

# Implementation of the rules on energy statistics

Energy Community Secretariat, Vienna, Am Hof 4, 27 March 2014

### 1. Overview of commitments and progress in 2013

Mr. Janez Kopač, director of the Energy Community Secretariat (ECS) welcome the participants. He emphasized that energy statistics was high on the Energy Community (EnC) agenda and ECS would continue to support efforts on improving its quality, in cooperation and coordination with EUROSTAT and International Energy Agency (IEA).

ECS is aware of lack of key resources, primarily financial resources and lack of staff. ECS has a task to monitor implementation, including if necessary resources are made available to implement the Treaty.

Ms. Milka Mumović on behalf of ECS presented an overview of commitments and achieved progress to implement the rules on energy statistics in accordance with the Treaty.

- Contracting Parties (CP) were invited to continue their efforts in spite of persistent problems such as lack of staff, often combined with insufficient funding for key activities and in some cases lacking technical resources.
- ECS will do its best to support CPs to overcome these obstacles either by direct assistance or by raising relevant matters higher on the political agenda.

### 2. Introduction in quality reporting

Mr. Fernando Diaz from EUROSTAT presented the concept of quality reporting (QR) on energy statistics, focusing on quality criteria and objectives of QR. EUROSTAT conducted its first quality reporting cycle in the area of energy statistics with the purpose to get an insight into the processes undertaken by EU MS, underlying methodologies, coverage, transparency and quality assurance procedures. Based on the collected information, EUROSTAT will be able to present example of good practice.

EUROSTAT showed one example of a QR questionnaire and presented some lessons learned and recommendations for the future.

The next QR cycle will be most probably launched in 2015 and will go deeper with the aim to obtain more precise and comparable information.

Mr. Michael Goll from EUROSTAT presented validation and check-up techniques and procedures used by EUROSTAT, such as general checks, checks specific for single questionnaires, inter- questionnaire consistency check, frequent mistakes and shortcomings. EUROSTAT plans further automatization of checks as much as possible. QR is planned as an important tool to facilitate validation and data checks. Response rate is an important criterion in QR.

Validation procedures include notification via built-in macros and cross-references to check consistency in the overall submission. Lot of work could be saved in EUROSTAT if National Statistic Institute (NSI) paid attention to macros or to consistency checks, and correct data before submission or provide explanation. Calorific values are mandatory as EUROSTAT does not use predefined values for solid fuels.

As regards confidentiality, it is important that statistical authorities make sure that the rules are respected. It seems to be important that respondents do not see advantages by flagging data as being confidential. Therefore they should be asked in any case that data are transmitted to the responsible authorities. In turn, these authorities need to guarantee that confidentiality of the transmitted data is ensured.

Experience showed that deficiencies in data consistency can appear when too many authorities are involved, if those do not communicate properly with each other, when political influence is present or when there is not enough trained staff. It was indicated that every caution and diligence is required in this respect and that the NSIs bear responsibility for the data they provide.

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- Recalling that implementation of R 1099/2008 in EnC includes QR, EUROSTAT is invited to provide more
  information about the templates used in the previous cycle and, if possible, some QR of EU MS evaluated as best
  examples in the first cycle.
- EnC will try to follow the next QR exercise, beginning in 2015, to the extent possible. The format of collaboration shall be discussed with EUROSTAT.
- Representatives of EUROSTAT confirmed that an empty template of QR for energy, as used in the previous reporting cycle, would be published on EUROSTAT web page in the section QR, along with some of the best practice examples. ECS will make available link to this information on its web page.
- To facilitate validation of data by EUROSTAT and IEA, NSI and responsible experts are invited to provide as many information as necessary for clarification of any specific flow, in addition to data in tables. Remark page is available in every questionnaire for that purpose. If necessary information were provided in the remark pages, many requests for clarification would be avoided.
- Legal basis obliging companies to provide information must be in place, including penalty in case of non compliance.
- As regards correction of errors, improving quality of data implies correction of previous errors. Revision must be transparent. Transparent procedure protects against data manipulation.

### 3. Implementation status and challenges

Mr. Pierre Boileau on behalf of IEA presented development and current status of cooperation of IEA with ECS and particularly assessment of the most recent annual collections (year 2012) of the Energy Community to be published this year, with detailed assessment per CP. In general, all CPs met the criteria of timeliness, accuracy and responsiveness, save for the specific matters of coverage exceeding the competence of NSI.

Data quality assessment is a priority as only high quality energy data is relevant data. IEA performs quality assessment using its standard tools and new ones, such as visual trend. IEA does not request neither perform QR for CPs, but supports QR as an important segment of quality assurance for IEA's databases. Quality assessment include, among others, consistency check, comparative check and efficiency check.

The submission has been improving significantly over the last five years in all CPs and EnC as a whole.

Significant part of cooperation is training which takes the form of organized lectures, first of which in 2010 was dedicated exclusively to the Energy Community and in an interaction taking place in the process of clarification of submissions. The point is that request for clarifications are meant to improve things.

- IEA shall continue working with the Energy Community to assist countries to improve their energy balances through manuals, training and interaction with country contacts.
- NSIs are encouraged to apply built-in checks themselves, primarily to correct "red cells" and to use "check data" button. Using built-in checks eliminates unnecessary clarifications.
- After submission of questionnaires, the Balance Builder and Energy Data Management Centre are available. NSIs are invited to use these tools for checking their data and for reference.
- NSIs are invited to provide as much additional information as may be necessary to understand national collection system and larger systemic issues.

Mr. Robert Fabek on behalf of Energy Institute "Hrvoje Požar", provider of technical assistance under the contract with ECS, presented the course, current status, and expected final outcome of the project per each CP and per each corresponding activity as stipulated in the Service specification.

He explained the main activities undertaken by his team: assessment of the current situation, developing methodologies and questionnaires, defining procedures for collection and compilation of data and capacity building in statistical offices. They noted differences among CPs, in current position and organizational setup. In general, problems with available resources in responsible institutions still pose key obstacle to implement the rules.

All activities stipulated in the service specification and elaborated in details with CP are completed or in the final stage of completion, owing primarily to outstanding efforts of key staff. Hands-on training in Ukraine is postponed. Pilot surveys are conducted or prepared, except in Albania for all activities.

Report on firewood consumption of Montenegro prepared last year was presented as an example of good practice that can be shared.

- Albania is invited to conduct pilot surveys under the supervision of consultant without delay.
- After conducted pilot surveys, priority should be given to surveying energy consumption in household.
- After first collection, continuity of surveys the most important to improve the quality of data.

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When working on questionnaires and particularly on pilot surveys, CPs gained experience and identified some specific questions that needed clarification. Received questions were sent to EUROSTAT beforehand and replies were received and communicated to interested party and all national coordinators and published on the EnC web page.

Present experts from EUROSTAT, IEA and Statistics Slovenia invited participants to raise any other question related to implementation of the rules on energy statistics for discussion and clarification.

The participants raised the following open questions for clarification.

1. Reporting flows in <u>integer</u> is problematic for small countries and particularly in monthly reports. Is it possible to adapt format to report values with **decimals**?

All invited experts agree that adding decimals should be considered, although it requires firstly change of methodology and a lot of technical work. It is possible to report monthly sums only quarterly, to avoid check alerts during validation. Besides monthly, decimal may be relevant for some annual data.

EUROSTAT and IEA are aware of the problem and will consider it with due attention. Even if change is made, it can be done only at Energy Statistics Working Group (ESWG) in 2015 and applied only in 2017.

2. **Prices** comprising energy and network costs and taxes are reported on the basis of issued invoices. When invoice for energy is issued by a supplier and invoice for network by network operator(s), the number of entities falling into one band is not the same, since network operators normally issue invoices to individual connection and metering point. What is the best approach if one customers does not fall in the same consumption band for supplier and for network operators, i.e. one customer having many connections and metering points with different network operators is not in the same consumption band for supplier(s)?

After discussion, it was agreed that this question will be considered by relevant experts for price statistics in due time and communicated to participants, although the significance / occurrence of these situation and its impact on reported average prices are not quite clear yet. However, it is important to be aware of the issue in the future, as markets open.

3. **Losses of network energy** are defined by technical rules as difference between energy injected and taken from the system, registered at mereting points. In systems where theft (by-passing or temepring with meters and any other form of non registered consumption) are significant, all this consumption is disclosed in balance as losses. Is it adequate to estimate share of unregistered consumption and assign it to consumption instead to losses? If theft of electricity (gas) is considered losses, how would be treated consequent detections of theft? Will assumed consumption be re-assigned to consumption?

The methodology is clear, losses present difference between energy injected and taken from the system. For better understanding, NSI may report additional information / remark relevant for estimated consumption and level of technical losses.

However, as it is not possible to calculate which share of losses is unregistered consumption and to estimate with reasonable confidence consumption category to which it should be assigned, the losses could not be presented as consumption.

### 4. Next steps

Ms. Milka Mumović presented the document prepared as a basis for the next round of technical assistance planned by the ECS in the year 2014, to be implemented in 2014-2015. (Draft service specification: Assistance to improve data quality)

The document was based on the submission of CPs and envisages the assistance to Bosnia and Herzegovina, the FYR of Macedonia and Montenegro to conduct surveys in accordance with their action plans and to Moldova primarily to improve technical capacity and trainings of field staff and respondents. The FYR of Macedonia and Montenegro submitted detailed specification of activities with related costs; Bosnia and Herzegovina indicated only key areas requiring surveys.

- Bosnia and Herzegovina is invited to finalize its request with detailed specification of planned activities and related.
- Moldova is invited to provide technical specifications for technical parts and detailed task schedule for trainings.
- Beneficiaries of assistance to conduct surveys are invited to notify ECS if they would accept participation of expert(s) from other CPs during the exercise and if so to specify the activities and timing when this should take place.
- All CPs are invited to consider possibility to send their experts to take part in conducting the surveys for the planned Beneficiaries and to submit their preferences for attendance to ECS.

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- Consultations should take place during April and May 2014 in order to finalize terms of references in June 2014.

Participants and all National Coordinators for implantation of the rules on energy statistics will be notified of any activity and publications following the discussions at this workshop.

The next Energy Community Statistics Workshop is scheduled for November 2014.

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