine terminal, marine facility, or a combination thereof, and a receiving ship, where the fuels are designated for the ship's propulsion or machinery
- Loading, discharging, and transferring fuels between a road tanker and a receiving ship.

Authorisation for the operation of a marine fuel station through dispensers operated in the proximate vicinity of the shoreline and operating exclusively for ships

These facilities provide fuel dispensing services exclusively for ships and are situated near the shoreline to facilitate efficient fuelling. The authorisation process ensures that such stations comply with stringent safety and environmental standards, given the unique risks associated with marine fuelling activities. Key requirements include robust infrastructure for fuel storage and dispensing, adherence to maritime safety protocols, and the implementation of measures to prevent marine pollution. This regulatory approach aims to support safe and reliable refuelling operations while safeguarding coastal and marine environments. Authorisations for such activities are valid for ten (10) years.

In 2025, the Regulator received an application for authorisation to operate a marine retail station. After reviewing and verifying the technical documentation, the Regulator issued the required clearance letter to proceed.

Authorisation for the loading, discharging and transferring of fuels between a bunker barge or a marine terminal or a marine facility or any two or more of the preceding, and a receiving ship where those fuels are for fuelling the same ship or its machinery

These facilities provide fuel dispensing services exclusively for ships. Applicants must demonstrate adherence to strict operational procedures, the use of approved equipment, and the implementation of measures to prevent fuel spills and other environmental hazards. This process aims to ensure safe, efficient, and environmentally responsible fuel transfer operations, maintaining the integrity of maritime and coastal ecosystems.

Bunkering by barges

In 2025, marine fuel suppliers submitted requests to update their operational fleet by adding or removing barges based on work demand. One (1) company holding a bunkering barge authorisation was found not to have any barges actively conducting bunkering operations within Maltese territorial waters. The Regulator promptly engaged with the authorised provider to address this issue, which was successfully resolved.

Coincidentally, this same company had an authorisation nearing expiry and submitted its renewal application well before the deadline. Following a thorough review, the Regulator approved and renewed the bunkering barge authorisation.

Furthermore, throughout 2025, the Regulator conducted verification exercises on the Bunker Delivery Notes (BDNs) submitted by all Marine Fuel Suppliers (MFSs). This exercise was undertaken in response to the increased interest shown by the organisers of the sulphur committee in monitoring these documents.

The purpose of this exercise was to check that Bunker Delivery Notes or Bunker Delivery Receipts (BDRs) from all Authorisation holders are:

- stored in an organised manner
- retrievable in a reasonable timeframe
- showing the correct details of the marine fuel supplier, and
- not representing any other company or doing foreign company's work on their behalf or showing details of foreign companies.

All checks resulted in compliance.

Bunkering from a Marine Terminal

Throughout 2025, the Regulator received an application to apply for a marine terminal by a new company for an existing site. The previous owner stopped operations from this marine terminal in 2023. The Regulator is communicating with the applicant to submit its final documentation.

Authorisation for the loading, discharging and transferring of fuels between a road tanker and a receiving ship

In 2025, the Regulator did not receive any new applications for authorisations concerning the loading, discharging, or transfer of fuels between road tankers and receiving vessels. However, one (1) authorisation expired during the year and is currently undergoing the renewal process.

During the same period, several authorised operators applied to expand their bunkering fleets, resulting in a total of eight (8) requests to add vehicles under existing authorisations.

The Regulator maintained active oversight of these authorisations to ensure adherence to regulatory requirements. This included conducting multiple inspections during shoreline bunkering operations involving road tankers. These inspections covered the full scope of activities, including instances where multiple tankers supplied the same vessel, and involved fuel sampling where deemed necessary.

Overview of active authorisations

Table 18 provides an overview of active authorisations under the Bunkering (Authorisations) Regulations as of the end of 2025.

Table 18: Active authorisations under the Bunkering (Authorisations) Regulations

Authorisation for the operation of a marine fuel station	1
Loading, discharging and transferring of fuels between a bunker barge or a marine terminal or a marine facility or any two or more of the preceding, to a receiving ship where those fuels are for fuelling the same ship or its machinery	8
Loading, discharging and transferring of fuels between a road tanker and a receiving ship	12

Autogas (Installation and Certification) Regulations

The Autogas (Installation and Certification) Regulations (Subsidiary Legislation 545.26) stipulate the following:

- Only a competent person may supervise or certify autogas equipment or retrofit systems
- Any work on autogas installations must be carried out either by a competent person or under their continuous supervision.

According to these regulations, a "competent person" is defined as an individual approved by the Regulator who:

- Holds a Malta Qualification Framework level 4 (or higher) qualification in a related engineering field
- Has undergone appropriate training, and
- Possesses sufficient knowledge, experience, and skills in gas technology to perform, supervise, and certify work related to autogas installations, including retrofitting.

In 2025, no new approvals for competent persons in autogas retrofitting were issued by the Regulator for Energy and Water Services. As at end 2025, there were a total of six (6) approved retrofitters.

Licensing by Sector - Water

Apart from granting a license to water utilities to supply water through a network, the Water Supply and Sewerage Services Regulations (Subsidiary Legislation 545.14) also establish the regulatory framework for water suppliers by road tanker. Under these regulations, the following activities require a licence from the Regulator for Energy and Water Services:

- Supplying water to customers via water tankers
- Supplying water for own use via water tankers.

Licence to supply water by water tanker

During 2025, four (4) new licences to supply water by water tanker to customers were issued by the Regulator. The Regulator continued to monitor compliance to licence conditions and to investigate complaints when there are alleged breaches to licence conditions.

Overview of active authorisations

Table 19 provides an overview of active authorisations under the Water Supply and Sewerage Services Regulations as of the end of 2025.

Table 19: Supply of Water by Water Tanker

Licences for the supply of water by water-tanker for commercial purposes	78
Licences for the supply of water by water-tanker for own use	36

Monitoring

Quality of Fuel for Automotive use

The quality of automotive diesel and unleaded petrol is monitored throughout the year to ensure compliance with the standards outlined in the Quality of Fuels Regulations (S.L. 545.18), which transpose Article 8 of Directive 98/70/EC (Fuel Quality Directive). These fuels must meet the specifications set by SM EN 590 (diesel) and SM EN 228 (unleaded petrol).

Malta offers two grades of unleaded petrol:

- Unleaded petrol with a minimum RON 95, the primary grade
- Unleaded petrol with a minimum RON 98, which holds a market share of less than 10% of RON 95 petrol.

The automotive market provides only one diesel grade, with a biodiesel content capped at 7% (v/v).

Fuel Sampling and Monitoring

Fuel sampling follows the European Standard EN 14274 monitoring system. Due to Malta's small size, it is classified as a single region and adopts Model C, designed for small, non-regional markets. Sampling requirements are:

- A minimum of fifty (50) samples per fuel grade annually
- A minimum of five (5) samples for fuel grades with a market share below 10%.

Malta adheres to normal seasonal periods:

- Winter period: 1st January – 30th April and 1st October – 31st December
- Summer period: 1st May – 30th September.



Samples are collected throughout the year, including during transition periods. However, unleaded petrol samples collected during the transition period are excluded from the Fuel Quality Monitoring System (FQMS). All samples are tested by an independent laboratory, following the methods specified in SM EN 590 and SM EN 228. Certificates of quality are issued to the Regulator within six days of sample delivery.

Reporting Obligations

By the 31st August each year, Malta submits its annual Fuel Quality Report to the European Commission, as required by Article 8(a) of the Fuel Quality Directive. The report includes statistical data such as mean, standard deviation, and compliance of results for all monitored parameters. The 2025 report (covering 2024 results) was submitted before the deadline.

Fuel Sampling

In 2025, REWS compliance officers lifted the following samples from petroleum-filling stations in Malta and Gozo:

- Diesel: 102 samples
- Unleaded petrol RON 95: 103 samples
- Unleaded petrol RON 98: 5 samples

These were distributed as follows:

- Summer period: 51 diesel, 52 RON 95, and 2 RON 98 samples.
- Winter period: 51 diesel, 51 RON 95, and 3 RON 98 samples.

Results

All samples complied with the quality standards set by SM EN 590 and SM EN 228. No exceedances were observed.

Tables 20, 21 and 22 that follow display a summary of the parameters analysed, the range of the results and the percentage compliance to the quality standards for year 2025.

Table 20: Fuel Quality results for parameters tested for in automotive diesel

Parameter	Limits of Compliance		Range in values in samples lifted during 2025		% Compliance
	Minimum	Maximum	Minimum	Maximum	
Cetane number	51.0	-	51.80	62.20	100
Density at 15°C (kg/m)	820.0	845.0	822.20	834.70	100
Distillation – 95% (v/v) recovered (°C)	-	360.0	347.40	358.10	100
Polycyclic aromatic hydrocarbons (%m/m)	-	8.0	1.50	4.10	100
Sulphur Content (mg/kg)	-	10.0	2.80	9.90	100
Fatty Acid Methyl Ester (FAME) content (%v/v)	-	7.0	<0.05	0.28	100

Table 21: Fuel Quality results for parameters tested for in automotive unleaded petrol RON 95

Parameter	Limits of Compliance		Range in values in samples lifted during 2025		% Compliance
	Minimum	Maximum	Minimum	Maximum	
Research Octane number	95.0	-	95.1	96.3	100
Motor Octane number	85.0	-	85.0	85.9	100
Vapour pressure, summer period (kPa)	-	60.0	51.9	60.0	100
Distillation					
Percentage evaporated at 100°C (0%v/v)	46.0	-	51.3	63.4	100
Percentage evaporated at 150°C (0%v/v)	75.0	-	84.7	90.6	100
Hydrocarbon analysis					
Olefins (%v/v)	-	18.0	1.5	16.6	100
Aromatics (%v/v)	-	35.0	26.3	34.0	100
Benzene (%v/v)	-	1.0	0.56	0.9	100
Oxygen content (%m/m)		3.7	<1.5	<1.5	100
Oxygenates					
Methanol (%v/v)	-	3.0	<1.05	<1.05	100
Ethanol (%v/v)	-	10.0	<0.5	2	100
Iso-propyl alcohol (%v/v)	-	12.0	<0.1	<0.1	100
Tert-butyl alcohol (%v/v)	-	15.0	<0.1	1.06	100
Iso-butyl alcohol (%v/v)	-	15.0	<0.1	<0.1	100
Ethers containing five or more carbon atoms per molecule (%v/v)	-	22.0	<0.1	7.9	100
Other oxygenates (%v/v)	-	15.0	<0.8	3.88	100
Sulphur content (mg/kg)	-	10.0	0.5	10	100
Lead content (mg/l)	-	5.0	<2.5	<2.5	100
Manganese (mg/l)	-	2.0	<1	2	100

Table 22: Fuel Quality results for parameters tested for in automotive unleaded petrol RON 98

Parameter	Limits of Compliance		Range in values in samples lifted during 2024		% Compliance
	Minimum	Maximum	Minimum	Maximum	
Research Octane number	95.0	-	99.00	99.70	100
Motor Octane number	85.0	-	87.80	88.70	100
Vapour pressure, summer period (kPa)	-	60.0	55.90	59.70	100
Distillation					
Percentage evaporated at 100°C (0%v/v)	46.0	-	52.00	55.70	100
Percentage evaporated at 150°C (0%v/v)	75.0	-	84.30	86.80	100
Hydrocarbon analysis					
Olefins (%v/v)	-	18.0	9.60	16.20	100
Aromatics (%v/v)	-	35.0	30.50	33.80	100
Benzene (%v/v)	-	1.0	0.59	0.83	100
Oxygen content (%m/m)	-	3.7	<1.5	<1.5	100
Oxygenates					
Methanol (%v/v)	-	3.0	<1.05	<1.05	100
Ethanol (%v/v)	-	10.0	<0.5	<0.5	100
Iso-propyl alcohol (%v/v)	-	12.0	<0.1	<0.1	100
Tert-butyl alcohol (%v/v)	-	15.0	<0.1	<0.1	100
Iso-butyl alcohol (%v/v)	-	15.0	<0.1	<0.1	100
Ethers containing five or more carbon atoms per molecule (%v/v)	-	22.0	<0.1	7.30	100
Other oxygenates (%v/v)	-	15.0	<0.8	<0.8	100
Sulphur content (mg/kg)	-	10.0	4.4	9.5	100
Lead content (mg/l)	-	5.0	<2.5	<2.5	100
Manganese (mg/l)	-	2.0	<1	<1	100

Quality of fuels used in marine vessels and on land for purposes other than for automotive use

The Sulphur Directive (Council Directive 1999/32/EC, as amended by Directive 2012/33 and codified in Directive (EU) 2016/802) sets limits on the sulphur content of liquid fuels used in marine vessels and for non-automotive purposes on land. In Malta, these requirements have been transposed into national law through the Quality of Fuels Regulations (Subsidiary Legislation 545.18).

Monitoring Programme for fuels used in marine vessels

As required by these regulations, the Regulator for Energy and Water Services (REWS) maintains an inspection and monitoring programme. This programme focuses on:

- National maritime transport vessels operating within Malta
- Larger vessels governed by the MARPOL convention that arrive in Malta from both EU and non-EU ports.

The monitoring programme adheres to the Commission Implementing Decision (EU) 2015/253, which outlines detailed inspection requirements.

Inspections

Inspections involve two key components:

- Fuel Sampling and Testing:
 - Fuel samples are taken from the main engine tanks to measure sulphur content.
- Document Review:
 - Verification of records related to fuel purchase, storage, and usage.

Sulphur Content Limits

The regulations enforce strict sulphur content limits for marine fuels:

- Ships berthed at a port must not use Marine Gasoil (MGO) with a sulphur content exceeding 0.10% by mass.
- For vessels navigating the high seas, until the 30th April 2025, the maximum sulphur content for Very Low Sulphur Fuel Oil (VLSFO) is capped at 0.50% by mass.
- From 1st May 2025 onwards, for vessels navigating the high seas, the maximum sulphur content for Very Low Sulphur Fuel Oil (VLSFO) is capped at 0.10% by mass. This change was brought about by the introduction of the MED SO_x ECA¹ under the Commission Implementing Decision (CID) (EU) 2015/253.

From this same Commission Implementing Decision, it follows that the percentage rate of vessel sampling increased - from twenty-nine (29) in 2024 to thirty-six (36) vessels in 2025. On the other hand, the number of minimum vessels to be inspected increased from ninety-seven (97) in 2024 to hundred and one (101) in 2025.

This monitoring ensures compliance with both EU and international maritime environmental standards. In 2025, the Regulator conducted sulphur inspections on hundred and four (104) vessels, surpassing the annual quota of hundred and one (101) inspections. During these inspections, forty-nine (49) Marine Gasoil (MGO) samples and fourteen (14) Very Low Sulphur Fuel Oil (VLSFO) samples were collected, amounting to a

¹ Mediterranean Sulphur Dioxide Emission Control Area

total of sixty-three (63) samples. The fuel types sampled included those used at berth and on the high seas.

Most inspections were carried out at Valletta and the Malta Freeport in Marsaxlokk. Notably, all fuel samples collected for MGO (0.10%), ULSFO 0.10% and VLSFO (0.50%) complied with the prescribed sulphur content limits.

Throughout the year the Regulator continued to report the results of these inspections on the online reporting tool THETIS-EU². For those minor details which could not be reported through normal THETIS-EU inputs, a template created by the European Maritime Safety Agency (EMSA) in 2019 was used to supply the additional data required in a systematic manner. The template with the data for the year 2024 was submitted to the Commission before the 30th June 2025 deadline.

Monitoring programme for fuel for non-automotive purposes used on land

In 2025, REWS compliance officers conducted routine inspections at industrial, commercial, and domestic sites operating secondary storage facilities for petroleum products. These included establishments such as hotels, laundries, and bakeries. Thirty-two (32) diesel or gas oil fuel samples were collected for sulphur content analysis.

The collected samples were analysed by an independent laboratory, which reported certificates of quality to the Regulator. The analysis confirmed that the sulphur content in all samples was below the maximum allowable limits of 0.1%.

The report for the results for samples collected for the year 2024 was submitted to the European Commission before the 30th June 2025 deadline. Malta made use of the common reporting sheet which aims to harmonise the way in which the data is collected from all Member States.

The number of samples collected for both monitoring programmes, along with their average sulphur content, is detailed in Table 23 below.

Table 23: Results of the sulphur content in fuel samples collected from inland storages that store fuels other than those used for automotive purposes and from marine vessels.

Test	No of Samples Lifted	Source	Average (%)	Comments
Sulphur content in Gasoil determined by EN ISO 8754	32	Liquid Fuel Storage Facilities	0.031	(maximum allowable limit of or 0.10%); no non-conformities
Sulphur content in Fuel Oil determined by EN ISO 8754	0	Liquid Fuel Storage Facilities	0	(maximum allowable limit of 1.00%); No samples of Fuel oil were encountered during inspections at these type of sites during 2025**
Sulphur content in Marine Gasoil and Ultra Low Sulfur Fuel Oil determined by EN ISO 8754	49	Vessels (Marine)	0.063	(Maximum allowable limit of 0.10%); no non-conformities
Sulphur content in Very Low Sulfur Fuel Oil determined by EN ISO 8754	14	Vessels (Marine)	0.432	(Maximum allowable limit of 0.50%) No non-conformities

² THETIS-EU is a platform, hosted and managed by EMSA, that supports the implementation of a wide spectrum of EU maritime legislation. THETIS-EU was first introduced to record and exchange the results of individual compliance verifications performed by Member States under the Sulphur Directive. Since then, the platform has evolved to support other EU legislative instruments.

IMO Member State Audit Scheme

The International Maritime Organization (IMO) Member State Audit Scheme (IMSAS) audited Malta during 2024. This Audit mainly concerned Port State and Flag State inspections as well as to determine whether Directives were being adhered to. The Regulator for Energy and Water Services was involved, together with a number of other local entities.

During this exercise, the auditors requested clarification and approval of the IMSAS interim report on a particular REWS-related finding. The Regulator offered assistance to the Authority for Transport in Malta (TM) as a follow-up to this Audit. It transpired that the recommendation which was agreed upon post-audit had already been brought into effect by REWS. Indeed, the Regulator periodically checks the IMO online portal for any letters of protest or complaints made against marine fuel suppliers that have a valid REWS authorisation, as well as a bunker operator permit from TM.

Workshop on Alternative Fuels and Power Solutions for Shipping and Ports

During the first week of November 2025, the European Maritime Safety Agency (EMSA) invited Member States in Lisbon to discuss in further detail the implementation of the sulphur directive. Member States having a part or their full coastline in the Mediterranean Sea spoke about the changes brought about the Mediterranean Sulphur Dioxide Emission Control Area, due to the maximum limit of Sulphur established at no more than 0.10% since the 1st May 2025.

The Commission gave an update on foreign NGOs reporting issues of pollution. The inspection and sampling obligations brought about the Commissioning Implementing Decision EU 2015/253 were revised. The Risk-Based Targeting Mechanism which was a tool designed by the EMSA with Member States involvement, was introduced to the whole group by the EMSA and DG-Environment Unit within the EU Commission and approved by the Sulphur Committee in the March 2025 meeting in Brussels. The Regulator also took part in this meeting.

EMSA provided an update to all Member States about the final testing of this system, aimed at improving vessel targeting, and set to come into effect in early 2026. The system contains a number of in-built risk factors, each with a given weighting. With this method, any Sulphur Inspector can log on to the online portal THETIS-EU and view a list, automatically generated by the RBTM software indicating those vessels in ports nearby, which are more likely to be non-compliant or polluting.

Ongoing National Study on the implementation of a NO_x Emission Control Area (NECA) in the Mediterranean Sea

The Working Group on the Mediterranean Nitrous Oxide Emission Control Area (NECA), headed by the Environment and Resources Authority (ERA), conducted a series of meetings throughout 2025. The REWS attended these sessions, most of which were held online. The stakeholders in this working group are the MFIN, TM – Ports and Yachting, the MEEC, Malta Enterprise and REWS.

A study on the Mediterranean NO_x ECA health and Socio-Economic Impact Assessment on Malta was prepared by a private company and forwarded to the working-group in April 2025. The report:

- outlined the scope of MARPOL Annex VI Regulation 13
- examined the typology of vessels entering Malta's ports and projects their growth and degree of compliance with MARPOL Annex VI Regulation 13 standards up to the year 2050

- reviewed global and regional, political and industry developments
- estimated the incremented shipping costs from the Mediterranean's NO_x ECA designation
- evaluated the impact on Maltese enterprises and the effect on households
- contextualised these impacts within broader policies, and
- concluded by summarising the socio-economic effects and identifying opportunities for proactive adaptation.

Vessels are being divided into three tiers according to their age. The report mentions vessels employing new technologies such as LNG, those undergoing modification to use the Exhaust-Gas Recirculation and others using Selective Catalytic Reduction. Other fuels such as biomethane, hydrogen and ammonia were also mentioned within the report. REWS professionals evaluated the report and provided input, during the meetings, where applicable.

An online survey, evaluating the potential impacts of a NO_x emission Control Area and other environmental regulations on the tourism sector in the Mediterranean, was also circulated among the members of the Group, including professionals from REWS. Its aim was to assist in the formulation of official replies to Policy researchers headed by the Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea (REMPEC).

Monitoring of Authorisations

Throughout 2025, the Regulator for Energy and Water Services (REWS) continued to implement a variety of monitoring programmes to ensure that Authorised Providers are complying with the conditions set out in their authorisations and licences. Given the significant variation in authorised activities, the monitoring programmes are tailored to each authorisation type and regulatory requirement. These programmes include:

- Periodic inspection reports compiled by approved REWS competent persons for fuel installations
- Data collection and analysis from authorised providers. This includes regular data, such as certifications verifying the sustainability of biofuels, or data collected during specific investigations into alleged infringements by authorised providers
- On-site inspections to verify compliance
- Collection of fuel samples for analysis.

Authorised providers or persons operating fuel installations are required to submit periodic inspection reports prepared by approved REWS competent persons. These reports ensure that installations are properly maintained and safe for use.

The Regulator conducts audits on a random selection of reports from petroleum filling stations, liquid fuel secondary storages, and LPG secondary storages, and may request clarifications or take enforcement action as needed. For primary storage facilities and LPG bottling plants, COMAH reports or inspection reports from competent persons are required to verify that safety standards are maintained in line with industry's best practices. The report from an approved REWS competent person is also requested when installations fall outside the scope of COMAH regulations.

Table 24 on the next page lists the inspections and site visits that were performed in 2025 by the Regulator for Energy and Water Services, including inspections performed on unauthorised sites.

Table 24: Type and number of inspections and site visits performed during 2025

Inspection Type		Number of Inspections/ Samples
Electricity and Renewable Energy Sources	Photovoltaic Panels	25
Fuels	Retail of portable LPG cylinders – Monitoring of Authorisation conditions	11
	LPG Storages, including fixed piped networks - Monitoring of Authorisation conditions, unauthorised sites and third-party complaints	140
	Petroleum Filling Stations – Monitoring of Authorisation conditions and third-party complaints	22
	Liquid Fuel Storage Facilities – Monitoring of Authorisation conditions, unauthorised sites and third-party complaints	131
Water	Swimming Pools	43
Fuel Quality	Collection of samples for the Fuel Quality Monitoring System (Automotive)	210
	Inspections on marine vessels	104
	Collection of samples from Secondary Storage Facilities (Liquid non-automotive Fuels)	32
	Monitoring of bunkering operations	23

In cases of alleged infringements which could potentially breach regulations falling under the responsibilities of different regulatory bodies, the Regulator's compliance officers perform inspections in liaison with enforcement officers from these entities. These entities included the Police Department, the Customs Department, the Authority for Transport in Malta, the Environment and Resources Authority, the Environmental Health Department and the COMAH Competent Authority.



Enforcement

Throughout 2025, the Regulator for Energy and Water Services (REWS) continued to take enforcement action as deemed necessary in cases of:

- Non-compliance with authorisation/licence conditions or applicable regulations
- Performing regulated activities without the required authorisation
- Infringements related to fuel quality.

These cases were identified either through the Regulator's monitoring programmes designed to ensure compliance or via complaints received from various sources, including customers of authorised providers, competing authorised providers, or the general public.

In some instances, REWS officials were supported by the Police Force during inspections. These situations typically involved reports initiated by the Police Force or, in rare cases, when there was resistance to the inspection.

Breaches of Authorisation Conditions and Directions by Authorised Providers

In 2025, the Regulator issued a number of final warning letters to authorised providers of bulk LPG storage facilities for breaches of authorisation conditions related to technical issues and authorisation fees. While the majority of these cases were resolved, legal action was initiated against those who continued to disregard conditions, thereby compromising public safety.

Throughout the year, eleven (11) inspections conducted on distributors of portable LPG cylinders revealed several minor infringements, all of which were promptly addressed and rectified to meet the required specifications.

Cases of Performing a Regulated Activity without the relevant Authorisation

The Regulator continued to receive complaints regarding alleged unauthorised storage of liquid fuels and liquefied petroleum gas (LPG).

In cases where the installation was found to be unregistered or unauthorised by the Regulator, a site inspection was conducted. If the allegations were confirmed, the owners were contacted and instructed to cease the unauthorised activity immediately and to regularise their position. This involved commissioning a technical report from an approved REWS competent person and seeking official approval from the Regulator.

Infringements regarding Fuel Quality

During 2025, the Regulator continued to monitor fuel usage in marine vessels. This monitoring was carried out by reviewing all fuel-related documents and collecting samples of Marine Gasoil (MGO) and Very Low Sulphur Fuel Oil (VLSFO) where necessary. Inspections ensured that the MGO used while at berth did not exceed the 0.10% sulphur limit, while VLSFO samples consistently showed sulphur content below the 0.50% limit.

Regarding secondary storage of liquid fuels, commercial and industrial businesses underwent sampling,

with all fuel samples tested at a local laboratory. In these cases, the sulphur content was always below the 0.10% limit, with many businesses now using cleaner fuel, typically containing less than 0.03% sulphur.

All the automotive fuels that were sampled and tested during 2025 were within specifications.

Infringements regarding Documentation Checks during Bunkering Operations and Sulphur Inspections

As part of its monitoring programme under the Quality of Fuels Regulations, the Regulator oversees the documents generated during bunkering operations, as well as the fuel logs maintained on board vessels. Occasionally, infringements are identified in the completion and upkeep of these documents. To address these non-compliances, the Regulator has issued two decisions that enable the imposition of administrative fines on marine fuel suppliers, vessel masters, and shipping companies.

Several administrative fines were issued under Decision 5 of 2021³ for infractions as listed below:

- Incorrect filling in of the BDN with respect to recording of time, missing date, and incorrect IMO number, as well as
- Missing MARPOL samples and seal numbers, lack of label and/or seal on the sampling bottle/s and missing details of samples

In each case above the traceability of each bunkering operation had been compromised and the Regulator had to resort to administrative fines collectively amounting to €4,250 as per Regulator's Decision 5 of 2021⁴.

There were another five vessels where a minor non-compliance was discovered by REWS sulphur inspectors. As a follow-up to the internal investigations carried out, a decision was taken not to issue an administrative fine in these cases. Instead, the Regulator sent out emails to the vessel Captains/vessel management so that they could rectify the situation and make sure that such infringements do not occur again.

In one of the cases outlined above, part of the responsibility was attributed to the local marine fuel supplier. Consequently, a separate fine was imposed on this supplier in accordance with the Regulator's Decision 4 of 2021⁵.

Furthermore, there were two cases during 2025 where foreign vessels complained against two separate Maltese fuel suppliers. The issues were either reported directly to the REWS or else these were forwarded by Transport Malta. In both cases, REWS launched an investigation where information was requested from the reporting party. The Regulator wrote to the marine fuel suppliers to ask for their version of events.

In both cases, the marine fuel suppliers did not agree to the position described by the reporting vessels. One case was resolved as the Captain of the vessel had no further comments and did not report any damage to the ship's engine. In the second case, no further comments were received from the reporting vessel.

³ Decision 5 of 2021: Application of administrative fines to any person in charge of a vessel due to absent MARPOL samples and/or absent documentation and/or any incomplete information on certain documentation

⁴ Decision 5 of 2021: Application of administrative fines to any person in charge of a vessel due to absent MARPOL samples and/or absent documentation and/or any incomplete information on certain documentation.

⁵ Decision 4 of 2021: Application of administrative fines to marine fuel suppliers due to missing information on certain documentation and related bunkering non-conformities.



Support to Government, Sectoral Coordination and Reporting



REGULATOR FOR
ENERGY & WATER
SERVICES

from the date of the REWS's certification

Support to Government, Sectoral Coordination and Reporting

Supporting Government Schemes Promoting Renewable Energy

In alignment with Article 5 (2) of the Regulator for Energy and Water Services (REWS) Act, REWS provides essential support through grants that encourage energy production from renewable sources and promote energy efficiency. These schemes are designed to alleviate financial barriers for investors and represent a significant contribution towards reducing the island's reliance on fossil fuels.

In 2025, REWS continued to administer and launch several grant schemes aimed at promoting renewable energy and improving water services. These included:

2025/RES Scheme

The RES Scheme is administered by the Regulator for Energy and Water Services to further encourage the better use of the renewable energy being generated by the country. This scheme is funded through national funds and applies to private individuals (natural persons) for use in their residential properties.

The scheme provided for a Grant percentage and maximum grant of:

- Option A - PV system with standard solar inverter: 50% of eligible costs up to a maximum of €2,500 per system and €625/kWp
- Option B – PV system with hybrid inverter: 50% of eligible costs up to a maximum of €3,000 per system and €750/kWp
- Option C – Hybrid/Battery inverter and battery: 80% of eligible costs of the Battery Storage up to a maximum of €7,200 per system and €720/kWh plus 80% of eligible costs of the Hybrid inverter up to a maximum of €1,800 per system and €450/kWp
- Option D – Battery Storage only: 80% of eligible costs of the Battery Storage up to a maximum of €7,200 per system and €720/kWh.

When applying for Option B, one could also apply for Option D.

For options C and D, when the installation is located in Gozo, the battery grant component increased to 95% of eligible costs of the Battery Storage up to a maximum of €8,550 per system and €855/kWh.



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2025/WH Scheme

The Water Heaters grant scheme is administered by the Regulator for Energy and Water Services to encourage the use of energy efficient water heating equipment in the domestic sector. This scheme is funded through national funds and applies to private individuals (natural persons) for use in their residential properties. Technologies considered as eligible under this scheme are solar water heaters, heat pump water heaters and boiler plus panels.

The scheme provided for a Grant percentage and maximum grant of:

- Option A: 50% of the costs of the boiler plus panels themselves, including VAT, and capped at €700.
- Option B: 75% of the costs of the Solar Water Heater itself, including VAT, and capped at €1,400. An additional grant of €500 will be provided after five (5) years to cover the maintenance costs against a receipt issued by the supplier.
- Option C: 50% of the costs of the Heat Pump Water Heater itself, including VAT, and capped at €1,400.

2018/DW Scheme

The Domestic Cisterns Restoration grant scheme is administered by the Regulator for Energy and Water Services to further encourage the harvesting and use of rainwater in the domestic sector. This scheme is funded through national funds and applies to private individuals (natural persons) for use on their residential properties.

The scheme provided for a Grant percentage and maximum grant of 50% of the total eligible costs of restoration works, including VAT, plus 100% of certification costs, including VAT, up to a maximum of €1,000. Eligible certification costs will be capped at €100.

2023/RIDG Scheme

The Roof Insulation (retrofitting) and Double Glazing (retrofitting) grant scheme is administered by the Regulator for Energy and Water Services to encourage the use of systems that reduce the consumption of energy in the domestic sector. This scheme is funded through national funds and applies to private individuals (natural persons) for use on their residential properties.

The scheme provided for a Grant percentage and maximum grant of 50% of the total eligible, including VAT, and capped at €1,000 for Retrofitted Roof Insulation and 50% of the total eligible, including VAT, and capped at €1,000 for Retrofitted Double Glazing.

2024/RO Scheme

The Water Purification grant scheme is administered by the Regulator for Energy and Water Services to reduce the use of plastic containers utilised for bottling water, by reverse osmosis or reverse osmosis with reject water return. This scheme is funded through national funds and applies to private individuals (natural persons) for use on their residential properties.

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The scheme provided for a Grant percentage and maximum grant of:

- RO Wave: Reverse Osmosis System. 15.25% on the purchase price and installation of Reverse Osmosis equipment subject to a maximum grant of €100.
- RO Recycle: Reverse Osmosis System with reject water return. 40% on the purchase price and installation of Reverse Osmosis with reject water return subject to a maximum grant of €300.

2025/TW scheme

The Tap Water Scheme grant scheme is administered by the Regulator for Energy and Water Services to reduce the use of plastic containers utilised for bottling water, by using activated carbon filters. This scheme is funded through national funds and applies to private individuals (natural persons) for use on their residential properties. The scheme provided for a Grant percentage and maximum grant of 60% on the purchase price and installation of Water Filtration System equipment subject to a maximum grant of €100.

2025/Vulnerable household scheme

Following the launch of the Tap Water Scheme in March 2025, and the water quality harmonisation by the Water Services Corporation (WSC), Government decided to support vulnerable households to broaden the effort to enhance the use of potable water in residential settings by providing easier access to water filtration systems. The scheme is designed to fully cover the costs of approved active carbon filtration equipment, thus eliminating the financial barrier for households seeking to implement such systems.

As from 1st July 2025, eligible vulnerable households began receiving personalised vouchers entitling them to obtain an approved activated carbon water filter, free of charge, from any registered retailer, up to a maximum value of €100.



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Payments

Through these schemes, REWS continued to champion efforts that supported environmental sustainability and energy efficiency, fostering long-term benefits for both investors and the community.

The table below outlines all the payments that were made in year 2025 in relation to all schemes that were administered by REWS:

Table 25: Payments made in year 2025 in relation to all schemes that were administered by REWS

Scheme	Technology	Number of Payments	Total Payment, €
2025/RES	Battery Storage Only	277	2,193,488.30
	Hybrid/Battery Inverter and Battery	351	3,131,801.94
	PV System with Hybrid Inverter	43	119,516.93
	PV System with Hybrid Inverter and Battery Storage	260	2,640,409.52
	PV System with Standard Solar Inverter	2	4,695.00
2024/RES	Battery Storage Only	362	2,599,519.64
	Hybrid/Battery Inverter and Battery	225	1,878,038.86
	PV System with Hybrid Inverter	157	449,506.56
	PV System with Hybrid Inverter and Battery Storage	349	3,468,307.40
	PV System with Standard Solar Inverter	1	2,330.50
2025/TW	Water Filtration Equipment	1,916	154,361.53
2025/Vulnerable Households	Activated Carbon Filters - Vouchers	2,176	216,924.00
2025/WH	Heat Pump Water Heater	54	59,794.91
	Solar Water Heater	218	302,821.73
2024/RO	RO Recycle: Reverse Osmosis System with Reject Water Return	2,834	550,352.56
	RO Wave: Reverse Osmosis without Reject Water Return	713	41,905.67
	Water Guard: Water Filtration System	384	25,245.81
2023/RIDG	Retrofitted Double Glazing	367	340,200.03
	Retrofitted Roof Insulation	17	14,314.53
2018/DW	Restoration of domestic wells	78	63,694.45

Reporting

Market Monitoring and Reporting

Pursuant to Article 59(1)(i) of Directive (EU) 2019/944 and Article 41(1)(e) of Directive 2009/73/EC, the Regulator is required to prepare and submit, by 31 July each year, an annual monitoring report on Malta's electricity and natural gas sectors. The report presents the principal developments and energy service indicators for the preceding calendar year and is submitted to the European Commission, the Agency for the Cooperation of Energy Regulators (ACER) and the Council of European Energy Regulators (CEER).

This 2025 edition primarily covered developments that occurred during the year 2024 and provided an overview of, inter alia, the status of local generation capacity (both fossil-fuelled and renewable), trends in electricity and natural gas demand, network regulation (including tariffs, losses, reliability and security of supply), the status of existing and planned national energy infrastructure, and related regulatory activities, including promotion of renewables and consumer protection.

The report is available on the Regulator's website – <https://www.rews.org.mt/energy-resources/>

Combined Heat and Power (CHP) Report

During 2025, the Regulator for Energy and Water Services prepared the Annual Report based on statistics on the national electricity and heat production from cogeneration, in compliance with the requirements of Regulation 24 of the Energy Efficiency and Cogeneration Regulations (Legal Notice 196 of 2014). This report was forwarded to the Ministry for the Environment, Energy and Public Cleanliness.

Reporting to International Associations

The REWS reported information related to electricity, natural gas markets, and renewable energy in Malta as requested by international associations and by European Regulatory entities such as CEER, ACER and MEDREG.

Table 26: List of Questionnaires and Reports related to the electricity and natural gas, to which the Regulator contributed information

Questionnaire/Report Name	Entity	Submission date
2025 NECP report progress achieved	EWA	13/02/2025
2024 Mediterranean Electricity Market Observatory	MEDREG	24/02/2025
Questionnaire on Distribution Network Development Plans	ACER	18/03/2025
Security of Supply questionnaire 2024	ACER	26/03/2025
Retail Market Monitoring Report 2025	ACER	14/04/2025
Questionnaire on Power Purchase Agreements	ACER	17/05/2025
Questionnaire on Target Organisation and REMIT Implementation	CEER	15/06/2025
Energy theft data question	University of Warsaw	18/06/2025
Quality of Supply questionnaire	CEER	27/06/2025

Table 26 (continued):

Questionnaire/Report Name	Entity	Submission date
Grid connection challenges	CEER	31/07/2025
Study on Energy Subsidies 2025	EU Commission	04/08/2025
Questionnaire on REMIT II implementation	EU Commission	26/09/2025
Questionnaire on Unsupported Renewable Energy Sources	CEER	20/10/2025
Questionnaire on electricity DSO revenues and incentives	ACER	28/11/2025
NRAs collaboration and communication questionnaire	ACER	25/11/2025
Exchange of Experiences on Alternative Dispute Resolution	CEER	04/12/2025

In particular, the office of the Regulator contributed information for the following reports published by European Regulatory Associations during the year 2025. These are available on the websites of the respective entities:

- ACER - CEER 2025 Monitoring Report - Rewarding flexibility: How retail contract choice can help unlock consumer flexibility (27 November 2025)
- ACER 2025 Monitoring Report – Security of EU Electricity Supply (20 November 2025)
- CEER Report on NRAs' Approach to DSO Flexibility Procurement (7 November 2025)
- ACER - CEER Guidance on electricity distribution network planning (28 July 2025)
- CEER Report on the Status Review of Renewable Support Schemes in Europe for 2022 and 2023 (15 July 2025)
- ACER 2025 monitoring of projects of common interest and projects of mutual interest (16 May 2025)
- ACER 2025 Report on network tariff practices (26 March 2025)
- CEER Report on Regulatory and Consumer Considerations for Decentralised Energy Opportunities (25 March 2023)
- MEDREG National Electricity Systems and Regional Overview (March 2025)
- MEDREG Mediterranean Energy Regulatory Outlook – 2024 (March 2025)
- MEDREG Accounting Unbundling, The First Step Towards Energy Market Integration (March 2025)
- 3rd CEER Report on Power Losses (11 February 2025)

Substitution Obligation and Sustainability Criteria of Biofuels in Automotive Fuels

Reports on the Substitution Obligations and Sustainability Criteria of Biofuels

Regulation 33 and the Sixth Schedule of the Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG, and Primary Storage Facilities Regulations (S.L. 545:17) mandate authorised importers and/or wholesalers of automotive fuel to incorporate a minimum biofuel content in the petroleum products placed on the market. The specific minimum biofuel content for the years 2021–2030 is outlined in the Sixth Schedule, which also restricts the use of biofuels derived from food and feed crops, as well as high ILUC (Indirect Land Use Change) risk biofuels associated with the expansion of production areas into land with high-carbon stock.

The Substitution Obligation specifies the required biofuel content to be blended into petroleum products as a percentage of the total energy content of the petroleum. For 2024, the minimum sustainable biofuel content was 11.5%, with 0.5% of that share met by advanced biofuels. The percentages for 2025 are set at 12% and 1%, respectively.

Advanced biofuels are defined as those produced from feedstocks listed in Part One of the Eighth Schedule, including biomass from industrial waste unsuitable for use in the food or feed chain, as well as palm oil mill effluent.

The Regulator requires authorised automotive fuel importers to submit an independently audited annual report, confirming the accuracy, reliability, and fraud protection of their systems. The data from these reports, covering the preceding year, is submitted to the Energy and Water Agency and may also be requested by other entities, such as the National Statistics Office.

In 2024 two (2) types of sustainable biofuels were placed on the market:

- Hydrotreated Vegetable Oil (HVO), produced from:
 - Used cooking oil (Schedule 8, Part Two (a) of S.L. 545.17)
 - Palm oil mill effluent (Schedule 8, Part One (g) of S.L. 545.17)
- Forest processing residue biofuel, produced from:
 - Forest processing residues (Schedule 8, Part One (d) of S.L. 545.17)

These biofuels were certified as sustainable under the Biofuels, Bioliquids, and Biomass Fuels (Sustainability Criteria) Regulations (S.L. 545.37) through certificates issued by the International Sustainability and Carbon Certification (ISCC), a voluntary scheme recognised by the EU Commission. The energy content of these biofuels is counted twice towards the Regulation 33 biofuel energy share targets.

According to the audited reports submitted by the importers, the total Substitution Obligation for 2024 was 11.7%. Of this, 6.9% was advanced biofuel. No biofuel share placed on the market was derived from high ILUC risk biofuels. It was confirmed that all the targets as specified by the regulation, were met.

Classification of biofuels and biofuel feedstocks

It is within the competence of the Regulator to determine whether biofuels and biofuel feedstocks fall under the categories listed in the Eight Schedule Part One or Part Two of the Petroleum for the Inland (Wholesale) Fuel Market, Bottling of LPG and Primary Storage Facilities Regulations (Subsidiary Legislation 545.17) and to categorise them accordingly.

Importers of automotive fuel communicate with the Regulator on any new biofuel feedstock which is intended to be placed on the market for the fulfilment of Regulation 33 of the above-mentioned legislation. If such biofuel feedstock is not directly listed under these Schedules, a thorough assessment on its sustainability characteristics is carried out.

This year no queries were received by the Regulator on new feedstocks and there were no requests for clarifications on existing feedstocks. The Regulator continued to closely follow the news group related to wastes set up by the Renewable Fuels Regulators Club (REFUREC) for insight on EU Member States' approaches regarding classification of new feedstocks and biofuels.

Consultations

The REWS is actively engaged in the ongoing provision of feedback and expert consultation to a wide range of entities, in particular the Ministry for Environment, Energy and Public Cleanliness and the public bodies under its responsibility. Within its remit and areas of technical expertise, the Regulator contributes analysis, comments and recommendations on legislative proposals, policy documents and strategic initiatives. Through this continuous input, the REWS supports evidence-based decision-making and helps to shape Malta's position on energy and water issues across a variety of topics.

Consultations with the Planning Authority

As in previous years, the Regulator for Energy and Water Services was requested to provide consultation services on various development applications submitted to the Planning Authority. In 2025, the Regulator received one hundred and eighteen (118) consultation requests from the Planning Authority: ninety (90) from the Planning Development Directorate and twenty-eight (28) from the Planning Control Directorate. The majority of these requests concerned fuel installations or installations related to electricity generation, particularly the installation of photovoltaic panels.

Consultations with the Environment and Resources Authority

Additionally, the Regulator was consulted on applications received by the Environment and Resources Authority (ERA) for operational environmental permits and Environmental Impact Assessments (EIAs). This included consultations on applications for Integrated Pollution Prevention and Control (IPPC) permits. In total, the Regulator received six (6) consultation requests on IPPC permits. All documentation received was thoroughly reviewed, and, where necessary, communications on issues within the Regulator's remit were exchanged with ERA and/or the operators.

Consultations with Importers and Bunkering Operators

The Renewable Energy Directive (Directive (EU) 2018/2001), known as the RED II, introduced a binding share of at least 14% of renewable fuels within the final consumption of energy in road transport to be achieved by 2030. The directive has been revised by the amending Directive (EU) 2023/2413 (RED III). The directive now calls for a binding share of at least 29% of renewable fuels and renewable electricity within the final consumption of energy in all transport modes to be achieved by 2030 (which can also be expressed at 14.5% reduction in greenhouse gas intensity).

The Regulator, in collaboration with the Energy and Water Agency, organised stakeholder meetings with fuel importers and bunkering operators to present relevant amendments currently being transposed in the national legislation as a result of the changes and new provisions in RED III and to collect valuable feedback from operators.

Some other changes envisaged in the national legislation include the capping of the share of biofuels produced from food and feed crop when used in the transport sector and the setting up of a credit mechanism system for renewable electricity used to charge electric vehicles and renewable fuels released for consumption. The latter is a new provision introduced by Article 25(4) of RED III.



Participation in International Fora



Participation in International Fora



Agency for the Cooperation of Energy Regulators - ACER

The Agency for the Cooperation of Energy Regulators (ACER) (<http://www.acer.europa.eu>) is established under the Regulation (EU) 2019/942. The aim of the Agency is to promote cooperation among National Regulatory Authorities (NRAs) of EU Member States in order to foster a fully integrated and well-functioning Internal Energy Market, where electricity and gas are traded and supplied according to the highest integrity and transparency standards, and EU consumers benefit from a wider choice, fair prices and greater protection. For this purpose, ACER works with European Institutions, NRAs and various stakeholders.

ACER has an advisory role towards the EU institutions with respect to policy development; it intervenes with recommendations to solve problems between national regulatory authorities and contributes to the creation of common European codes (Network Codes). It monitors the work of the European Network of Transmission System Operators (ENTSOs) and supervises the general functioning of the gas and electricity markets, and in particular the operation of wholesale energy trading.

Different bodies manage ACER's policy and activities. The Administrative Board is responsible for the Agency's governance as well as all administrative and budgetary activities, The Board of Regulators, composed of senior representatives of the EU Member States' regulatory authorities, is in charge of the regulatory policy and overseeing all the activities connected to ACER's mission. The ACER Working Groups advise the ACER Director and the Board of Regulators on the regulatory activities of the Agency. The Working Groups are composed of representatives of ACER, national regulators, and the European Commission.

During the year 2025, REWS representatives participated in meetings of the following ACER bodies:

- ACER Board of Regulators
- ACER Electricity Working Group
- ACER Gas Working Group
- ACER Electricity Infrastructure Task Force
- ACER Gas Infrastructure Task Force
- ACER Joint Infrastructure Task Force
- ACER Security of Supply Task Force
- ACER Cybersecurity Task Force
- ACER Cybersecurity Benchmarking Project Team.



Council of European Energy Regulators - CEER

The Council of European Energy Regulators (CEER) (<https://www.ceer.eu>), is a voluntary association that gathers European national energy regulatory authorities (NRAs).

Through CEER, national regulators cooperate at EU level and speak with one voice globally. CEER supports its NRA Members/Observers in their daily responsibilities, sharing experience and developing regulatory capacity and best practices. It does so by facilitating expert working group meetings, hosting workshops and events, supporting the development of regulatory papers, and through our in-house Training Academy.

In terms of policy, CEER actively promotes an investment friendly, harmonised regulatory environment and the consistent application of existing EU legislation. A key objective of CEER is to facilitate the creation of a single, competitive, efficient and sustainable Internal Energy Market that works in the public interest. CEER's work in shaping the energy regulatory framework and policy for energy markets to thrive is important not only in its own right but also because energy plays a pivotal role in the growth, competitiveness and sustainability of the entire European economy.

During the year 2025, REWS representatives attended meetings of the following CEER bodies:

- CEER General Assembly
- CEER Electricity Working Group
- CEER RES Working Stream
- CEER Gas Working Group
- CEER Customer and Retail Markets Working Group
- CEER Distribution Systems Working Group
- CEER Energy Quality of Supply Workstream
- CEER Cybersecurity Workstream
- CEER Gas Security of Supply Workstream.

Energy Regulators' Forum - ERF

The Energy Regulators' Forum is a body composed of senior representatives from all EU energy regulatory authorities, established to coordinate and formalise joint decisions and common positions at EU level. Its main purpose is to ensure transparent cooperation and, where required, unanimous agreement among regulators on strategic issues affecting the functioning of the EU internal energy market, including coordinated enforcement actions and common interpretations of EU legislation. ERF decisions are expressed through unanimously endorsed coordinated position papers, which are then implemented by each regulatory authority at national level.

The REWS, through its representatives on the ACER Board of Regulators and the CEER General Assembly, actively participates in the work of the ERF.



The Association of Mediterranean Energy Regulators – MEDREG

The Association of Mediterranean Energy Regulators (MEDREG) (<http://www.medreg-regulators.org>) was set up in 2006 as a working group, and in 2007 as an association. It is an EU-funded project and now counts members from twenty-three (23) countries spanning the European Union, the Balkans, and the MENA region. It aims to promote the achievement of a consistent, harmonised, and investment-friendly regulatory framework aimed at providing maximum benefits to energy consumers of the Mediterranean region. MEDREG's role is crucial to guarantee the existence of permanent collaboration between the Energy Regulatory Authorities of the Northern and the Southern shore of the Mediterranean.



Source: MEDREG

In the year 2025, a REWS representative held the post of vice-chair of the MEDREG Institutional Working Group. REWS actively participated in the 39th and 40th General Assembly meetings of MEDREG, and the various meetings related to the MEDREG Institutional Working Group.

Electricity Coordination Group

The Electricity Coordination Group provides a high-level platform for strategic exchanges on electricity policy between EU Member States, national regulatory authorities, ACER, ENTSO-E and the European Commission. It is convened several times each year, on a flexible basis, whenever there is a need for strategic discussion on key developments in the electricity sector, and complements the more technical exchanges between Member State experts that take place within the Cross-border Committee. Through this format, the Group helps to promote a coordinated approach to the implementation of EU electricity legislation, the functioning of the internal electricity market and the security of electricity supply.

The REWS participates in the Electricity Coordination Group as Malta's national regulatory authority, providing input on national regulatory developments and challenges. Participation in the Group also enables REWS to stay informed about emerging regulatory trends and initiatives at EU level, which supports the consistent and timely implementation of European requirements within the Maltese electricity sector.

Electricity Cross-border Committee - ECBC

The Electricity Cross-Border Committee brings together specialists from national energy ministries and regulatory authorities to support the European Commission in the development and implementation of Network Codes and Guidelines affecting European cross-border electricity networks. It is convened by the Commission during the drafting process of these legal instruments and serves as a technical forum to discuss proposals, assess their impacts, and ensure that national perspectives and practical regulatory considerations are adequately reflected.

The Regulator participates in the Electricity Cross-Border Committee as Malta's national regulatory authority. Through this involvement, the REWS provides input on the specific characteristics and needs of the Maltese electricity system, contributes to discussions on market integration and system operation, and follows closely the evolution of EU rules governing cross-border electricity trade. This participation helps to ensure that new Network Codes and Guidelines are implemented in Malta in a consistent and timely manner.

The European Electricity Regulatory Forum

The European Electricity Regulatory Forum is a platform established by the European Commission to facilitate discussions among electricity regulators, stakeholders, and industry players within the European Union's electricity market. Its primary objective is to promote cooperation, share knowledge, and address key issues related to the development, integration, and functioning of the EU's electricity market.

The forum serves as a space for discussions on regulatory practices, market design, infrastructure development, and policy initiatives aimed at ensuring the efficiency, security, and sustainability of the electricity sector across Europe. It also provides a platform for stakeholders to exchange best practices, identify challenges, and propose solutions to foster the transition towards a more integrated, competitive, and decarbonized electricity market.

A REWS representative participated in the 40th European Electricity Regulatory Forum meeting that took place on the 12th and 13th of June 2025 in Florence, hosted by the Italian regulator. The documents discussed during this meeting, as well as conclusions, are publicly available at the following electronic address: https://energy.ec.europa.eu/events/40th-european-electricity-regulatory-forum-2025-06-12_en.

NCCS Competent Authorities Workshops

The Network Code on Cybersecurity (NCCS), established by Commission Delegated Regulation (EU) 2024/1366, is an EU-wide set of sector-specific rules on cybersecurity for cross-border electricity flows, directly applicable in all Member States. Its objectives are to strengthen the cyber resilience of critical energy infrastructure and services, ensure a consistent and high level of cybersecurity across the EU electricity system, and establish a regular cybersecurity risk assessment framework aligned with existing mechanisms such as the NIS2 Directive.

In Malta, the office of the Regulator as the national regulatory authority for energy, is currently acting as the temporary competent authority for the implementation of the NCCS, until a dedicated authority is formally designated. To fulfil these responsibilities and to ensure effective coordination and the exchange of best practices, REWS has been actively participating in workshops organised by the European Commission, which bring together all designated and interim competent authorities. Through this involvement, the REWS contributes to, and benefits from, joint discussions on implementation approaches, compliance monitoring, and integration of cybersecurity requirements into the operation of the national electricity systems.

AIB Disclosure Platform

The AIB (Association of Issuing Bodies) has established an informal working group, the Disclosure Platform, which brings together competent disclosure bodies from across the EU, EEA and the Energy Community. The platform provides a framework for regular, informal exchanges about disclosure practices. The Disclosure Platform serves as a forum for knowledge sharing, discussion of best practices and the promotion of international harmonisation of energy disclosure (electricity and, separately, renewable and low-carbon gas, in conformity with Directives (EU) 2019/944 and (EU) 2024/1788), in particular with respect to the share of different energy sources and their environmental impact.

Within this framework, the REWS participates in the AIB Disclosure Platform as Malta's body responsible for the supervision of electricity disclosure, in accordance with regulation 5(a) of the First Schedule of the Electricity Regulations (S.L. 545.34). By taking part in the platform's activities, the office of the Regulator

contributes to and benefits from the exchange of experiences and emerging best practices, helping to ensure that the Maltese disclosure regime remains consistent with European developments. Participation also supports REWS in enhancing transparency for consumers, improving the robustness and comparability of disclosure information, and aligning national methodologies and processes with evolving European standards.

Gas Coordination Group

The Gas Coordination Group acts as an advisory body to the European Commission, facilitating the coordination of security of gas supply measures, particularly in the event of a Union-wide or regional emergency. It is the main forum consulted by the Commission in the preparation and revision of Preventive Action Plans and Emergency Plans. The Group monitors the adequacy and appropriateness of measures implemented under Regulation (EU) 2017/1938 and serves as a platform for the exchange of information relevant to security of gas supply at national, regional and EU level.

The office of the Regulator participates in the Gas Coordination Group as Malta's national regulatory authority. Through its involvement, the Regulator contributes to discussions on security of gas supply, presents the Maltese perspective and specificities, and follows EU-level developments closely to support the timely and consistent implementation of gas security of supply measures in Malta.

Gases Committee

The Committee on the implementation of common rules on the transport, distribution, supply and storage of gases ("Gases Committee") is an advisory and examination committee established under Directive (EU) 2024/1788 and Regulation (EU) 2024/1789 on the internal market for renewable gas, natural gas and hydrogen. It assists the European Commission in preparing and adopting implementing acts related to the organisation and functioning of gas and hydrogen markets, including rules on transport, distribution, supply and storage. Through structured agendas, formal opinions and, where necessary, votes by Member State representatives, the Gases Committee promotes coherent application of EU law, supports market integration, and facilitates the transition towards renewable and low-carbon gases across the Union.

Within this framework, the REWS participates in the Gases Committee as Malta's national regulatory authority, contributing regulatory expertise and national perspectives. The office of the Regulator monitors and analyses proposals for implementing acts, intervening to safeguard security of supply, consumer protection, and fair competition. Participation in the Gases Committee enables REWS to ensure that Malta's specific realities are duly taken into account in EU decision-making and to align the national regulatory framework with evolving European requirements in a timely and efficient manner.

The European Gas Regulatory Forum

The European Gas Regulatory Forum gathers key stakeholders across the European energy sector to discuss opportunities and challenges related to the further development and decarbonisation of the internal EU gas market and to its integration with other energy sectors.

The participants include national regulatory authorities, EU national governments, the European Commission, transmission system operators, gas suppliers and traders, consumers, network users, and gas exchanges. The forum is organised once or twice a year in Madrid, and for this reason is also known as the Madrid Forum.

The REWS participated in the 39th Gas Regulatory Forum meeting that took place on the 22nd and 23rd May 2025. The main focus of the 39th Madrid Forum was the situation of the current EU gas market and its future developments, including affordability, security of supply, implementation of new gas and hydrogen legislation, and regulatory changes such as network code revisions and cross-border tariffs. The documents and conclusions presented and discussed during this meeting are publicly available at the following address: https://energy.ec.europa.eu/events/39th-european-gas-regulatory-forum-2025-05-22_en.

TEN-E Regional Groups

The Trans-European Networks for Energy (TEN-E) Regulation (EU) 2022/869 establishes a framework for identifying, assessing and implementing cross-border energy infrastructure projects that are necessary for the EU's climate and energy objectives. Within this framework, Regional Groups are set up along the priority corridors and areas listed in the Regulation. These Groups, composed of the European Commission and the Member States concerned, draw up regional lists of candidate Projects of Common Interest (PCIs) and Projects of Mutual Interest (PMIs), based on agreed criteria such as sustainability, market integration, security of supply and efficient network development. The regional lists then form the basis for the Union list of PCIs/PMIs, adopted every two years by delegated act of the Commission.

The REWS participates in the relevant TEN-E regional groups as Malta's national regulatory authority, supporting the assessment of candidate cross-border energy infrastructure projects of relevance to Malta. In this context, the office of the Regulator contributes regulatory analysis and data on security of supply, market functioning, infrastructure needs and consistency with national planning documents. Through its participation in regional group meetings and related technical work, the REWS helps ensure that projects affecting Malta are robustly assessed, aligned with the energy transition objectives and TEN-E criteria, and that the specific needs and constraints of the Maltese energy system are duly reflected in the regional lists and, ultimately, in the Union PCI list.

Oil Coordination Group

The Oil Coordination Group (OCG) is a standing advisory group that meets on average twice a month, either virtually or else in hybrid format. The role of the Group is to assist the Commission to execute Union legislation, programmes and policies relating to security of supply for crude oil and petroleum products under the EU's Oil Stocks Directive (2009/119/EC). Since the start of the Russia-Ukraine conflict, the OCG meets more frequently with the aim of securing the security of oil supply within the European Union as well as to support and advise countries which face difficulties in this regard.

REMIT Comitology Committee

The REMIT Comitology Committee meetings are organised by the European Commission for Member States to discuss and vote on the latest draft of the Implementing Regulation on data reporting on wholesale energy markets¹. In terms of the REMIT Regulation², the Commission is empowered to adopt implementing acts regarding data reporting of LNG market data and data collection. As a Member State, Malta is a member of the REMIT Comitology Committee and the REWS is the relevant national regulatory authority which participated virtually as one of the Maltese representatives.

¹ Commission Implementing Regulation on data reporting implementing Article 7c(2), Article 8(1a), Article 8(2) and Article 8(6) of Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency and repealing Commission Implementing Regulation (EU) No 1348/2014
² Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency as amended by Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024

Contribution to the TRANSIT project

The REWS is a member of the International Advisory Board of the TRANSIT (Transition to a Sustainable Future through Training and Education) project (<https://transitproject.eu/>), an EU-funded initiative under the Horizon Europe programme. TRANSIT aims to support the long-term transformation of the energy sector by fostering social change through multidisciplinary education, training, and engagement programmes targeted at diverse stakeholders across the energy value chain.

As part of this role, a REWS representative participated in the International Advisory Board meeting held on 22nd of October in Floriana, organised in the context of the IEEE PES ISGT Europe 2025 conference. During this meeting, the project's progress and results were presented and discussed, and Advisory Board members provided feedback on ongoing and planned activities.

Among the project's key outputs are interactive online courses designed to enhance understanding of the energy sector, its challenges, and ongoing transition. These resources are publicly available on the project website (<https://transitproject.eu/interactive-courses/>) and can be used by students, professionals, lecturers and other stakeholders to strengthen their knowledge of sustainable energy systems.

WAREG - Association of European Regulators in the drinking water and wastewater sector

In 2025, professionals from the Water Regulation & Corporate Affairs unit attended two (2) General Assemblies. The 34th General Assembly (GA) was held in April in Jurmala, Latvia, followed by the 35th GA in Athens, Greece. These assemblies were attended by a significant number of members representing water regulatory bodies from various countries.

The two-day GA in Latvia focused on reviewing WAREG's work plan including recent activities, governance matters, and strategic priorities for years 2025 and 2026. Discussions covered also the approval of key documents, budget adjustments, future surveys and studies. New working groups were kicked off, alongside updates on EU projects, institutional relations, and planning of upcoming WAREG events and meetings. Part of the agenda also included a general presentation and discussion of the water sector in Latvia, and the role of the Public Utility Commission within this sector.

The 35th WAREG General Assembly convened in Athens, Greece, from 18 to 19 June 2025, gathering high-level representatives from national and regional water regulatory authorities across Europe. The Assembly focused on regulatory cooperation, resilience in essential services during emergencies, financial planning, tariff methodologies, and EU strategic alignment. A significant highlight included a comprehensive analysis of Portugal's water sector response to a national power outage. Discussions also advanced WAREG's 2023–2025 Strategic and Financial Framework and updated initiatives by the Tariff Working Group.



Throughout the year, the Water Regulation & Corporate Affairs unit played an active role in EU-level working groups, providing key data for comparative studies across Member States. These collaborations focused on benchmarking performance against the Drinking Water Directive (DWD) KPIs and examining how different countries implement their Tariff Regulatory Frameworks for water and wastewater services.

Meetings of the Expert Group on Renewable Fuels

The task of the Expert group on renewable and low-carbon fuels (formerly: Expert group on renewable fuels) is to contribute to the implementation of provisions set out in the revised Renewable Energy Directive (Directive (EU) 2018/2001) related to renewable fuels. These include biofuels, bioliquids and biomass fuels, low and high ILUC-risk fuels, renewable liquid and gaseous transport fuels of non-biological origin and recycled carbon fuels.

The 15th meeting of the Expert Group was held on 13th June 2025 via a videoconference call. The objective of the meeting was to discuss a revised draft of the Commission Delegated Regulation on supplementing the Renewable Energy Directive by further extending the scope of the data to be included in the Union database to cover relevant data from the point of production or collection of the raw material used for the fuel production.

Meetings of the Committee on the Sustainability of Biofuels, Bioliquids, and Biomass Fuels

On 18th November 2025, a Stakeholder Workshop was held to collect views from stakeholders on the revision of Implementing Regulation (EU) 996/2022 on the verification of sustainability and greenhouse gas emissions saving criteria. The workshop consisted of two parts, the first regarding the certification of intermediary crops and degraded land, and the second on the role of supervision to ensure system reliability. Q&A sessions followed each panel, and questions were addressed.



REFUREC
renewable fuels regulators club

Participation in the Renewable Fuels Regulators Club (REFUREC)

The 30th workshop organised by the Renewable Fuels Regulators Club (REFUREC) was held in Malta between the 1st April and 3rd April 2025, in collaboration with the Regulator. This was the second workshop held in Malta, the first having been organised in December 2012.

REWS officials also participated in this year's workshop to gain further knowledge on biofuel sustainability issues and to learn from the experiences of other Member States. Approximately fifty (50) delegates participated, representing organisations from twenty-two (22) countries, including EU and non-EU countries. Some topics discussed included:

- Harmonised start of UDB from the perspective of the different Member States, challenges with linking databases to the UDB and a review of the fuels and raw materials list
- Voluntary Schemes
- RED III sub-targets: GHG vs energy share
- RED III implications for regulators, followed by discussion
- Hydrogen fuel initiatives in Member States
- Proof of sustainability and proof of compliance
- Definition of a fuel supplier in different Member States
- Issues related to feedstock classification

On 14th November 2025, REFUREC organised a virtual session for Member States' Regulators to discuss the regulatory challenges of Annex IX Feedstocks. Topics discussed included the definition of Intermediate Crops in Annex IX which may lead to fraud and misclassification of biofuels; mitigating market displacement risks and addressing uncategorised feedstocks.

Participation in other meetings

On 27th March 2025, REWS officials followed a webinar organised jointly by Transport & Environment (T&E) and Oxfam, dedicated to stakeholders to offer insights and exchanges on the challenges encountered by Member States in implementing the transport provisions in the amending Directive (EU) 2023/2413 (RED III). Some topics discussed included the rising fraud concerns around dubious imports of feedstocks such as used cooking oil (UCO) and palm oil mill effluent (POME); which recommendations can be put forward to ensure adequate sustainability safeguards that can be put in place; and issues of food security, land use, fraud, and transparency.

On 9th July 2025, an ad-hoc meeting of the Member States was held, following the European Sustainable Shipping Forum (ESSF) Plenary. The objective of the meeting was to discuss the way forward and the role of Member States in increasing the availability of renewable and low carbon fuels at ports, especially in the context of the Renewable Energy Directive obligations and in light of the Sustainable Transport Investment Plan (STIP).

Between the 2nd December and 3rd December 2025, REWS officials followed the 6th meeting of the European Sustainable Shipping Forum (ESSF) sub-group on the Implementation of the Fuel EU Maritime Regulation, established under the ESSF via Teams. Some topics discussed included the FuelEU Database, certification of fuels, UDB developments, recognition of Proof of Compliance and Proof of Sustainability for this year and experience by FuelEU Maritime verifiers on the current implementation process.

Union Database (UDB) for Biofuels

The Union Database (UDB) for liquid and gaseous renewable and recycled carbon fuels is a global traceability tool to trace consignments of renewable and recycled carbon fuels and the respective raw materials used for their production, from the point of origin of the raw materials, to the point where fuels are put on the EU market for final consumption.

The database was launched in November 2024 and covers both liquid and gaseous fuels. It is being used by an increasing number of operators but is not yet open to the public. The Commission is discussing a timeline with EU countries for its full mandatory deployment and use.

The database is a requirement by the EU under Article 31a of the Renewable Energy Directive (Directive (EU) 2018/2001). It ensures market transparency and traceability in the supply chains for liquid and gaseous renewable and recycled carbon fuels, mitigating the risk of irregularities and fraud as well as avoiding double counting and thereby supporting efforts to meet the ambitious EU decarbonisation targets.

Earlier this year the Regulator for Energy and Water Services assumed the role of Lead User for the purpose of the UDB.

On 2nd July 2025, REWS officials attended a meeting by the Working Group on the UDB, organised to continue the discussion with EU Member States on the timeline of the UDB in view of agreeing on its full

deployment. In addition, in September and October 2025, REWS officials also attended training sessions in using the UDB.

Methane Regulations

Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector entered into force on 4 August 2024. It aims to address methane as a highly potent greenhouse gas and to support the EU's broader climate objectives under the European Green Deal by establishing a comprehensive framework to reduce methane emissions in the energy sector. Regulation applies to the oil, gas, and coal industries within the European Union, as well as to importers of these fuels.

The Methane Regulation obliges energy operators to monitor, measure, report, and verify their methane emissions using standardized methodologies. They must implement leak detection and repair programs to identify and fix leaks promptly, ensuring that emissions are continuously minimised as per Article 14. The regulation also prohibits routine venting and flaring of methane, allowing such practices only in exceptional circumstances, such as emergencies or technical necessity as detailed in Article 15.

Operators of inactive, temporarily plugged, or abandoned wells must report emissions and take measures to prevent methane release from these sites.

Importers that supply into the EU crude oil, natural gas or coal are also affected because the regulation introduces obligations that extend beyond EU borders (third countries). It requires transparency regarding the origin of the imported fuels and the methane management practices applied during their production. Importers must provide detailed data on upstream methane emissions from the countries and sites where the fuels were produced. For new or renewed supply contracts on, or after 4 August 2024, fuel producers outside the EU will have to show that their methane-monitoring and mitigation systems meet the requirements of the regulation mainly as per Article 27 and Annex IX of the regulation. Therefore, over time, the imports will need to comply with equivalent monitoring and reporting standards as those applied within the EU, ensuring that both domestic and international producers contribute to global methane reduction efforts.

Enforcement is delegated to national competent authorities, which must establish systems to supervise compliance and impose penalties that are effective, proportionate and dissuasive as per Article 33 of the Regulation.

Earlier this year, the Regulator for Energy and Water Services assumed the role as designated competent authority for Malta, together with the Climate Action Authority (CAA) and the Continental Shelf Department.

The Regulation applies to REWS with regards to natural gas; the importation and supply of LNG and the operation of the LNG facility.

In 2025, the Regulator attended two competent authority meetings held on 25th September and 26th November, and one workshop held on 13th November, which were organised by the European Commission. Other competent authority meetings are scheduled for next year, 2026.

The Regulator has been receiving information and documentation from the authorised provider with regards to Article 12 and Article 14, whilst it is currently in the process to propose a national legislation with regards to Article 33.



Financial Estimates & Statements



REGULATOR FOR
ENERGY & **WATER**
SERVICES

Financial Estimates and Statements

Financial Estimates

The table below sets out the actual results for 2025 and the financial estimates for 2026. The Regulator recorded a surplus before tax of €343,228 in 2025. For 2026, a deficit of €586,920 is projected, primarily reflecting increased staff costs and higher expenditure driven by the expanding scope of the Regulator's activities. This deficit for 2026 will be financed through accumulated retained earnings.

Table 27: Financial Estimates

	2025 Actual, €	2026 Estimate, €
Income	3,333,975	3,341,994
Finance and Other Income	47,478	13,000
Net Direct Expenditure	505,458	629,102
Staff Costs	2,039,433	2,668,669
Other Administrative Expenses	255,986	390,365
Depreciation	94,406	117,772
Amortisation and Interest on right-of-use asset	142,942	136,006
Surplus before TAX	343,228	-586,920

Financial Statements

The audited financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 21 February 2026. These are being presented in the following pages.

Regulator for Energy and Water Services

Report & Financial Statements

31 December 2025

**Regulator for Energy and Water Services
Report and financial statements
Year ended 31 December 2025**

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Board members' report

The board members of the Regulator present their report and the audited financial statements for the year ended 31 December 2025.

Principal activities

The Regulator for Energy and Water Services (REWS) is a public corporate body with regulatory responsibilities relating to water and energy in the Maltese Islands. It was set up by the Maltese Parliament through the Regulator for Energy and Water Services Act, Chapter 545. The Regulator for Energy and Water Services has a wide range of responsibilities essentially involving regulation of water and energy utilities, the regulation of retailers, operations and tradesmen in these regulated sectors. The Regulator is also responsible for the administration of energy efficiency and renewable energy rebate schemes.

Review of the operations

During the year under review the Regulator's revenues from licences and contributions from regulated operators amounted to € 3,333,975 (2024: € 3,386,957). These revenues are generated in support of the Regulator's regulatory responsibilities.

During 2025, the Regulator carried out monitoring analyses, technical and market studies and other initiatives entailing a total expenditure of € 574,122 (2024: € 440,741).

The income for the year from the administration of energy efficiency and renewable energy rebate schemes amounted to € 68,664 (2024: € 37,515).

The Regulator registered a surplus for the year of € 250,951 (2024: € 416,143) after deducting taxation of € 92,277 (2024: € 177,116) and administrative costs of € 2,498,933 (2024: € 2,498,491).

Results for the year

The surplus for the year amounted to € 250,951 (2024: € 416,143).

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Board members

The board members that held office during the year were:

Ms. Nancy Caruana (Chairperson) (appointed on 17 September 2025)
 Perit Dr Randolph Carl Borg (Deputy Chairman) (appointed on 27 August 2025)
 Ms. Doriette Scicluna
 Mr. Ryan Schembri (appointed on 27 August 2025)
 Ms. Mary Grace Gauci
 Ms. Angela Azzopardi (appointed on 27 August 2025)
 Mr. Kenneth Busuttil
 Dr. Claudio Zammit (resigned on 29 January 2026)
 Mr. Mario J. Azzopardi (term ended on 26 August 2025)
 Ing. James Carmenzuli (term ended on 26 August 2025)
 Mr. Frederick Cutajar (term ended on 26 August 2025)
 Ms. Ana Thomas (resigned on 26 February 2025)

Disclosure of information to the auditor

At the date of making this report, the board members confirm the following:

- as far as each board member is aware, there is no relevant information needed by the independent auditor in connection with preparing the report of which the independent auditor is unaware, and
- each board member has taken all steps that he/she ought to have taken as a board member in order to make himself/herself aware of any relevant information needed by the independent auditor in connection with preparing the report and to establish that the independent auditor is aware of that information.

Statement of board members' responsibilities

In preparing the financial statements, the board members are responsible for:

- Ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the Regulator for Energy and Water Services Act;
- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- accounting for income and charges relating to the accounting year on the accruals basis;
- valuing separately the components of asset and liability items; and
- reporting comparative figures corresponding to those of the preceding accounting year.

The board members are also responsible for designing, implementing and maintaining internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Regulator for Energy and Water Services Act. They are also responsible for safeguarding the assets of the Regulator and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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4**Auditor**

The auditor Grant Thornton has intimated its willingness to continue in office and a resolution proposing their reappointment will be proposed.

On behalf of the board



Ms. Nancy Caruana
Chairperson



Ing. Maria Aquilina
Chief Executive Officer

Registered address:
Regulator for Energy and Water Services
Zentrum Business Centre, Level 1
Mdina Road
Qormi, QRM 9010
Malta

19 February 2026

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Statement of comprehensive income

	Notes	2025 €	2024 €
Revenue	4	3,333,975	3,386,957
Income arising from the reimbursement of scheme expenses	5	68,664	37,515
Direct expenses	6	(574,122)	(440,741)
Administrative expenses	6	(2,498,933)	(2,498,491)
Operating surplus		329,584	485,240
Finance income	9	1,143	131,408
Other income	10	98,824	16,843
Finance cost	9	(86,323)	(40,232)
Surplus before tax		343,228	593,259
Tax expense	11	(92,277)	(177,116)
Surplus for the year		250,951	416,143

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Statement of financial position

	Notes	2025 €	2024 €
Assets			
Non-current			
Financial assets at fair value through profit or loss	12	941,167	761,828
Property, plant and equipment	13	139,962	119,976
Right-of-use asset	14	440,619	549,727
		1,521,748	1,431,531
Current			
Trade and other receivables	15	324,514	332,269
Cash and cash equivalents	16	33,459,496	22,233,442
Current tax asset		178,726	-
		33,962,736	22,565,711
Total assets		35,484,484	23,997,242

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Statement of financial position – continued

	Notes	2025 €	2024 €
Equity and liabilities			
Equity			
Accumulated surplus	17	3,832,521	3,581,570
Total equity		3,832,521	3,581,570
Liabilities			
Non-current			
Lease liability	18	413,505	536,052
		413,505	536,052
Current			
Trade and other payables	19	31,115,911	19,587,667
Lease liability	18	122,547	115,610
Current tax liability		-	176,343
		31,238,458	19,879,620
Total liabilities		31,651,963	20,415,672
Total equity and liabilities		35,484,484	23,997,242

The financial statements on pages 5 to 30 were approved, authorised for issue by the members of the board on 19 February 2026 and signed on its behalf by:



Ms. Nancy Caruana
Chairperson



Ing. Maria Aquilina
Chief Executive Officer

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Statement of changes in equity

	Accumulated surplus €
At 1 January 2024	3,165,427
Comprehensive income	
Surplus for the year	416,143
At 31 December 2024	3,581,570
At 1 January 2025	3,581,570
Comprehensive income	
Surplus for the year	250,951
At 31 December 2025	3,832,521

Accumulated surplus includes all current and prior period results as disclosed in the statement of comprehensive income.

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Statement of cash flows

	Notes	2025 €	2024 €
Operating activities			
Surplus before tax		343,228	593,259
Adjustments	20	240,004	168,806
Net changes in working capital	20	11,584,689	9,365,460
Interest received	9	1,143	3,620
Tax paid		(447,346)	(271,250)
Net cash generated from operating activities		11,721,718	9,859,895
Investing activities			
Purchase of investments	12	(761,872)	(88,945)
Proceeds from sale of investments	12	530,044	224,546
Purchase of property, plant and equipment	13	(114,392)	(74,849)
Net cash used in investing activities		(346,220)	60,752
Financing activities			
Interest paid		(33,834)	(40,232)
Principle elements of lease payments		(115,610)	(98,053)
Net cash used in financing activities		(149,444)	(138,285)
Net change in cash and cash equivalents		11,226,054	9,782,362
Cash and cash equivalents, beginning of year		22,233,442	12,451,080
Cash and cash equivalents, at end of year	16	33,459,496	22,233,442

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Notes to the financial statements

1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Regulator for Energy and Water Services Act, Chapter 545. These financial statements have been prepared on the historical cost basis.

The financial statements have been prepared on a going concern basis. The board members have considered the relevant information including the annual budget, the Regulator's available resources and its ability to adapt to changes in its operating environment to continue to operate for the foreseeable future. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the board members have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires the board members to exercise judgement in the process of applying the Regulator's accounting policies (see note 3.11, Significant management judgement in applying accounting policies and estimation uncertainty). The Regulator was established by virtue of the Regulator for Energy and Water Services Act, Chapter 545 which entered into force on 31 July 2015.

2 New or revised Standards or Interpretations

2.1 New standards adopted as at 1 January 2025

Some accounting pronouncements which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on Regulator's financial results or position.

Amendments that are effective for the first time in 2025 and could be applicable to the Regulator are:

- Lack of Exchangeability (Amendments to IAS 21).

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

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2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Regulator

At the date of authorisation of the financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the International Accounting Standard Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC). None of these Standards or amendments to existing Standards have been adopted early by the Regulator and no Interpretations have been issued that are applicable and need to be taken into consideration by the Regulator at either reporting date.

Standards and amendments that are not yet effective and have not been adopted early by the Regulator include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’
- Amendments to IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’

These Standards and amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 ‘Presentation of Financial Statements’. The adoption of IFRS 18 ‘Presentation and Disclosure in financial statements’, effective for periods commencing on or after 1 January 2027, is expected to have a material impact on the presentation of the financial Statements, and therefore relevant disclosures are included below.

Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of comprehensive income, namely (1) operating profit and (2) profit or loss before financing and income taxes
- the classification of all income and expenses within the statement of comprehensive income in one of five categories
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

IFRS 18 will be applied retrospectively with specific transitional provisions.

The Regulator is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Regulator’s financial statements.

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3 Material accounting policies

3.1 Overall considerations

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

The Regulator's management has concluded that the disclosure of the entity's material accounting policies below is appropriate.

3.2 Revenue and expense recognition

Revenue arises mainly from licences and contributions from utility organisations and other operators in the regulated sector.

To determine whether to recognise revenue, the Regulator follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the Regulator satisfies performance obligations by transferring the promised services to its customers.

The Regulator recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Regulator satisfies a performance obligation before it receives the consideration, the Regulator recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Income derived from grants allocated to the Regulator by the Government of Malta with respect to the renewable energy rebate schemes is recognised over the periods necessary to match with related refunds paid to eligible scheme applicants.

Expenses are recognised in the statement of comprehensive income upon utilisation of the service or at the date of their origin.

3.3 Property, plant and equipment

Motor vehicles and other equipment (comprising furniture and fittings) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Leasehold buildings held under finance lease are disclosed separately in notes 3.4 and 14. Motor vehicles and furniture and fittings are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write off the cost less estimated residual value of leasehold improvements, motor vehicles and furniture and fittings using the following basis:

	%
- Motor vehicles	20
- Furniture, fixtures, and other equipment	10 – 30

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In the case of the right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income with other income or other expenses.

3.4 Leases

The Regulator as a lessee

The Regulator makes use of leasing arrangements principally for the provision of office space. The rental contract for office space is typically negotiated for a period of 10 years and has extension terms.

For contracts entered into, the Regulator considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Measurement and recognition of leases as a lessee

At lease commencement date, the Regulator recognises a right-of-use asset and a lease liability in its statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Regulator, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the commencement date (net of any incentives received).

The Regulator depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Regulator also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Regulator measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Regulator's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.5 Impairment testing of property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses are recognised in the statement of comprehensive income. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Financial instruments**Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Regulator becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the periods presented, the entity does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs', 'finance income' or 'other financial items', except for impairment of trade receivables which is presented within administrative expenses.

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Business model assessment

The Regulator makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Regulator's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Regulator's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Regulator considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Regulator considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Regulator's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Regulator's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The Regulator accounts for investments at FVTPL. The fair value was determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of IFRS 9 included trade receivables.

The Regulator considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

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Trade and other receivables

The Regulator makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Regulator uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Regulator assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics.

Classification and measurement of financial liabilities

The Regulator's financial liabilities include lease liabilities and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Regulator designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within 'finance costs' or 'finance income'.

3.7 Cash and cash equivalents

For the purposes of the statements of financial position and cash flows, cash and cash equivalents comprise cash at bank and cash held by investment manager.

3.8 Equity

Accumulated surplus includes all current period results as disclosed in the statement of comprehensive income.

3.9 Income taxes

Tax expense recognised in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

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Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. This is assessed based on the Regulator's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax assets and liabilities are offset only when the Regulator has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.10 Provisions

Provisions are recognised when present obligations as a result of past events will probably lead to an outflow of economic resources from the Regulator and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the probable outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

3.11 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Except as disclosed below, in the opinion of the board members, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

Significant management judgement

The following is a significant management judgement in applying the accounting policies of the Regulator that has the most significant effect on the financial statements.

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Determining whether an arrangement contains a lease

Management uses judgement in determining whether an arrangement contains a lease, based on the substance of the arrangement and makes an assessment of whether it is dependent in the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risks and rewards incidental to ownership to/from the Regulator.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

Management estimates the useful lives of depreciable assets based on the period over which the assets are expected to be available for use. The estimated useful lives of depreciable assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of depreciable assets would increase the recorded expenses and decrease the carrying amount of non-current assets.

Leases – Estimating the incremental borrowing rate

Management cannot readily determine the interest rate implicit in the lease, therefore, the incremental borrowing rate (IBR) is used to measure lease liabilities. The IBR is the rate of interest that the Regulator would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Regulator 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. Management estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Regulator's stand-alone credit rating).

4 Revenue

Income represents licences and contributions charged to utility organisations and other operators.

	2025 €	2024 €
License and authorisation fees	2,281,141	2,339,040
Regulation fees	1,052,834	1,047,917
	3,333,975	3,386,957

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5 Income arising from reimbursement of schemes expenses

	2025 €	2024 €
Renewable Energy Efficiency Rebate schemes:		
Funds allocated by the Government of Malta	18,799,579	8,189,240
Related refunds to eligible scheme applicants	(18,730,915)	(8,151,725)
	68,664	37,515
Other Government initiatives:		
Funds allocated by the Government of Malta	21,218,199	17,065,543
Related disbursements	(21,218,199)	(17,065,543)
	-	-

6 Expenses by nature

	2025 €	2024 €
Direct expenditure	574,122	440,741
Employee benefit expense (note 7)	2,039,433	1,957,206
Depreciation of property, plant and equipment (note 13)	94,406	94,434
Amortisation and interest of right-of-use asset (note 14)	109,108	109,408
(Reversal) provision for doubtful debts	(48,690)	56,140
Rent	12,200	11,700
Other expenses	292,476	269,603
Total excess expenditure, direct expenditure and administrative expenses	3,073,055	2,939,232

Fees charged by the auditor for services rendered during the financial years ended 31 December 2025 and 2024 relate to the following:

	2025 €	2024 €
Annual statutory audit	9,300	9,300

7 Employee benefit expense

	2025 €	2024 €
Wages and salaries	1,911,894	1,834,547
Social security costs	127,539	122,659
	2,039,433	1,957,206

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The average number of persons employed by the Regulator at the end of the reporting period was:

	2025 No.	2024 No.
Board members	7	7
Board secretary	1	1
Operations	49	48
	57	56

8 Board remuneration

	2025 €	2024 €
Board members' honoraria	73,358	69,631
Board secretary's honoraria	8,497	7,489
	81,855	77,120

9 Finance income (cost)

	2025 €	2024 €
Finance income		
Interest income from demand deposits	1,143	3,620
Net fair value gains on financial assets at FVTPL (note 12)	-	127,788
	1,143	131,408
Finance cost		
Net fair value gains on financial assets at FVTPL (note 12)	(52,489)	-
Interest expense on lease liabilities	(33,834)	(40,232)
	(86,323)	(40,232)

10 Other income

	2025 €	2024 €
Other income from financial assets	94,374	12,643
Administrative fines	4,450	4,200
	98,824	16,843

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11 Tax expense

The relationship between the expected tax expense based on the effective tax rate of the Regulator at 35% and the tax expense actually recognised in the statement of comprehensive income can be reconciled as follows:

	2025 €	2024 €
Surplus for the year before tax	343,228	593,259
Tax expense on surplus at 35%	(120,130)	(207,641)
Tax effect of:		
Donations	(175)	-
Deferred tax not recognised	533	26,100
Other permanent differences on capital gains	28,776	4,425
Underprovision of tax in prior year	(1,225)	-
Non-deductible expenses	(56)	-
Tax expense	(92,277)	(177,116)

A deferred tax asset of € 91,269 (2024: € 91,802) associated with losses carried forward, property, plant and equipment, right-of-use asset and unutilised capital allowances has not been recognised.

12 Financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVTPL include the following:

	2025 €	2024 €
Non-current		
Listed bonds	118,730	159,052
Listed shares	505,313	494,428
Alternative investments	317,124	108,348
	941,167	761,828

Movement during the year can be shown as follows:

	2025 €	2024 €
Opening balance as at 1 January	761,828	769,641
Additions	761,872	88,945
Disposals	(530,044)	(224,546)
Net gain on change in fair value (note 9)	(52,489)	127,788
Closing balance as at 31 December	941,167	761,828

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13 Property, plant and equipment

The carrying amount of the Regulator's property, plant and equipment is analysed below:

	Motor vehicles €	Furniture, fixtures and other equipment €	Total €
Gross carrying amounts			
At 1 January 2024	99,139	1,149,086	1,248,225
Additions	-	74,849	74,849
At 31 December 2024	99,139	1,223,935	1,323,074
At 1 January 2025	99,139	1,223,935	1,323,074
Additions	-	114,392	114,392
At 31 December 2025	99,139	1,338,327	1,437,466
Depreciation			
At 1 January 2024	62,528	1,046,136	1,108,664
Charge for the year	14,448	79,986	94,434
At 31 December 2024	76,976	1,126,122	1,203,098
At 1 January 2025	76,976	1,126,122	1,203,098
Charge for the year	7,387	87,019	94,406
At 31 December 2025	84,363	1,213,141	1,297,504
Carrying amounts			
At 31 December 2024	22,163	97,813	119,976
At 31 December 2025	14,776	125,186	139,962

14 Right-of-use asset

The following asset has been recognised as right-of-use asset of the Regulator:

	2025 €	2024 €
At 1 January	549,727	659,135
Amortisation	(109,108)	(109,408)
At 31 December	440,619	549,727
At 31 December		
Cost	1,091,980	1,091,980
Accumulated amortisation	(651,361)	(542,253)
Net book amount	440,619	549,727

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15 Trade and other receivables

Trade and other receivables consist of the following:

	2025 €	2024 €
Current		
Receivables on licences and contributions	302,059	349,218
Loss allowance	(125,408)	(174,099)
Receivables net of allowance	176,651	175,119
Accrued income	92,346	91,816
Financial assets	268,997	266,935
Prepayments	55,517	65,334
Trade and other receivables	324,514	332,269

All amounts are short-term. The carrying value of financial assets is considered a reasonable approximation of fair value.

16 Cash and cash equivalents

Cash and cash equivalents include the following component:

	2025 €	2024 €
Cash and cash equivalents	33,459,496	22,233,442

A substantial amount of cash and cash equivalents relates to funds advanced to the Regulator with respect to renewable energy rebate schemes.

Cash and cash equivalents include cash held by the Regulator's investment manager amounting to € 11,101 (2024: € 151,035).

17 Accumulated surplus

	2025 €	2024 €
Opening accumulated surplus	3,581,570	3,165,427
Surplus for the year	250,951	416,143
As at 31 December	3,832,521	3,581,570

In accordance with section 21(5) of the provisions of the Regulator for Energy and Water Services Act, any funds of the Regulator not immediately required to meet expenditure may be invested in such manner as may be decided by the Regulator.

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18 Lease liability

The lease liability is presented in the statement of financial position as follows:

	2025 €	2024 €
Non-current:		
Property	413,505	536,052
Current:		
Property	122,547	115,610
Total lease liability	536,052	651,662

The statement of comprehensive income reflects the following amounts relating to leases:

	2025 €	2024 €
Amortisation of right-of-use asset (note 14)	109,108	109,408
Interest expense (note 9)	33,834	40,232

Future minimum lease payments at 31 December 2025 and 2024 were as follows:

	Not later than 1 year €	Later than one year but not later than five years €	Later than 5 years €	Total €
31 December 2025				
Lease payments	149,445	448,334	-	597,779
Finance charges	(26,898)	(34,829)	-	(61,727)
Net present values	122,547	413,505	-	536,052
31 December 2024				
Lease payments	149,445	597,779	-	747,224
Finance charges	(33,835)	(61,727)	-	(95,562)
Net present values	115,610	536,052	-	651,662

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19 Trade and other payables

Trade and other payables consist of the following:

	2025 €	2024 €
Current		
Trade and other payables	1,777,072	70,217
Other payables	28,901,928	19,034,056
Accruals	436,911	483,394
	31,115,911	19,587,667
Other payables comprise:		
Funds received in advance for rebate schemes	28,752,866	18,866,855
Funds received for training programmes	108,484	108,558
Others	40,578	58,643
	28,901,928	19,034,056

All amounts are short-term. The carrying value of trade and other payables is considered to be reasonable approximation of fair value.

20 Cash flow adjustments and net changes in working capital

The following non-cash flow adjustments and adjustments for net changes in working capital have been made to the pre-tax result for the year to arrive at the operating cash flow:

	2025 €	2024 €
Adjustments for:		
(Reversal) provision for doubtful debts (note 6)	(48,690)	56,140
Interest income (note 9)	(1,143)	(3,620)
Net fair value gain on financial assets at FVTPL (note 9)	52,489	(127,788)
Interest expense (note 9)	33,834	40,232
Depreciation and amortisation (notes 13 and 14)	203,514	203,842
	240,004	168,806
Changes in working capital:		
Trade and receivables	56,445	(152,882)
Trade and other payables	11,528,244	9,518,342
	11,584,689	9,365,460

21 Commitments

	2025 €	2024 €
Capital expenditure	1,834	-
Studies, analysis and other commitments	1,992,071	1,747,332
Grants awaiting payment approval under renewable energy schemes	23,475,267	11,177,596

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22 Contingencies

Due to the nature of its functions, the Regulator is currently a co-defendant vis-a-vis four cases. The Board notes that the attribution of responsibility, if any, in these court cases is still undetermined. Thus, quantification of any potential liability, if any, is premature and hence no provision has been recognised in these financial statements.

23 Related party transactions

The Regulator for Energy and Water Services is an autonomous public institution and reports to Parliament on an annual basis. The Board members of the Regulator are appointed by the Government of Malta.

During the period under review, the Regulator entered into transactions with a number of Government-related entities. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

The Government of Malta is considered to be a related party.

Key management personnel compensation, consisting of board members' remuneration, has been disclosed in note 8 to the financial statements.

24 Financial instrument risk

Risk management objectives and policies

The Regulator is exposed to various risks in relation to financial instruments. The Regulator's financial assets and liabilities by category are summarised in note 24.4. The main types of risks are market risk, credit risk and liquidity risk.

The Regulator's risk management is coordinated by the board members and focuses on actively securing the Regulator's short to medium term cash flows by minimising the exposure to financial risks.

The Regulator does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Regulator is exposed are described below.

24.1 Market risk

Foreign currency risk

The Regulator is not significantly exposed to foreign currency risk since most of its transactions are carried out in euro.

Interest rate risk

A sensitivity analysis for interest rate risk disclosing how profit or loss would have been affected by changes in interest rates at the reporting date was not deemed necessary since the Regulator does not have any interest-bearing receivables or borrowings.

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24.2 Credit risk

The Regulator's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the end of the reporting period, as summarised below.

	Notes	2025 €	2024 €
Classes of financial assets - carrying amounts			
Financial assets at FVTPL	12	941,167	761,828
Financial assets at amortised cost:			
Trade and other receivables	15	268,997	266,935
Cash and cash equivalents	16	33,459,496	22,233,442
		33,728,493	22,500,377

The Regulator's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

The Regulator banks only with local financial institutions with high quality standing or rating. At 31 December 2025, cash and cash equivalents are held with counterparties with credit rating of BBB and A+, by Fitch Rating and are callable on demand. Cash held by investment manager are callable on demand.

Management considers the probability of default of its receivables to be close to zero as the counterparties have a strong capacity to meet their contractual obligation in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Regulator.

Financial assets at FVTPL include listed equity and debt instruments and alternative investments. Listed instruments are acquired after assessing the quality of the related investments.

24.3 Liquidity risk

The Regulator's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise lease liability and trade and other payables (see notes 18 and 19). Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the Regulator's obligations when they become due.

The Regulator manages its liquidity needs through yearly cash flow forecasts by carefully monitoring expected cash inflows and outflows arising from expected maturities of financial instruments. The Regulator's liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows.

At 31 December 2025, the Regulator's financial liabilities have contractual maturities which are summarised below:

31 December 2025	Current within 1 year €	Non-current	
		2 to 5 years €	later than 5 years €
Lease liability	149,445	448,334	-
Trade and other payables	31,115,911	-	-
	31,265,356	448,334	-

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This compares to the maturity of the Regulator's financial liabilities in the previous reporting period as follows:

31 December 2024	Current	Non-current	
	within 1 year €	2 to 5 years €	later than 5 years €
Trade and other payables	19,587,667	-	-
Lease liability	149,445	597,779	-
	19,737,112	597,779	-

The above amounts reflect the contractual undiscounted cash flows which may differ from the carrying amounts of the liabilities at the reporting date.

24.4 Categories of financial assets and financial liabilities

The carrying amounts of the regulator's financial assets and liabilities are recognised at the reporting date of the reporting period under review may also be categorised as follows, see note 3.6 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2025 €	2024 €
Non-current assets			
Financial assets at FVTPL	12	941,167	761,828
Current assets			
Financial assets at amortised cost:			
- Trade and other receivables	15	268,997	266,935
- Cash and cash equivalents	16	33,459,496	22,233,442
		33,728,493	22,500,377
Non-current liabilities			
Financial liabilities measured at amortised cost:			
- Lease liability	18	413,505	536,052
Current liabilities			
Financial liabilities measured at amortised cost:			
- Lease liability	18	122,547	115,610
- Trade and other payables	19	31,115,911	19,587,667
		31,238,458	19,703,277

24.5 Financial instruments measured at fair value

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 December 2025 and 2024.

31 December 2025	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Listed funds and bonds	624,043	-	-	624,043
Alternative investments	-	317,124	-	317,124
Total assets	624,043	317,124	-	941,167
31 December 2024	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Listed funds and bonds	653,480	-	-	653,480
Alternative investments	-	108,348	-	108,348
Total assets	653,480	108,348	-	761,828

Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are as follows:

Listed funds and bonds

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Alternative investments

Fair value is based on the Net Asset Value (NAV) per share, which is calculated using observable inputs (e.g. Level 1 or Level 2 prices of the underlying assets like equities or bonds).

There were no transfers between Level 1 and Level 2 during 2025.

25 Capital management policies and procedures

The Regulator's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate and maintain an optimal capital structure to reduce the cost of capital.

26 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the end of the reporting year and the date of authorisation by the board.


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Independent auditor's report

To the board members of the Regulator for Energy and Water Services

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Regulator for Energy and Water Services set out on pages 5 to 30 which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Regulator as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Regulator for Energy and Water Services Act, Chapter 545, ('the Act').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Regulator in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The board members are responsible for the other information. The other information comprises the board members' report shown on pages 2 to 4 which we obtained prior to the date of this auditor's report but does not include the financial statements and our auditor's report thereon.



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Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the board members' report, we also considered whether the board members' report includes the disclosures required by Article 177 of the Act.

Based on the work we have performed, in our opinion:

- The information given in the board members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the board members' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the Regulator and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the board members' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the board members for the financial statements

The board members are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for assessing the Regulator's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the Regulator or to cease operations, or have no realistic alternative but to do so.

The board members are responsible for overseeing the Regulator's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with the ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regulator's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regulator's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regulator to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Principal on the audit resulting in this independent auditor's report is Patrizia Cassar.

A handwritten signature in blue ink, appearing to read "P. Cassar", written over a faint circular stamp.

Patrizia Cassar (Principal) for and on behalf of

GRANT THORNTON
Certified Public Accountants

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Malta

19 February 2026

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List of Acronyms

ACER	European Union Agency for the Cooperation of Energy Regulators	DSO	Distribution System Operator
AI	Artificial Intelligence	DWD	Drinking Water Directive
AIB	Association of Issuing Bodies	ECBC	Electricity Cross-Border Committee
APEA	Association of Petroleum Engineers	EEA	European Economic Area
ARMS Ltd	Automated Revenue Management Services Limited	EI	Energy Institute
atm	Unit of pressure	EIA	Environmental Impact Assessments
bcm	Billion cubic metres	E-ID	Electronic Identity Card
BDN	Bunker Delivery Notes	EMD	Electricity Market Directive
BDR	Bunker Delivery Receipts	EMSA	European Maritime Safety Agency
BESS	Battery Energy Storage System	ENTSO	European Network of Transmission System Operators
CAA	Climate Action Authority	EPC	Engineering, Procurement and Commissioning
CEER	Council of European Energy Regulators	ERA	Environment and Resources Authority
CfD	Contract for Difference	ERF	Energy Regulators' Forum
CHP	Combined Heat and Power	ESSF	European Sustainable Shipping Forum
CID	Commission Implementing Decision	EU	European Union
CIPD	Malta Critical Infrastructure Protection Directorate	EV	Electric Vehicle
CO₂	Carbon Dioxide	EWA	Energy and Water Agency
COMAH	Control of Major Accident Hazards	FAME	Fatty Acid Methyl Ester
DC	Direct Current	FQMS	Fuel Quality Monitoring System
DPS	Delimara Power Station	FSU	Floating Storage and Regasification Units

GA	General Assembly	kV	Kilo Volt
GBER	General Block Exemption Regulation	kWp	Kilo Watt peak
GME	Gestore del Mercato Elettrico	LMR	Licence Monitoring Report
GN	Government Notice	LN	Legal Notice
GW	Giga Watts	LNG	Liquefied Natural Gas
HR	Human Resources	LPG	Liquefied Petroleum Gas
HVDC	High Voltage Direct Current	MARPOL	International Convention for the Prevention of Pollution from Ships
HVO	Hydrotreated Vegetable Oil	MED SO_x ECA	Mediterranean Sulphur Dioxide Emission Control Area
IC2	Second Interconnector	MEDREG	Association of Mediterranean Energy Regulators
ICT	Information and Communication Technology	MEEC	Ministry for the Environment, Energy and Public Cleanliness
IDRO	Identification Registration Organisation	MFIN	Ministry for Finance and Employment
IEEE PES ISGT	IEEE Power & Energy Society (PES) Innovative Smart Grid Technologies (ISGT)	MFS	Marine Fuel Suppliers
ILUC	Indirect Land Use Change	MGO	Marine Gasoil
IMO	International Maritime Organization	MRA	Malta Resources Authority
IMSAS	International Maritime Organization (IMO) Member State Audit Scheme	MTIP	Ministry for Transport, Infrastructure, and Public Works
IPPC	Integrated Pollution Prevention and Control	MVA_r	Mega Volt-Amperes Reactive
ISO	International Organization for Standardization	MW	Mega Watts
IT	Information Technology	NCCS	Network Code on Cybersecurity
ITB	Invitation to Bid	NECA	Nitrous Oxide Emission Control Area
Kg	Kilogram	NECP	National Energy and Climate Plan
kPa	Kilo Pascals	NGO	Non-Governmental Organisation
KPI	Key Performance Indicator	NIP	National Investment Plan

NO_x	Nitrogen Oxides	SAIFI	System Average Interruption Frequency Index
NRA	National Regulatory Authority	SM EN	Maltese Standards adopting European norms
NSO	National Statistics Office	STIP	Sustainable Transport Investment Plan
NWP	New Water Programme	T&E	Transport & Environment
OCG	Oil Coordination Group	TCOE	Tonnes of Crude Oil Equivalent
PCI	Projects of Common Interest	TEN-E	Trans-European Networks for Energy
PMI	Projects of Mutual Interest	THETIS	The Hybrid European Targeting and Inspection System
POME	Palm Oil Mill Effluent	TM	Transport Malta
PQQ	Pre-Qualification Questionnaire	TRANSIT	Transition to a Sustainable Future through Training and Education
PV	Photovoltaic	TW	Tap Water
Q&A	Question and Answer	TWh	Tera Watt hour
RBTM	Risk-Based Targeting Mechanism	TYNDP	Ten-Year Network Development Plan
RED	Renewable Energy Directive	UCO	Used Cooking Oil
REFUREC	Renewable Fuels Regulators Club	UDB	Union Database
REMIT	Regulation on Wholesale Energy Market Integrity and Transparency	ULSFO	Ultra Low sulphur Fuel Oil
REMPEC	Regional Marine Pollution Emergency Response Centre for the Mediterranean Sea	UNEC Ltd	United Equipment Co. Limited
RES	Renewable Energy Sources	USA	United States of America
REWS	Regulator for Energy and Water Services	v/v	Volume per volume
RO	Reverse Osmosis	VAT	Value added Tax
RON	Research Octane Number	VLSFO	Very low Sulphur Fuel Oil
S.L.	Subsidiary Legislation	WAREG	Association of European Water Regulators
SAIDI	System Average Interruption Duration Index	WSC	Water Services Corporation



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