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REGIONAL ACTION PLAN ON PROMOTING ELECTRIC MOBILITY IN THE PROMETEUS *REGIONS:



Transport Malta

Part I - General information

Project: PROMETEUS

Partner organisation: Transport Malta

Other partner organisations involved (if relevant): Nil

Country: Malta

NUTS2 region: Malta

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Part II - Policy context

The Action Plan aims to impact:	\checkmark	Investment for Growth and Jobs programme
		European Territorial Cooperation programme
		Other regional development policy instrument

Name of the policy instrument(s) addressed:

Priority Axis 7 "Shifting towards a more low carbon transport sector" of the Cohesion Fund 20142020 Operational Programme I of Malta (OPI).

The PROMETEUS Project:

Electromobility has been identified as a priority within EU policies being a sustainable, low-carbon alternative for transport. However, poor availability of dedicated infrastructures and low user awareness are considered as major barriers to be addressed.

PROMETEUS aims at overcoming such barriers and promoting e-mobility in the five partner *Regions of Malta (Lead Partner Transport Malta), Carinthia (Austria), Lazio (Italy), Prešov (Slovakia) and Castile and Leon (Spain), and with the advisory partner role of Poliedra (Milan, Italy), through the improvement of policy instruments linked to Structural Funds, addressing the transition to a low-carbon economy (which is coherent with specific objective 3.1 of the Interreg Europe programme).

Each of the policy instruments contains an investment priority intended to improve the interpretation of e-mobility promotion. Depending on the instrument, such investment priorities are linked to one of the following thematic objectives:

- "TO4. Supporting the shift towards a low-carbon economy in all sectors" (ROP of Lazio, M13 of Austria),
- "TO7. Promoting sustainable transport and improving network infrastructures" (OP of Malta, iROP of Slovakia),
- > "TO1. Strengthening research, technological development and innovation" (OP of Castile and Leon).

The policy instruments will be implemented through funding of new projects or improved governance. Based on preliminary assessments, promising areas of action include: integration of emobility in strategies/plans/programmes, incentives, awareness raising, research and innovation.

A structured interregional learning process has involved partners and groups of regional stakeholders throughout the First Phase of the project and eventually each region co-designed the respective Action Plan for the improvement of the policy instruments dedicated to e-mobility.

The main milestones of the project can be described as follows:

- Analysis of the specific territorial contexts, in terms of electromobility preparedness and needs
- Identification and benchmarking of the good practices, exchanged among the project partners
- Drawing up of the regional action plans for the improvement of the policy instruments addressed in each region
- Development of a LogBook, a web-based monitoring tool, where the progresses of the regional action plans will be recorded and monitored.

Scope of the policy instrument(s) addressed:

Malta has a number of National Environmental Targets to fulfil under the European air quality package 1 addressing traffic generated Air pollution such as PM10, NO $_x$ and others. In addition, Malta also needs to reach its Climate Change and Energy 2030 targets with respect to Greenhouse Gas Emission reductions and 10.6 % of transport fuels has to come from a Renewable Energy Source (RES) 2 . In addition Malta is also committed that by 2020, the country would have 5,000 Battery Electric Vehicles registered on Maltese Roads as well as the installation of 500 public Electric Vehicle Charging Points.

Due to the fact that electromobility is an evolving reality, electric vehicles are still rather expensive when compared to ICE vehicles and will remain so until economies of scale are reached or when the cost of batteries goes down - a situation expected to be reached in the medium term.

As far as the above national targets are concerned, it is in the interest of Malta to have as many Electric Vehicles registered on Maltese Roads as possible. Other European Member States are giving grants for the uptake of Electric Vehicles (such as France) in the form of an Eco Bonus³. It is also to be noted that soon, the Government of Malta will impose a cut-off date for the importation and registration of ICE vehicles in Malta.

Within the PROMETEUS Project, Transport Malta **is** focusing on the Priority Axis 7 "Shifting towards a more low carbon transport sector" of the Cohesion Fund 2014 - 2020 Operational Programme I of Malta (OPI), and in particular on Investment Priority Action 7c — "Developing and improving environmentally friendly (including low noise) and low carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility."

The policy instrument addressed further focus OPI (7c) on the use of innovative technologies and the promotion of sustainable means of transport in order to reduce greenhouse gas emissions, air pollution and noise pollution.

Transport Malta, being part of the project has had the opportunity to observe and study at first hand

https://www.primealaconversion.gouv.fr/dboneco/#/home

https://www.consilium.europa.eu/en/policies/clean-air/

https://ec.europa.eu/energy/sites/ener/files/documents/malta_draftnecp.pdf#page=31&zoom=100,0,97 (page 26)

the various measures and experiences amongst the partner regions during the various Interregional Activities to which all partners attended (5 Interregional Workshops and 5 Field Visits) and eventually also the Good Practices which the partnership prepared as part of the project deliverables (https://www.interregeurope.eu/prometeus/good-practices/). The lessons learnt during the interregional knowledge exchange have been reported and discussed in the local events organised by Transport Malta. In the meantime, Transport Malta was carrying out a review of the current Malta National Electromobility Action Plan (originally launched in 2013) and eventually also drawn up a project specific eMobility Action Plan - the PROMETEUS Action Plan - to be strongly integrated in the policy instruments being developed by the deliverables of the OPI and subsequently by the NTS.

Specifically, the PROMETEUS action plan will help Transport Malta to implement and provide short term measures during the lifetime of the project (up till June 2021) including improved fiscal incentives, the introduction of electric buses and the installation of evehicle charging infrastructure with the aim to encourage the population to invest and use electric powered means of transportation. Indirectly, this will also be addressing themes such as Air Quality and Climate Change and improved energy efficiency which are crosscutting themes across the entire Operational Programme.

The PROMETEUS Project has given us the opportunity to study and share the various experiences and good practices in between the project Partners. In turn, the project partners have also used the success of local projects in the field of electromobility previously implemented by Transport Malta and the Ministry for Transport and Infrastructure.

Self-defined performance indicator, as per Application Form:

As an overall target, this Action Plan works towards the increase the number of electric vehicles by 25% (page 23 of the Application Form).

Part III - Details of the actions envisaged

ACTION 1: Financial Incentives

The background

During the first phase of the PROMETEUS Project, we have had the opportunity over a long period of time to discuss these incentives, what the public expects, what the implications on Regional and National Governments are and how other countries (including Malta) have managed to provide such incentives. Different regions present different realities and therefore there is more of a local national and local tailor-made solution rather than a common 'template'. Indeed, since PROMETEUS started, we have already made improvements to the original grants scheme and these have also been studied and included in section 3.1 of the Preparedness Needs report

(https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1545052939.pdf).

Financial Incentives are known to be a major game changer when it comes to pushing a desired change in mentality and produce concrete action (and this according to the availability of the respective national and local funds) particularly among the wider, general population especially in view of the higher market price of electric vehicles. The momentum of such schemes is gaining ground among the various interested populations and all regions/countries having such incentives are experiencing an increased response, both at pre-application as well as post application phase. In Malta's case, financial incentives have been in place since 2014 and certainly we have provided knowledge to other partners, however we have also learnt some fine details from other partners like a tie in to Income Tax rebates, although this is not included in this Action Plan. We are also including an option under this measure to increase servicing capacities of garages. The provision of such grants in Malta has assisted the government in trying to achieve the EV targets in Malta.

Malta has been at the forefront in promoting electromobility - Malta is one of the few countries who has actually formulated and published an Electromobility Action Plan. The OPI objectives and the PROMETEUS objectives are fully aligned with Malta's National Reform Programme (March 2016). Government is committed to reduce traffic congestions while encouraging the use of energy efficient modes of transport. To this avail, Government is agreeing to continue to issue a number of grants⁴ and tax deductions (these have been established since 2014) and we are also fine tuning them whilst creating new incentives to continue encouraging the purchase of electric powered modes of transportation.

It can be stated that infusion of capital support and government subsidies can play a key role in

4 http://www.transport.gov.mt/land-transport/grant-scheme-on-the-purchase-of-electric-vehicles

acquiring the new customers and establishing the market for electric vehicles in the market. Various subsidies such as exemption from local and state tax, waiving the road tax, exemption from toll taxes and parking charges and access to bus lanes can push the demand for such vehicles. Such experiences could/should be replicated. A thorough discussion with Castilla y Leon representatives, particularly during the Steering Committee Meetings 1 and 3 and the Bilateral Focused Meeting in Presov, has resulted in a refinement of the local incentives in Malta and a new measure in Castilla-Leon.

Action

This Action involves the continuation and improvement of Incentives Schemes for the promotion of electric mobility. Various Financial Incentive schemes favouring the take up of electric vehicles have been offered by different countries since some years back. Every year, it is important that there is either a new scheme or an improvement in the previous schemes. This momentum has to continue.

Government is already providing the General Public, Local Councils, NGOs and Private Companies with the facility that <u>no Registration Tax</u> will be charged on these vehicles, while as from first date of registration, <u>no annual licence</u> will be paid for a period of 5 years. These measures apply to both new used battery electric vehicles.

The main objective of the <u>Subsidy Scheme for the purchase of new Electric vehicles</u> is to provide financial assistance namely::

- a €7,000 grant, for the purchase of the electric vehicle (Category M1 or N1 vehicle) which shall be new, while the motor vehicle to be de-registered shall: (a) be at least ten (10) years old on the date of application,
- a €6,000 grant, for the purchase of the electric vehicle (Category M1 or N1 vehicle)which shall: (a) be newly purchased; (b) not have been registered before in Malta; (c) be licensed for private use or used in connection with the provision of voluntary services or the activity of a business;
- a €2,000 grant, for the purchase of the motor vehicle to be registered which shall: (d) be an imported second hand vehicle falling under the M1 or N1 categories; (e) not be older than thirty-six (36) months nor shall it have more than 15,000km on the odometer.
- a €3,500 grant, for the purchase of the electric quadricycle or electric motorcycle (Category L6e, L7e or L3e-A3 vehicle) shall: (i) not have been registered with the Authority.
- a €2000 grant for the purchase of a new cargo pedelec,
- a €400 grant, for the purchase of a new pedelec
- a €400 grant, for the purchase of a new electric motorcycle/electric moped/ electric tricycle

(Category L1e, L2e, L3e-A1, L3e-A2 or L5e). A registered company, partnership, cooperative society or a registered self-employed person shall be entitled to a mix and match of new purchase and/or replacing ICE vehicles with up to an amount of €200,000 (or €100,000 in the case of undertakings performing road freight transport for hire or reward) which can be in the form of a combination of different types of vehicles as defined in this Notice.

All grants are considered under the De Minims Rules.

The main objective of The Scrappage Subsidy Scheme is to provide :

- Financial assistance to promote the introduction of new Plug-In Electric vehicles, purchase
 of Electric Category M1 and N1 vehicles, electric quadricycles, pedelecs, electric
 motorcycles, electric mopeds and electric tricycles falling under categories L1e, L2e, L3e,
 L5e, while at the same time reducing the number of older conventional motor vehicles from
 the road.
- The scheme applies to any person residing in Malta, Local Councils, commercial undertakings who can register up to an amount of grant as stipulated in the De Minimis Rule, including a mix and match of possible replacement of ICE vehicles and purchase of new electric vehicles with a total maximum grant of €200,000 (or €100,000 in the case of undertakings performing road freight transport for hire or reward).
- Non-governmental organisations and private individuals or entity applying for the €7,000 grant, shall be the registered owner of an M1 or an N1 vehicle which is at least 10 years old from year of manufacture, provided that such vehicle shall continue to be so registered, garaged or licensed until the date of application for the grant, and is de-registered at the time of the registration of the electric vehicle.

The main objective of <u>The Facilities' Upgrading Scheme</u> is for the Upgrading of facilities of Electric Vehicle Service Garages established within EV Car Importers and Vehicle Leasing Operators Scheme for the provision of eVehicles' Supporting Services and is to incentivise:

• Eligible beneficiaries, like commercial undertakings and apart from upgrading of said garages it is also open to staff training and re-training.

The scheme applies to any person residing in Malta, Local Councils, commercial undertakings who can register up to an amount of grant as stipulated in the De Minimis Rule.

The main aim of this grant is to assist new car importers and vehicle leasing operators to introduce

new plug-in electric vehicle models on the local market hence offering a wider choice of plug-in electric vehicles on the local market which models are already available on the European market. By offering such a vehicle servicing facility, we will be assisting the capacity building of such companies towards increasing the local supply of available after sales services, which would thus prompt an increased local demand of EV's. Up till now a number of car importers and most operators of vehicle leasing companies are not supplying these services on the local market, especially since this requires investments in Human Resources Training and in Upgrading of their service garages. With such a scheme, vehicle servicing can be done locally.

Applicants availing themselves of the grant have to commit themselves that they will also be introducing new electric car models (importers) or having a minimum of ten EV's available for leasing on the local market.

Players involved

These Incentives schemes are continuously monitored and discussed amongst the three principle stakeholders on a regular basis, according to the levels of applications, success rates and budget levels. The three stakeholders are:

- Transport Malta The Scrappage Scheme is managed by the MNEP and the Licensing Unit
 within Transport Malta as part of its responsibilities. The Facilities' Upgrading Scheme is
 managed by the Sustainable Mobility Unit which retains the authoristaion of the Grant in respect
 to the fulfillment of conditions of the scheme.
- Ministry for Infrastructure, Transport and Capital Projects is the over arching Ministry ultimately
 responsible for Transport on the Island and it is therefore incumbent on Transport Malta to seek
 approval from the Ministry so that the message conveyed reflects the message which
 Government wants to convey.
- Ministry of Finance is the Ministry supplying the funding as well as providing the final authorisation in respect to State Aid Rules and associated matters.

Timeframe

The schemes run on an annual basis. Each scheme shall be automatically terminated when the total amount of the grants reach the allocated amounts.

Costs

The eligible costs and expenses for this aid are the financing required to purchase equipment and staff training including courses organized both locally and abroad.

The maximum aid intensity for undertakings which are subject to State aid rules is a per company or up to a maximum of €25,000.

Funding sources

These Schemes are funded totally from Malta Government Funds, allocated through the Annual Government Budget. The amounts vary according to Government Budgetary Conditions but the 2019 allocation is €600,000 and this is not expected to be reduced for the coming two years.

Transferability potential

The replication of these Schemes is in itself possible in other regions, in as much as we have followed such initiatives from other countries. Castilia y Leon has adopted this model and introduced Incentives accordingly. The SMU will be more than happy to assist any (foreign) region which might be interested in replicating or embarking on a similar activity.

Indicators of performance

The number of successful past applications submitted for these schemes will serve as the indicator for performance. The figures below are for 2018:

Applications by Private individuals	Applications by Companies	Applications by Local Councils or NGO	Total Applications
148	80	0	228

These results will be the minimum benchmark set for eventual improvement during 2019, 2020 and 2021 and so we expect these figures to improve by 10 % and reach the 250 applications by the end of 2019 and maintain the same improvement in the following years.

Indicators of result

The take-up of funds by successful applicants will be the indication of the results of these schemes. Last year (2018) all the allocated funds (€1,350,000.00) were exhausted.

Possible re-orientation actions

The Schemes are open for review according to the market development, interest and business intention of all concerned. Eventually, reviews of existing or new schemes are possible, especially based on past performance.

ACTION 2: The Deployment of Electric Buses on the Maltese Islands

In order to promote the shift towards electromobility, the provision of a cleaner public transport service should also be addressed.

Whilst Transport Malta was observing (during the Interregional workshop and the Field Visit held in Valladolid in Semester 2 of the **PROMETEUS** project) the positive introduction of electric buses in Valladolid (Castilla y Leon) and later on in the 5th Field Visit in the Prešov Region (Trolika bus company), we took the decision to include such a measure in the final PROMETEUS AP and therefore took the initiative whereby we engaged with the Ministry for Gozo into the introduction of a park and ride facility with the use of 12 meter Electric Buses and with funding under the **SMITHS**⁵ project which is aimed to engage in specific projects to encourage a modal shift from private car usage to collective, sustainable and alternative low-carbon transport modes, to relieve traffic congestion, improve air quality and in this particular case, to reduce GHG emissions in the Mgarr Harbour area. Furthermore, the measure will be contributing towards an increase in the share of public transport usage by addressing current traffic congestion in and around the Mgarr harbour area and the nearby villages. On the other hand, the Park and Ride facility and e-bus project in Gozo shall also contribute towards a reduction in GHG emissions reflected at national level.

Effectively, this means that Transport Malta will be implementing the Good Practices learnt through PROMETEUS from Castilla and Prešov within the PROMETEUS time life (June 2021).

Players involved

This measure / project will be monitored by very regular meetings amongst the three stakeholders since clear timeframes and budgets have to be respected, amongst which also the PROMETEUS obligations of Phase 2. The stakeholders are:

- MNEP / Transport Malta "Sustainable Mobility Unit".
- The Ministry for Gozo being responsible for the island region of Gozo is consulted during the drafting and revision of national policies such as the Operational Programme to ensure that the island's distinctive regional reality is adequately taken into consideration. Furthermore, the Ministry, through EcoGozo Regional Development Directorate, is responsible for the monitoring and implementation of the EcoGozo Strategy. This is a regional strategy that reflects the objectives of several national policies with the ultimate objective being to transform Gozo into an eco-island.

⁵ The SMITHS project entails the setup of Sustainable Multi Intermodal Transport hubs at strategic locations to provide an area of mobility services in a given location including public transport, transport on demand, car sharing, bike sharing, scooter sharing and others.

Ministry for Infrastructure, Transport and Capital Projects is the over arching Ministry ultimately
responsible for Transport on the Island and it is therefore involved since Public Transport for
the Maltese Islands falls under its responsibility.

Timeframe

The new e-buses will be delivered by the end of Q2 2020, which falls exactly in line with the timeline of the PROMETEUS Project. Monitoring of the use will start immediately with use on the network routes.

Costs

These costs are already secured through the SMITHS (EU Funded) project and €8,000,000 have been allocated.

Funding sources -

ERDF funds are the main sources for this project.

Transferability potential

The replication of this measure is in itself open for replicability in other regions. The MNEP will be more than happy to assist any European region which might be interested in replicating or embarking on similar activities.

Indicators of performance -

The performance of this Action can be measured through the notion that the success of the e-mobility measure is directly proportional to the usage by the consumer, the operational costs as well as the efficiency of the buses.

The project will be monitored according to the committed timeline dictated by the SMITHS Project but within the timeline of Phase 2 of PROMETEUS.

Indicators of result -

The right monitoring tools will be finalised soon, but essentially, the actual mobilisation of these buses on the roads is the finite indicator of the result.

The measure will be open to review and redesign should the need be felt.	
The measure will be open to review and redesign should the need be left.	

Possible re-orientation actions -

ACTION 3: Installation of eVehicles' Roadside Charging Pillars

The background

Malta has been at the forefront in promoting electromobility – Malta is indeed committed with the EU Commission that by 2020, Malta would have installed 500 public Electric Car Charging Points. This mandatory obligation comes out from the Directive on the deployment of alternative fuels infrastructure (DIRECTIVE 2014/94/EU). The Maltese Government, through the Ministry for Transport and with the assistance of Transport Malta already installed 45 charging pillars (90 charging points) in 2013 funded through the Life+ Project Demo-EV and a further three (3) solar car ports powering a total of six (6) dual charging pillars through the PORT-PVEV project, bringing the total to 102 charging points installed around the Maltese Islands by the year 2015. The locations were modelled to the country's socioeconomic situation at the time. During these last few years Transport Malta was also engaged in data gathering exercises on the local demand side.

Following the observation of Good Practises compiled under the PROMETEUS project in regions like Castilla and Carinthia, we could understand better how varying degrees of needs of different users should help influence positively the choice of locations and type of charging pillars. During the Interregional Field Visits in Valladolid, Carinthia and Lazio, we had various discussions with suppliers of such technology and together with local authorities, we could understand the wider picture of larger regions. Malta is a very small country and the users are limited to travel within the 25 km by 18 km land making up the main island. Therefore, our first deployment of charging pillars was based on primary studies which did not have the advantage we have now of both seeing larger regions as well as how their experiences have influenced the location and type of pillars. After this positive experience, Transport Malta is now formulating an improved (compared to the first installation) network rationale in order to undertake the installation of a fresh set of roadside charging pillars (108-medium/fast-and 22 fast) mostly providing double charging points. Through practises observed in Castilia and Carinthia, we have understood that the installation of further charging pillars have to move in the same pace and the same direction as both the technology improvement as well as public needs. In both the aforementioned regions, with much larger populations and covering larger land surfaces, the continuous observation of requirements of the population has been seen as very crucial when authorities plan the locations as well as the types of such pillars:

We observed how in La Granja in Segovia (https://www.interregeurope.eu/policylearning/good-practices/item/1960/esen-sustainable-electric-charging-stations/), the authorities installed solar powered pillars as a solution to problems with energy provision.

⁶ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0094&from=EN

In Carinthia, we experienced the fact that the most difficult challenges were the cooperation with
car retailers and energy provision for charging infrastructure, with the main lesson learnt that emobility should be part of a holistic process involving traffic planners, energy providers and public
awareness (https://www.interregeurope.eu/policylearning/good-practices/item/1951/charger-development-programme/)

At the same time during this PROMETEUS observation phase, an implementation plan and feasibility study for the installation of further charging pillars was being carried out (under the HORIZON2020 programme **GROWSMARTER** project). Indeed a lot of development has taken place during the last 7 years and this new country-specific reality is now being addressed. Just to cite one example as a result of these observations and studies, a fast charger will be installed within the Ferry Service landing site in Malta from Sicily, since it has been observed that cross-border terminals are a good point for the provision of charging facilities. Through PROMETEUS, further studies were carried out with regards to the use of the latest charging technologies.

Complimenting this new set of chargers, 225 electric charging pillars are currently being installed by the GO-TO[®] car sharing company, all within the fresh network rationale established as a result of the good practices observed.

Action

The main objective of the <u>Installation of Roadside Electric Charging Pillars Measure</u> is to provide a more extensive network of charging pillars available around the Maltese Islands, taking into account the demographic needs as well as technology available, addressing also the need to provide a faster charging option which is becoming increasingly a must-have feature for a country/region in order to provide peace of mind for current and prospective eVehicle owners and meet the current demands. The Action involves the procurement and installation of these pillars.

This Action involves both the Administrative and Implementation of a Measure for the promotion of electric mobility. Since most prospective electric vehicle owners request a solution to address road-anxiety and the much feared battery depletion, we have come up with this measure so that the Maltese Islands are further networked with newer models of charging points placed in areas which have been identified lately, when compared to the original set which were installed in 2013.

Players involved

As such, the Sustainable Mobility Unit within Transport Malta (and also representing the Lead Partner in the PROMETEUS Project) is the Project Manager of this project. The Procurement and Installation of these charging pillars is a measure undertaken by Transport Malta as part of its responsibilities. The project is being managed by the Sustainable Mobility Unit, with input from the national energy service

providor which eventually will also be responsible for integrating the whole national network of charging pillars under one managing platform.

- Ministry for Infrastructure, Transport and Capital Projects is the over arching Ministry ultimately responsible for Transport on the Island.
- Ministry of Finance is the Ministry supplying the funding.

Timeframe

The full installation is expected to be completed by end of Q4 2020.

Costs

The eligible costs and expenses for this aid are the financing required to purchase and eventually install the equipment. These funds are secured through the SMITHs Project at a cost of €M 1,044,000.

Funding sources

Mr Joseph Buggla Chairman and CEO

This measure is funded from the Smiths Project.

Transferability potential

The replication of this measure is in itself possible in other regions, in as much as we have followed such initiatives from other countries. The SMU will be more than happy to assist any (foreign) region which might be interested in replicating or embarking on a similar activity.

Indicators of performance

The increased usage of these charging pillars is the best indicator for performance. The monitoring of the usage of these charging points will obviously be carried out precisely through the metering of the service by the energy service provider which is a state agency, in conjunction with the Measures Project Management (Transport Malta)

Indicators of result

The usage account of each individual pillar will be available as metrics obtained from the electricity meter which is in turn monitored.

Possible re-orientation actions

Eventually, as already carried out for the 2013 installations, reviews are possible, especially based on past performance.

Mr Joseph Bugeja Chairman and CEO
Transport Malta