

*Provisional draft of the*  
**International Recommendations**  
**for Energy Statistics**

prepared for the 2<sup>nd</sup> stage of the worldwide consultation

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# International Recommendations for Energy Statistics

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## List of Abbreviations and Acronyms

|               |  |            |   |
|---------------|--|------------|---|
| API           | American Petroleum Institute                                     | IPCC       | Intergovernmental Panel on Climate Change                                   |
| BPM6          | Balance of Payments and International Investment Position Manual | IRES       | International Recommendations for Energy Statistics                         |
| BIPM          | International Bureau of Weights and Measures                     | IRDT       | International Recommendation on Distributive Trade                          |
| Btu           | British thermal unit   | ISIC       | International Standard Industrial Classification of All Economic Activities |
| CHP           | Combined Heat and Power  | ISWGES     | Inter-Secretariat Working Group on Environment Statistics                   |
| CLRTAP        | Convention on Long-Range Trans-Boundary Air Pollution            | JPOI       | Johannesburg Plan of Implementation   |
| CPC           | Central Product Classification                                   | LNG        | Liquefied Natural Gas   |
| ECLAC         | Economic Commission for Latin America and the Caribbean          | LPG        | Liquefied Petroleum Gas   |
| EEA           | European Environmental Agency                                    | kWh        | Kilowatt hour   |
| ESCM          | Energy Statistics Compiler Manual                                | MTBE       | Methyl Tertiary Butyl Ether   |
| ETBE          | Ethyl Tertiary Butyl Ether                                       | NACE Rev 2 | Statistical Classification of Economic Activities in the European Community |
| EUROSTAT      | Statistical Office of the European Communities                   | NCV        | Net Calorific Value   |
| GCV           | Gross Calorific Value  | NGL        | Natural Gas Liquid  |
| GTL           | Gas to Liquid  | OECD       | Organization for Economic Cooperation and Development                       |
| GDP           | Gross Domestic Product   | SBP        | Special Boiling Point   |
| GHG           | Greenhouse Gas   | SDMX       | Statistical Data and Metadata Exchange                                      |
| HS            | Harmonized Commodity Description and Coding System               | SEEA       | System of Environmental-Economic Accounting                                 |
| IEA           | International Energy Agency                                      |            |   |
| IMF           | International Monetary Fund                                      |            |   |
| InterEnerStat | Inter-Secretariat Working Group on Energy Statistics             |            |   |

SEEA-E System of Environmental-  
Economic Accounting for Energy

SI Systèmes International d'Unités

SIEC Standard International Energy  
Classification

SNA System of National Accounting

TAME Tertiary Amyl Methyl Ether

Tce Ton of coal equivalent

Toe Ton of oil equivalent

TPES Total Primary Energy Supply

UN United Nations

UNDESA United Nations Department of  
Economic and Social Affairs

UNECE United Nations Economic  
Commission for Europe

UNFC United Nations Framework  
Classification for Fossil Energy and Mineral  
Resources

UNFCCC United Nations Framework  
Convention on Climate Change

VAT Value added tax

## **Chapter 1. Introduction**

1.1 Energy is fundamental for socio-economic development. The availability of and access to energy and energy sources is linked to poverty reduction and improvements in the standards of living<sup>1</sup>. In addition, with the increasing demand for energy, there are growing concerns about the sustainability and reliability of production and consumption patterns and the impact of the use of fossil fuel on the environment.

1.2 The reliable and timely monitoring of the supply and use of energy is fundamental for decision making. In this respect, the International Recommendations for Energy Statistics (IRES) provide the basic elements for the collection, compilation and dissemination of energy statistics, thus strengthening energy statistics as part of official statistics by providing recommendations on concepts and definitions, classifications, data sources, data compilation methods, institutional arrangements, data quality assurance, metadata and dissemination policies.

### **A. Background**

1.3 Due to the critical role energy plays in socio-economic development, the availability of high quality energy statistics has always been a matter of concern for the statistical community. The United Nations Statistical Commission has discussed issues relevant to energy statistics as part of economic statistics since its inception. In the aftermath of the energy crisis of the early 1970's, the Commission put energy statistics on the agenda as a separate item and requested a special report on energy statistics to be prepared and presented for discussion.

1.4 Accordingly, the report of the UN Secretary-General was prepared and submitted to the Commission at its 19<sup>th</sup> session (1976)<sup>2</sup>. The Commission welcomed the report and agreed that the development of a system of integrated energy statistics should have a high priority in the Commission's programme of work. It agreed on the use of energy balances as the key instrument in the coordination of work on energy statistics and the provision of data in a suitable form for understanding and analysing the role of energy in the economy and the interrelationships between its constituent elements. The Commission also recommended the development of a standard international classification for energy statistics as part of the development of the global system of integrated energy statistics. The preparation of an international classification of energy was

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<sup>1</sup> Johannesburg Plan of Implementation (JPOI) para 9(g). Available at [http://www.un.org/esa/sustdev/documents/WSSD\\_POI\\_PD/English/POIToc.htm](http://www.un.org/esa/sustdev/documents/WSSD_POI_PD/English/POIToc.htm)

<sup>2</sup> Towards a System of Integrated Energy Statistics. Report by the Secretary General to Nineteenth session of the Statistical Commission (E/CN.3/476), 15 March 1976

considered an essential element for the further development and harmonization of international energy statistics.

1.5 Following the Commission's recommendations, the United Nations Statistics Division (UNSD) prepared a detailed report on basic concepts and methods relevant for energy statistics. The Commission, at its 20<sup>th</sup> session (1979), appreciated the report and decided it should be made available for circulation to national and international statistical offices, as well as other appropriate agencies. In response to this decision, UNSD issued in 1982 *Concepts and methods in energy statistics, with special reference to energy accounts and balances: a technical report* (UN, 1982). At its 24<sup>th</sup> session (1987), the Commission again discussed energy statistics and recommended that a handbook on conversion factors and units of measurement for use in energy statistics be published as well. Implementing this recommendation, UNSD issued later in 1987, another technical report entitled *Energy statistics: definitions, units of measure and conversion factors* (UN 1987). These two documents have played an important role in developing energy statistics both at the country and international levels.

1.6 As countries were gaining experience with the compilation of energy statistics and various regions developed specific data needs, it became necessary to produce additional guidance. In 1991, UNSD published *Energy statistics: a manual for developing countries* (UN 1991), and in 2004 the International Energy Agency (IEA) and Eurostat published *Energy Statistics Manual* (OECD/IEA and Eurostat, 2005) to assist members countries of the Organization of Economic Cooperation and Development (OECD) and the European Union (EU) in compiling their joint energy statistics questionnaire and to provide guidance in energy statistics. Both manuals were welcome complements to the earlier UN publications. The IEA/Eurostat manual contains the most recent background information and clarifications of some difficult conceptual issues.

1.7 In view of mounting evidence that energy statistics have some serious shortcomings in terms of data availability and their international comparability, the Commission at its 36<sup>th</sup> session (2005) undertook a programme review based on the report prepared by Statistics Norway<sup>3</sup>. The Commission, during its deliberations, recognized the need for developing energy statistics as part of official statistics and for revising the existing recommendations for energy statistics<sup>4</sup>.

1.8 As part of follow-up actions to the Commission's decisions, UNSD convened an ad-hoc expert group on energy statistics (New York, 23-25 May 2005) which recommended that further work on energy statistics should be carried out by two complementary working groups – a city group and an inter-secretariat working group. The city group's task was to contribute to the development of improved methods and international standards for national official energy statistics, and the inter-secretariat working group was requested to enhance international

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<sup>3</sup> Available at <http://unstats.un.org/unsd/statcom/doc05/2005-3e.pdf>

<sup>4</sup> The Commission's actions can be found in the Commission's Report (Chapter III.A) available at <http://unstats.un.org/unsd/statcom/doc05/Report-English.pdf>

coordination, particularly in harmonisation of the definitions of energy products. The detailed terms of reference of both groups were drafted and approved by the Commission's Bureau<sup>5</sup>.

1.9 The Commission at its 37<sup>th</sup> session (2006) commended the progress made and supported the establishment and mandate of the Oslo Group on Energy Statistics and the Inter-secretariat Working Group on Energy Statistics (InterEnerStat<sup>6</sup>), and requested proper coordination mechanisms between them. The present IRES is the result of a close cooperation between UNSD, the Oslo Group and InterEnerStat. In 2006, InterEnerStat started its work on the harmonization of definitions. The list of definitions of energy products in Chapter 3 reflects the outcome of this process.

1.10 IRES and the System of Environmental-Economic Accounting (SEEA), including the System of Environmental-Economic Accounting for Energy (SEEA-E), are being prepared under the auspices of the UN Committee of Experts on Environmental-Economic Accounting and provide the international statistical standard for environmental and energy accounts consisting of agreed concepts, definitions, classifications and inter-related tables and accounts. IRES and SEEA-E are two complementary documents and their preparation is fully coordinated. While IRES complies to the extent possible with the SEEA-E conceptual structure and data needs, SEEA-E accounting standards were developed on the basis of IRES (e.g., using IRES definitions of data items and classifications of energy products and flows). The links between IRES and the SEEA-E are further elaborated in this document.

## **B. Purpose of the international recommendations for energy statistics**

1.11 The main purpose of IRES is to strengthen energy statistics as part of official statistics by providing recommendations on concepts and definitions, classifications, data sources, data compilation methods, institutional arrangements, approaches to data quality assessment, metadata and dissemination policies. Developing energy statistics in compliance with IRES will make these statistics more consistent with other fields of economic statistics such as standard international classifications of activities and products<sup>7</sup>, as well as with the recommendations for other economic statistics (e.g., International Recommendations for Industrial Statistics, UN 2009b).

1.12 In addition, IRES will serve as a reference in support of all countries for the maintenance and development of energy statistics programmes, irrespective of the level of development of their statistical systems. IRES provides a common, yet flexible, framework for the collection,

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<sup>5</sup> See Report of the Secretary-General on Energy Statistics E/CN.3/2006/10.

<sup>6</sup> In parallel with this decision by the Commission, the IEA was undertaking efforts to create a group consisting of various regional and specialized agencies active in energy statistics. Such a group, known as InterEnerStat, was established in 2005 and acts as the Inter-secretariat Working Group on Energy Statistics reporting to the Commission.

<sup>7</sup> The International Standard Industrial Classification of All Economic Activities (ISIC), the Central Products Classification (CPC) and the Harmonized Commodity Description and Coding System (HS).

compilation, analysis and dissemination of energy statistics, which meets the demands of the users community and are policy relevant, timely, reliable, and internationally comparable. IRES can be utilized for all countries irrespective of the level of development of their statistical systems.

1.13 While countries **are encouraged** to comply with the IRES definitions and classifications; the collection of a minimum set of energy statistics and data quality and data dissemination principles, they have flexibility in defining the scope of their own energy statistics programme, developing their data collection strategies and establishing the appropriate institutional arrangement which reflects the country policy, circumstances, and resource availability.

1.14 Although there is no internationally accepted definition of the term *official statistics*, it is widely used in the statistical community. *The Fundamental Principles of Official Statistics* were adopted at the Special Session of the United Nations Statistical Commission, 11-15 April 1994. In international practice, a particular body of statistics is usually referred to as official statistics if it follows *the UN Fundamental Principles of Official Statistics* (see Box 1.1). One of the key objectives of the Principles is to stress that high quality must be an indispensable feature of official statistics. The quality of energy statistics is covered in Chapter 9 and builds on the experience of countries and international organizations in this area.

### Box 1.1: The UN Fundamental Principles of Official Statistics<sup>8</sup>

Principle 1. Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information.

Principle 2. To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.

Principle 3. To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.

Principle 4. The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.

Principle 5. Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents.

Principle 6. Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.

Principle 7. The laws, regulations and measures under which the statistical systems operate are to be made public.

Principle 8. Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.

Principle 9. The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.

Principle 10. Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.

1.15 *Importance of developing energy statistics as official statistics.* Energy is a necessary input in almost all activities and essential for economic development in countries. Therefore, it is imperative that energy statistics are produced with the highest quality possible. To ensure that such quality is attained, countries **are encouraged** to take steps to advance from the collection of selected data items used primarily for internal purposes by various specialized energy agencies, to the establishment of an integrated system of multipurpose energy statistics as a part of their official statistics in the context of the UN Fundamental Principles and on the basis of appropriate institutional arrangements.

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<sup>8</sup> Although the original text of the UN Fundamental Principles of Official Statistics makes reference to “official statistical agencies” only, in the context of energy statistics, it should be understood to include energy national agencies/institutions involved in the collection, compilation or dissemination of energy statistics.

1.16 Developing energy statistics, as official statistics, will be beneficial in a number of ways including: (i) strengthening the legal basis in order to guarantee confidentiality of data providers and protection against data misuse (see Chapter 10 on dissemination for details); (ii) improving international comparability by promoting the implementation of international standards and concepts; and (iii) fostering transparency in the compilation and dissemination of statistics.

1.17 *Actions to be taken to strengthen energy statistics as official statistics.* Developing energy statistics as part of countries' official statistics is a long-term goal which requires careful planning for development and implementation. Actions leading towards this goal should be taken both at the international and national levels.

1.18 At the international level, the strengthening of official energy statistics would be achieved by the development and adoption of the present international recommendations for energy statistics and carrying out the respective implementation programme. The implementation programme envisages, for instance, preparation of the *Energy Statistics Compilers Manual* (ECSM) and other technical reports to ensure sharing of good practices and improvements in data quality. **It is recommended** that international organisations play an active role in IRES implementation and assist countries in developing energy statistics work programmes as part of their national official statistics through, for example, the development of training material and regular training programmes, organization of workshops and the sharing of expertise.

1.19 At the national level, further improvements in the legal base and streamlining of the institutional arrangements are needed. Certain issues, like confidentiality, can be a real challenge since there may be strong tendencies towards market concentration and market liberalization on the supply side for specific energy products, creating a conflict between the confidentiality requirement and demand for data. Some guidance in this respect is provided in Chapter 7 and Chapter 10.

1.20 Another set of actions at the national level is required to raise the user confidence in energy statistics, including making the processes of data compilation and dissemination fully transparent. **It is recommended** that official energy statistics are treated as a public good and the agencies responsible for dissemination of official energy statistics ensure that the public has convenient access to these statistics (see Chapter 10 on dissemination).

1.21 *The specific needs in the current revision.* The international recommendations for energy statistics were not reviewed as a whole since the 1980s and need to be revised and updated to:

- (a) Take into account and provide recommendations on statistical treatment of the new developments in energy production and consumption. Examples include the increased complexity of energy markets (including their liberalization) and appearance of new energy sources and technologies<sup>9</sup>. The existing recommendations focus on traditional

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<sup>9</sup> The energy market is a fast-evolving market. For example, 40 years ago, there was almost no electricity produced from nuclear energy; more recently wind and solar energy have started to draw attention; biofuels have been quickly

energy sources, while IRES takes into consideration new and emerging energy sources and technologies, such as renewable energy that have penetrated or are penetrating the market and additional data needs like sustainability and efficiency of energy supply and consumption which were not covered in the previous recommendations;

- (b) Provide recommendations on topics not explicitly covered in the existing UN publications such as data compilation strategies, data quality, metadata and data dissemination, as well as the institutional frameworks needed for effective compilation of official energy statistics;
- (c) Provide definitions of data items for collection, identify a range of appropriate data sources and data compilation methods in order to assist countries in the formulation of their data compilation strategies in the context of the increased complexity of energy markets in rapidly globalizing economies and heightened confidentiality concerns;
- (d) Promote an integrated approach to energy statistics, in particular to improve harmonization with other standard international classifications of activities and products, as well as take into account the new recommendations in related areas (e.g., SEEA-E and the United Nations Framework Classification for Energy and Mineral Resources);
- (e) Recognize that depending on the country circumstances, the responsibility for official compilation and dissemination of official energy statistics may be vested in ministries of energy, national statistical offices or specialized agencies. Regardless of where this responsibility is situated, the agency responsible for official energy statistics should be committed to adhere to the statistical standards of quality;
- (f) Promote the uniformity in international reporting of energy data required for dealing with global challenges such as climate change, economic development, energy security and sustainable development, and for meeting other international needs including improvement in coverage and quality of the UN energy statistics database and energy databases of other international and regional organizations.

## **C. Users and uses of energy statistics**

1.22 *Energy statistics* are a specialized field of statistics where the scope has been evolving over time and broadly cover (i) extraction, production, transformation, distribution, storage, trade and final consumption of energy products and (ii) the main characteristics and activities of the energy industries (see Chapter 2 for details). Energy statistics are seen as a multipurpose body of data. Therefore, the successful development of international recommendations has to be based on the

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increasing in relevance and tomorrow might see a fast development of hydrogen and fuel cells. As a consequence, there is an obvious need for statistics and statisticians to follow, if not to anticipate, the fast evolution of the energy market.

identification of main user groups and their needs. IRES explicitly recognizes the following such groups.

1.23 *Energy policy makers.* Policy makers who use energy statistics for formulation of energy strategies and monitoring their implementation. In this context, energy statistics are required, inter alia, for the following:

- (a) *Formulation and monitoring the impact of energy policies on the economy.* The formulation and monitoring of the impact of energy policies on the economy is critically important for countries, as energy is a globally traded commodity and can directly affect production, imports, exports and investment which all have a significant impact on a country's GDP. The availability of detailed and quality energy statistics provide policy makers the information needed to make informed decisions and examine appropriate tradeoffs. For example, in the context of global price shocks in commodities such as oil and gas, policy makers may want to monitor the impact of a national subsidy program for those fuels. In other situations, policy tradeoffs of whether certain energy products can be better used for food or used as fuel may be examined;
- (b) *Monitoring of country energy security.* For assessment of national energy security, detailed statistics on energy supply, transformation, demand and stock levels are needed. Data on production, trade, consumption, stocks levels and stocks changes are politically sensitive as problems with energy supply, especially if national energy sources do not meet the energy demand, may be perceived as a threat to national independency. This highlights the importance of data quality in energy statistics;
- (c) *Planning of energy industries' development and promotion of energy conserving technological processes.* A basic prerequisite for such strategic planning is the availability of systematic and detailed data covering the range of primary and secondary energy products, as well as their flows from production to final consumption. This would allow for evaluation of the economic efficiency of various energy production processes and energy consumption, and for building econometric models for forecasting and planning future investments in the energy industries and in energy conserving technological processes;
- (d) *Environmental policy, especially greenhouse gas emission inventories, and environmental statistics.* A growing concern can be observed for the environmental effects/emissions of greenhouse gases (GHGs) and other air pollutants from the use of energy, especially from the use of fossil fuels. Enabling energy statistics to meet the demand from environment statistics, especially the emission of greenhouse gases must be one of the top priorities. This is important in order to be able to see energy, economy and climate together within the frame of official statistics, as a way to meet these major challenges.

1.24 *Business community.* The availability of detailed energy statistics is critical for the business community in general and the energy industries in particular for evaluating various business options, assessing opportunities for new investments and monitoring the evolution of the energy market. Basic energy statistics have to be relevant for experts following the energy markets. In many countries, changes in energy markets and energy prices will have strong effects on the economic situation.

1.25 *Compilers and users of national accounts.* In most systems of official statistics, the national accounts play a crucial role as they give the national picture of the economic situation and trends, covering all production sectors, including energy, and all uses of goods and services. Basic economic statistics, including energy statistics, are needed to meet the demands of the national accounts as much as possible, in order to provide basis for the analysis of economic trends, business cycles, etc.

1.26 *Compilers of the System of Environmental-Economic Accounting for Energy (SEEA-E).* The SEEA-E expands the conventional national accounts to better describe the extraction of energy from the environment, the use and supply of energy products within the economy, and energy related air-emissions. Energy statistics are the basis for the compilation of the SEEA-E which organizes and integrates them in a common framework together with economic statistics thus providing additional information relevant to the formulation and monitoring of energy policy.

1.27 *International organizations.* As international organizations were created to monitor various aspects of global energy and environmental status, including climate change, they need energy statistics to carry out their activities. International reporting obligations are an additional important factor which has to be taken into account while developing energy statistics (see Chapter 10 for further information).

1.28 *General public.* The general public benefit from the availability of timely energy statistics to evaluate the energy and environmental situation in order to make more informed decisions, for example, information on energy costs, prices, and their trends, contribute to the decision-making about efficiency, sustainability, and the economy.

#### **D. Revision process and IRES content**

1.29 *The revision process* was discussed and agreed upon at the 3<sup>rd</sup> and 4<sup>th</sup> Oslo Group meetings. The process includes preparation of an annotated outline of IRES for worldwide consultation with countries and international organizations on the scope and content of IRES, an International Workshop on Energy Statistics (Mexico, 2-5 December 2008) to provide an opportunity for developing countries to express their concerns and discuss possible solutions, preparation of the draft recommendations and their review by the 4<sup>th</sup> and 5<sup>th</sup> meetings of the Oslo Group, worldwide consultation on the provisional draft of IRES, as well as review and endorsement of the draft IRES by the UN Expert Group on Energy Statistics. **[to be amended before submission to the UN Statistical Commission]**

1.30 The Oslo Group, its secretariat Statistics Norway, and the InterEnerStat, chaired by the International Energy Agency (IEA), were the key content providers to IRES in accordance with the mandates given to them by the Commission. The London Group, the UN Expert Group on International Economic and Social Classifications and the Expert Group on Classification were consulted as well. The UNSD coordinated and organized worldwide consultations, consolidating and editing various inputs to the successive versions of the draft IRES.

1.31 *Guiding principles for the revision.* The Oslo Group agreed on the following principles to guide the preparation of IRES:

- (a) Needs of major user groups should be considered as a starting point and be taken into account, to the maximum extent possible, to ensure that the compiled data are policy relevant, meet the needs of the energy community (both producers and users) and provide a solid foundation for integration of energy statistics into a broader accounting framework;
- (b) The revision should be conducted in close consultation with both national statistical offices and national energy agencies, as well as with the relevant international and supranational organizations;
- (c) While providing recommendations on data items and their definitions, care should be taken so that: (i) necessary data sources are generally available in countries to compile such data; (ii) the collection of such data items does not create significant additional reporting burden; and (iii) the collection procedures can be implemented by most countries to ensure improved cross-country comparability;
- (d) The revision should be seen in the context of promoting an integrated approach in the national statistical system which requires, to the extent possible, the use of harmonized concepts, classifications, and standardized data compilation methods in order to achieve maximum efficiency and minimize reporting burden;
- (e) Additional guidance on more practical/technical matters to assist countries in the implementation of IRES should be provided in the forthcoming *Energy Statistics Compilers Manual* (ESCM). During the revision process, the Oslo Group will decide on what will be covered in ESCM and to what extent.

1.32 The IRES is structured in accordance with its objectives and the identified key areas where the revised and updated recommendations were needed. It has eleven chapters and four annexes. The content of each chapter is briefly described below.

1.33 *Chapter 1. Introduction.* This chapter provides background information and formulates the objectives of the IRES. It is emphasized that the main objective of IRES is to provide a firm foundation for a long-term development of energy statistics as a part of official statistics based on the UN *Fundamental Principles of Official Statistics*. The chapter stresses the importance of

energy statistics for sound decision and policy-making, identifies major user groups and their needs, and provides reasons for the current revision of the recommendations.

1.34 *Chapter 2. Scope of Energy Statistics.* The purpose of this chapter is to define the scope and coverage of energy statistics. The chapter recommends treating energy statistics as a complete system used to understand energy stocks and flows, energy infrastructure, performance of the energy industries and the availability of energy resources. The scope of energy statistics is defined in terms of energy products, energy flows, reference territory, energy industries, energy consumers, energy resources and reserves.

1.35 *Chapter 3. Standard International Energy Classification.* This chapter introduces the *Standard International Energy Classification* (SIEC) which organizes the internationally agreed definitions of energy products into a hierarchical classification system, which clearly reflects the relationships between them and provide a coding system for use in data collection and data processing. The chapter describes the classification scheme of SIEC and its relationships with the Harmonized Commodity Description and Coding System 2007 (HS07) and Central Product Classification, Version 2 (CPC, Ver.2). The list of primary and secondary products and renewable and non renewable products is provided in Annex A.

1.36 *Chapter 4. Measurement Units and Conversion Factors.* This chapter describes physical units of measurement for the different products, recommends standard units of measurement, and recommends countries to collect and report calorific values. In the absence of these specific calorific values, default calorific values are presented.

1.37 *Chapter 5. Energy flows.* This chapter provides a general overview of the process through which energy is generated, traded and consumed within a country and the definitions of energy flows such as energy production, transformation, non-energy use, final energy consumption, etc. The chapter also provides a description of the main groups of economic units relevant for energy statistics (e.g., energy industries, other energy producers and energy consumers). This chapter provides necessary information in order to facilitate the understanding of data items presented in Chapter 6.

1.38 *Chapter 6. Statistical Units and Data Items.* This chapter contains recommendations on the statistical units (and their characteristics) for use in data and the reference list of data items for collection. The list covers: characteristics of statistical units; data items on energy stock and flows; data items on the production and storage capacity; data items for the assessment of economic performance; and data items on deposit of underground resources. This chapter provides a basis for the subsequent chapters on data collection and compilation (Chapter 7), as well as the construction of energy balances (Chapter 8). While Chapter 5 provides general definitions of flows, Chapter 6 explains any possible exceptions and details for specific products to be taken into account in the definition of particular data items.

1.39 *Chapter 7. Data collection and compilation.* This chapter reviews the different elements for the production of quality energy statistics. The importance and principles of an effective

institutional and legal framework are emphasized and promoted. The chapter provides an overview of the data collection strategies, focuses on the main type of data sources (e.g., surveys, administrative data, etc.) and key elements of the data compilation methods. Details on methodology of estimation, imputation and seasonal adjustments are deferred to the ESCM.

1.40 *Chapter 8. Energy Balances.* This chapter describes the importance of energy balances for making informed policy decisions and their role in organizing energy statistics in a coherent system. It contains recommendations on the compilation of balances based on concepts, definitions, classifications and data items described in the previous chapters. The chapter covers energy supply, transformation and consumption, as well as other indispensable flows in an overall energy balance.

1.41 *Chapter 9. Data Quality Assurance and Metadata.* This chapter describes the main dimensions of energy data quality and provides recommendations on how to set up a national energy data quality framework, including development and use of indicators of quality and data quality reporting. The importance of metadata availability for ensuring a high quality of energy statistics is stressed as well.

1.42 *Chapter 10. Dissemination.* This chapter formulates recommendations on energy statistics dissemination mechanisms, addressing data confidentiality, data access, release schedules, data revisions, dissemination formats and reporting to international/regional organizations.

1.43 *Chapter 11. Use of Energy Balances in Compilation of Energy Accounts and Other Statistics.* This chapter contains an explanation of the conceptual relationships between basic energy statistics and balances, on one hand, and energy accounts on the other, including a description of how energy statistics and balances might be integrated into the national accounting framework on the basis of the forthcoming international standards on energy accounts (SEEA-E) which is being developed as a part of the SEEA revision. Details on good practices in the compilation of bridge tables are to be elaborated in ESCM. This chapter also describes main energy indicators and provide a reference for the calculation of GHG emission.

1.44 IRES contains four annexes which provide: (i) the listing of primary and secondary products, as well as renewable and non-renewable products; (ii) the description of the codes of CPC Rev. 2 and HS07; (iii) additional tables on conversion factors, calorific values and measurement units; and (iv) a description of commodity balances. A glossary, index and bibliography will be provided.

## **E. Implementation and revision policy**

1.45 It is recognized that the present recommendations should be implemented by countries in a way appropriate to their own circumstances, including identified user needs, resources, priorities and respondent burden. Additional guidance on more practical/technical matters (e.g., good practices, country case studies, etc.) relevant to the implementation of IRES and SEEA-E is provided in the ESCM. The ESCM contains guidance on practical matters which might be country

specific and, as such, does not require the formal adoption by the Commission. ESCM is foreseen as a “live document” being electronically maintained and periodically amended as needed.

1.46 *Recommendations and encouragements.* For the purposes of IRES, the term “*recommended*” refers to a standard with which countries should comply while the term “*encouraged*” indicates a desirable practice which is not part of the standard. With respect to issues which might be relevant to compilers and users of energy statistics, but which are not explicitly covered in IRES, countries are encouraged to develop their own treatments and clearly document them in their metadata.

1.47 The updating process of the IRES is envisaged as a recurrent and well-organized procedure. While preparation of editorial amendments and clarification beyond dispute is to be done by the UNSD, any proposed substantive changes in IRES should be submitted to the United Nations Statistical Commission for approval.

## Chapter 2. Scope of energy statistics

### A. Energy and energy statistics

2.1 *Energy and its forms.* Energy, as generally understood in physics, is the capacity of a physical system to do work. Energy exists in different forms such as light, heat and motion but they can all be put into two categories: potential (e.g., the energy stored in matter) and kinetic (the energy of motion). Examples of potential energy are chemical energy (energy stored in the bonds of atoms and molecules), water stored in a reservoir at a height (the potential energy stored is released when the water is allowed to fall/flow through a turbine) and nuclear energy (energy stored in the nucleus of an atom). Potential energy is often referred to as “stored” energy. Examples of kinetic energy are wind and hydro. When wind is blowing, it contains kinetic energy. Similarly, when the potential energy of a reservoir of water is released, it becomes kinetic energy which is then captured in a turbine. Not all energy is an object of statistical observation. In order to assist countries in making their energy statistics more policy relevant and internationally comparable, this chapter provides recommendations on the scope of energy statistics, discusses related concepts and boundary issues.

2.2 *Energy in statistical context.* The term “energy statistics” is widely used and its meaning varies, depending on the context, from a rather narrow focusing on production and consumption of a few main energy products to broader interpretations covering basic energy statistics, energy balances and energy accounts.

2.3 *Scope of energy statistics in IRES.* For the purposes of IRES, energy statistics encompass basic energy statistics and energy balances aiming to describe how energy products are produced by human activities within a national territory, how they enter into that territory and how they are used in it. IRES deals with data which help to understand energy stocks and flows, energy infrastructure, performance of the energy industries and the availability of energy resources. One of the main objectives of IRES is to ensure the production of statistics on stocks and flows of energy products. Furthermore, IRES promotes a multipurpose nature of energy statistics, in particular by emphasizing the idea of an energy data warehouse as an efficient way of meeting the data needs of energy policy makers, energy analysts as well as of compilers of energy accounts and national accounts in general. Such an energy data warehouse may store and provide a convenient access to data on energy stocks and flows, as well as to selected statistics on energy producers and users (e.g., on energy infrastructure, employment and capital formation), selected data about the energy market (e.g., energy prices), statistics on underground deposits of energy resources, etc. It is recognized that there are additional data that respond to specific policy concerns and/or analytical

questions. Countries may wish to identify such items and collect according to their priorities and available resources.

2.4 *Energy prices.* IRES recognizes the importance of availability of reliable data on energy prices and their movements (e.g., import prices, export prices, consumer prices and their respective indices, etc.), as they are vital for monitoring energy markets and developing effective energy policies.

2.5 *Energy resources and energy reserves.* Energy resources refer to “all non-renewable energy resources of both inorganic and organic origin discovered in the earth’s crust in solid, liquid and gaseous form”<sup>1</sup>. Energy reserves are part of the resources which, based on technical, economic and other relevant (e.g., environmental) considerations, could be recovered and for which extraction is justified to some extent. The exact definition of reserves depends on the kind of resources in focus. Even though data on energy resources and reserves are generally collected by specialized governmental agencies (e.g., geological institutes) which are assigned the responsibility of monitoring the depletion of energy resources, the national statistical offices should collaborate with these agencies in order to obtain such data and include them in the energy data warehouse.

2.6 The elaboration of the scope of IRES is provided in the reference list of data items that are presented in Chapter 6. The list contains all the desirable items within scope for the compilation and dissemination of energy statistics as part of official statistics. As such, it serves as a reference for countries to select the data items relevant for national compilation, taking into account their needs, priorities and resources. The use of standard methods, definitions and classifications will contribute to the overall quality of energy statistics.

## **B. Basic concepts and boundary issues**

2.7 *Products.* The term “products”, as used in economic statistics, refers to all goods and services which are the result of production. Production is understood broadly and includes extraction of any materials or energy from environment by any economic unit<sup>2</sup>.

2.8 *Energy products.* As a general guideline, **it is recommended that** energy products refer to products exclusively or mainly used as a source of energy. They include energy in forms suitable for direct use (e.g., electricity and heat) and energy products which release energy while undergoing some chemical or other process (combustion, etc.). By convention, energy products include biomass and waste (i.e., solid or liquid) that are combusted for the production of electricity and/or heat. See Chapter 3 for further details and classification of energy products. Since a number of energy products are transformed into other kinds of energy products prior to their consumption,

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<sup>1</sup> From the “United Nations Framework Classification for Fossil Energy and Mineral Resources” (2004), available online at: <http://www.unece.org/energy/se/pdfs/UNFC/UNFCemr.pdf>

<sup>2</sup> See SNA 2008, chapter 6, para 6.24, for details.

a distinction is made between primary and secondary energy products. This distinction is necessary to avoid the double counting of production in the energy balances.

2.9 *Primary energy products.* Products captured or directly extracted from natural energy flows, the biosphere and natural reserves, and for which no transformation has been made, are considered primary energy products. Primary energy products are from both renewable sources (e.g., solar, biomass, etc.) and non-renewable resources (e.g., coal, crude oil, etc.).

2.10 It is important for both energy planning and environmental concerns to distinguish between renewable and non-renewable energy products, as well as to distinguish “infinite” renewable such as solar from cyclical renewable such as biomass.

2.11 *Secondary energy products.* Secondary energy products are those products which have been transformed from a primary and/or secondary energy product. For example, energy products such as motor gasoline and diesel have been transformed at an oil refinery from crude oil, the primary energy product.

2.12 *Boundary of energy products.* The boundary of energy products, whether it is used directly or indirectly for energy purposes, is not always straightforward. For example, vegetal waste such as corn cobs can be used to produce heat and thereby would be included as an energy product while corn cobs used in the production of ethanol is not considered an energy product. Similar situations occur with other types of crop and or waste from excreta of animals. Chapter 3 of IRES presents in full detail, the classification of energy products, as well as their definitions. SIEC is intended to be applicable for all countries, although the relevance of individual categories may differ among countries. The classification of energy products can be further disaggregated according to the data availability and relevance in the country.

2.13 *Energy flows.* Energy flows refer to the production, import, export, stock change, bunkering and final consumption of energy products. It is crucial that official energy statistics establish a broad understanding of the totality of energy flows and their impacts on society and the environment. Chapter 5 of IRES presents energy flows in more details.

2.14 *Production boundary.* Energy production boundary includes the production of energy products by any economic unit, including households, whether or not the production: (i) is their principal, secondary or ancillary activity; and/or (ii) is carried out for sale or delivery to other economic units or for their own use. For example, fuel use for coke manufacture and in blast furnaces within the iron and steel industry is considered energy industry own use when not sold in the market.

2.15 *Reference territory.* The reference territory defines the geographical scope of the statistics compiled and the criteria for allocating selected statistics to a territory. Energy statistics have historically been responding, among others, to the policy concerns of the physical availability of energy and its uses in a country territory. Thus, the criteria for the allocation of certain statistics to the country follow the physical location of the units involved. The reference territory used in energy statistics and energy balances is the national territory and is defined as consisting of the

geographic territory under the effective economic control of the national government and it comprises:

- (a) the land area;
- (b) airspace;
- (c) territorial waters, including areas over which jurisdiction is exercised over fishing rights and rights to fuels or minerals; and
- (d) in a maritime territory, islands that are subject to the jurisdiction of the national government.

2.16 The national territory includes any free trade zones, bonded warehouses or factories operated by enterprises under customs control within the areas described above. Territorial enclaves (embassies, consulates, military bases, scientific stations, etc.) are part of the national territory where they are physically located.

2.17 This definition approximates the economic territory of a country as used in economic statistics (see BPM6 and SNA2008). However, it should be noted that the concept of economic territory in economic statistics is used in conjunction with the concept of the residence of the economic unit, which is the determining factor in the allocation of the statistics, including in energy accounts, to the economic territory. In this respect, countries are encouraged to collect, whenever feasible, or estimate data on the energy consumed by residents abroad and by non-residents in the compiling country in order to support compilation of energy accounts (for more details see Chapter 11).

2.18 *Energy industries.* Many countries publish various indicators describing the activity of their energy industries. However, the country practices in defining the boundary of the energy industries and the set of main indicators to describe their activities differ significantly. To improve international comparability of energy statistics, **it is recommended that** the energy industries of an economy are defined as comprising economic units whose principal activity is the production, transformation and distribution of energy products (for more details see Chapter 5).

2.19 **It is recommended** that activities of this group are described in terms of activity classifications adopted by the countries for use in economic statistics providing, where necessary, additional details to meet the user needs. Countries should take into account that the UN Statistical Commission recommended for this purpose *International Standard Industrial Classification of All Economic Activities* (ISIC). Its latest, 4<sup>th</sup> revision, was adopted by the Commission at its 37<sup>th</sup> session (7-10 March 2006). Examples of energy industries are electricity and heating plants, oil and gas extraction, coal mines, oil refineries, etc.

2.20 *Statistics on energy industries.* To have a better understanding of efforts of a country to extract, produce, transform and distribute energy products, **it is recommended** that compilation and dissemination of statistics describing the main characteristics and activities of energy industries be considered part of official energy statistics.

2.21 *Energy production outside the energy industries.* It should be stressed that energy can be produced by energy industries and also by enterprises or establishments engaged in energy production as a secondary or ancillary activity. For example, aluminium producers may have their own power plant producing electricity primarily for internal consumption. A sugar cane processing plant may use the remains after juice extraction from the sugar cane (bagasse) as a fuel for heating. Similarly, wastes materials (e.g., tires) can be incinerated with heat recovery at installations designed for mixed wastes or co-fired with other fuels. In order to have a complete picture of the supply and demand of energy in a country, it is important that data on the production of energy outside the energy industries is also collected and included in total production.

2.22 *Energy consumers.* Energy consumers refer to economic units (including households as final consumers), other than those belonging to the energy industries, in their capacity as final users of energy products for energy purposes (for heat raising, transportation and electricity) and/or for non-energy purposes (use of energy products as raw material or as lubricants). In both situations, this represents the last stage in which the energy products are utilised and disappear from the system.

2.23 *Classification of energy consumers.* There are different types of energy consumers. They are grouped into various categories of users that are relevant from analytical purposes, emissions and in general policy making. This is further discussed in Chapter 5.

## **Chapter 3. Standard International Energy Classification**

### **A. Introduction**

3.1 In order to ensure comparability of the statistics produced (be it comparability across countries, comparability through time or comparability with other statistical domains), it is of paramount importance to have internationally agreed definitions of energy products that serve as a reference point for countries. In addition, the availability of a classification scheme for these products facilitates, among other things, the compilation and dissemination of the statistics collected.

3.2 This chapter presents the list of internationally agreed definitions of energy products and arranges them in the structure of a statistical classification. It starts with a description of the purpose and scope of the classification and goes on to present the classification criteria and the classification structure. In addition, product links with other international classifications such as the Harmonized System (HS) and the Central Products Classification (CPC) are provided. This correspondence facilitates the integration of energy statistics with other economic statistics, thereby increasing its analytical value.

3.3 The correspondence with the HS is particularly useful as all international transactions in energy products are defined in terms of HS. Many energy products are widely traded internationally and energy companies are familiar with HS or its national equivalents. The correspondence with HS is expected to facilitate data collection as the documentation that energy importing/exporting companies have to provide for customs purposes includes the relevant HS code. The CPC aggregates the HS headings into product groupings which are of particular interest for economic statistics and for various users.

3.4 The correspondence with HS presented here is indicative in the sense that the HS categories are often broader in scope and may contain more elements than corresponding Standard International Energy Classification (SIEC) category<sup>1</sup>. However, in case of national adaptations of the HS (such as the European Combined Nomenclature), the correspondences may be more precise.

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<sup>1</sup> In Table 3.1, this is indicated with an asterisk next to the concerned link.

## **B. Purpose and scope of the SIEC**

3.5 The main purpose of the SIEC is to provide a framework for the international comparison of energy statistics and to serve as a guide for developing or revising existing classification schemes for energy products, in order to make them compatible with international standards.

3.6 SIEC is intended to be a multipurpose classification which focuses on groupings and aggregates that are relevant for the production, presentation and analysis of energy statistics. The link with other international classifications such as CPC and HS is provided in order to facilitate, among other things, the integration of energy statistics in other domains.

3.7 SIEC serves as a tool in support of the collection of data from data reporters by providing specific, internationally agreed definitions of energy products and their aggregations. It will also: (i) facilitate and standardize the compilation and processing of energy data by providing a uniform, hierarchical coding system; (ii) ensure international comparability of disseminated national data; and (iii) facilitate linking of data on stocks and flows of energy products with data on international trade in energy products and other economic statistics.

### ***Scope of SIEC***

3.8 Energy is often carried through the economy in the form of fuels, capable of releasing heat upon combustion (or fission, in the case of nuclear fuels). It is ultimately consumed in the form of electricity or heat. The term “fuel” refers to “energy sources, whether primary or secondary, that must be subjected to combustion or fission in order to release for use the energy stored up in them” (UN 1982 para 29).

3.9 SIEC aims to covers all products necessary to provide a comprehensive picture of the production, transformation and consumption of energy throughout an economy. Thus the scope of SIEC consists of the following:

- (a) *fuels* that are produced/generated by an economic unit (including households), and are used or might be used as sources of energy; and
- (b) *electricity* that is produced/generated by an economic unit (including households) and *heat* that is produced/generated and sold to third parties by an economic unit (see para. 5.69).

3.10 In order to define the scope of SIEC more precisely, the fuel coverage is further explained below.

- (i) All fossil fuels<sup>2</sup> are within the scope whether or not they are used for energy purposes.
- (ii) Products derived from fossil fuels are always within the scope of SIEC when they are used (or intended to be used) as fuels.

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<sup>2</sup> Fossil fuels refer to coal, peat, oil, and natural gas.

(iii) Products derived from fossil fuels that are used (or intended to be used) for non-energy purposes are within the scope only if they are the output of energy industries (e.g. refineries, gas plants or coal mining, coal manufacturing industries). They are included because they explain how much an apparent supply of energy is used for other purposes and allow for a complete assessment of the industries involved.

3.11 One example of products in the category (iii) mentioned above is lubricants produced from the refinery of crude oil. Even though they are ordinarily used for non-energy purposes, their production (and consumption) is recorded in energy statistics as it allows for the monitoring of the different products produced from the refinery intake of crude oil and the assessment of the part of crude oil used for non-energy purposes. This is of relevance to energy planners, provided that the consumption of these products is explicitly distinguished as non-energy use. On the other hand, plastics, even if derived from a fossil fuel such as crude oil, are not considered within the scope of SIEC as they are not an output of the refinery but are obtained by further processing of refinery products by other industries.

3.12 Not all fuels are of fossil origin, such as waste<sup>3</sup>, agricultural crops or other biomass. Such products are within the scope of SIEC only when used for energy purposes. Thus, the production for these products is derived from the demand side. The production of waste in energy statistics, for example, is defined as the use of waste for energy purposes.

3.13 In IRES, the term “energy product” is defined as any product covered by the scope of SIEC, as formulated above.

3.14 SIEC does not cover underground deposits of energy resources, namely, “all non-renewable energy resources of both inorganic and organic origin discovered in the earth’s crust in solid, liquid and gaseous form”<sup>4</sup>. The classification of underground deposits of energy resources is provided in the SEEA-E as part of the general SEEA classification of “Natural Resources”. This classification covers a category for “Mineral and Energy Resource” which, at the highest level, distinguishes between “Petroleum resources”, “Non-metallic minerals and solid fossil energy resources” and “Metallic minerals” (based on the current draft SEEA-E).

## **C. Classification criteria and coding system**

3.15 The categories of SIEC are designed to be exhaustive and mutually exclusive, so that any product within the general scope would belong to one and only one SIEC category. At the highest level, the classification presents categories for fuels (including derived products), electricity and heat. The four fuel categories represent broad fuel types distinguished by their origin and

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<sup>3</sup> Although strictly speaking part of waste has a fossil origin, this part is not considered to be directly derived from fossil fuels, thus it is treated together with other fuels of non fossil origin.

<sup>4</sup> From the “United Nations Framework Classification for Fossil Energy and Mineral Resources” (2004), available online at: <http://www.unece.org/energy/se/pdfs/UNFC/UNFCemr.pdf>

characteristics (fossil fuels with an additional distinction between solid and other fossil fuels, nuclear fuels, biofuels and waste). Fuel categories are further disaggregated by physical characteristics (e.g., brown coal vs. hard coal) and stage of processing, with the specific, processed products at the lowest level. For some of the fuel categories, reference to the use is made since the specifications of the product make it fit for certain types of use (e.g., kerosene and its disaggregation in kerosene-type jet fuel).

3.16 Some products in SIEC, although physically similar, may be considered different products due to different origin or intended use. For instance, several of the included gases may contain similar chemical components but originating from different processes. This is the case for the categories “natural gas” and “landfill gas”, which both consist mainly of methane, but differ in source. Likewise, “natural gas liquids” and “liquefied petroleum gas” both contain propane, but the latter category refer to a mix of gases that only contains propane and butane, whereas the former category represents a less refined mix of gases. Another example is the category “feedstocks”, which may consist of energy products that can be found in other categories (e.g., naphtha), but are characterized by being destined for a particular use.

3.17 The top-level categories representing electricity and heat are not further disaggregated in the classification. Unlike fuels, these products are not physical substances that can easily be distinguished by origin, composition or intended purpose. Electricity and heat can be produced through different processes such as direct conversion of the energy in solar radiation, falling water or release through combustion of fuels. The distinction between different production processes is important for energy statistics and may be obtained by disaggregating information on the production side (see Chapter 5 for more details).

3.18 The distinction between primary and secondary products, as well as the distinction between renewable and non-renewable energy products is not a classification criteria in SIEC. The list of products considered primary or secondary and renewable or non-renewable is given in Annex A.

### ***Coding system***

3.19 The hierarchy of SIEC consists of five levels, which are referred to as *sections* (the first level), *divisions* (the second level), *groups* (the third level), *classes* (the fourth level) and *subclasses* (the fifth level). The coding system consists of five numbers separated by dots, where the first number refers to the section, the second number to the division, and so on. Thus, all five numbers, taken together, designate a particular subclass of the classification.

3.20 The hierarchy groups basic categories into higher-level aggregations according to the criteria described above. The purpose is to provide a set of levels where each level can be used to provide statistical information that is analytically useful.

**Table 3.1: Standard International Energy Classification**

| SIEC HEADINGS  | CORRESPONDENCES  |  |
|--|--|--|
| SECTION, DIVISION, GROUP, CLASS, SUBCLASS  | CPC  | HS   |
| <b>1 - Solid fossil fuels and derived products</b>                               | (11010, 11020, 11030, 11040, 11050, 12030*, 17200, 33100, 33200, 34540*, 33500*) | (2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708.10*, .20*, 2712.90*, 2714.10*) |
| <b>1.1 - Coal and coal products</b>  | (11010, 11020, 11030, 11040, 17200, 33100, 33200, 34540*, 33500*)                | (2701, 2702, 2704, 2705, 2706, 2707, 2708.10*, .20*, 2712.90*)                 |
| <b>1.1.1 - Hard coal</b>   | (11010)  | (2701.11)  |
| <b>1.1.1.1 – Anthracite</b>  | (11010*)   | (2701.11)  |
| <i>1.1.1.1.0 - Anthracite</i>  | 11010*   | 2701.11  |
| <b>1.1.1.2 - Bituminous coal</b>   | (11010*)   | (2701.12, .19)   |
| <i>1.1.1.2.1 - Coking coal</i>   | 11010*   | 2701.19  |
| <i>1.1.1.2.2 - Other bituminous coal</i>   | 11010*   | 2701.12  |
| <b>1.1.2 - Brown coal</b>  | (11030)  | (2702.10)  |
| <b>1.1.2.1 - Sub-bituminous coal</b>   | (11030*)   | (2702.10*)   |
| <i>1.1.2.1.0 - Sub-bituminous coal</i>   | 11030*   | 2702.10*   |
| <b>1.1.2.2 - Lignite</b>   | (11030*)   | (2702.10*)   |
| <i>1.1.2.2.0 - Lignite</i>   | 11030*   | 2702.10*   |
| <b>1.1.3 – Coal products</b>   | (11020, 11040, 17200, 33100, 33200, 33500*, 34540)                               | (2701.20, 2702.20, 2704, 2705, 2706 2707, 2712.90*)                            |
| <b>1.1.3.1 - Coal coke</b>   | (33100)  | (2704)   |
| <i>1.1.3.1.1 - Coke oven coke</i>  | 33100*   | 2704*  |
| <i>1.1.3.1.2 - Gas coke</i>  | 33100*   | 2704*  |
| <i>1.1.3.1.3 - Coke breeze</i>   | 33100*   | 2704*  |
| <i>1.1.3.1.4 - Semi cokes</i>  | 33100*   | 2704*  |
| <b>1.1.3.2 - Patent fuel</b>   | (11020)  | (2701.20)  |
| <i>1.1.3.2.0 - Patent fuel</i>   | 11020  | 2701.20  |
| <b>1.1.3.3 - Brown coal briquettes (BKB)</b>                                     | (11040)  | (2702.20)  |
| <i>1.1.3.3.0 - Brown coal briquettes (BKB)</i>                                   | 11040  | 2702.20  |
| <b>1.1.3.4 - Coal tar</b>  | (33200)  | (2706)   |
| <i>1.1.3.4.0 - Coal tar</i>  | 33200  | 2706   |
| <b>1.1.3.5 - Coke oven gas</b>   | (17200*)   | (2705.00*)   |
| <i>1.1.3.5.0 - Coke oven gas</i>   | 17200*   | 2705.00*   |
| <b>1.1.3.6 - Gas works gas (and other manufactured gases for distribution)</b>   | (17200*)   | (2705.00*)   |
| <i>1.1.3.6.0 - Gas works gas (and other manufactured gases for distribution)</i> | 17200*   | 2705.00*   |
| <b>1.1.3.7 - Recovered gases</b>   | (17200*)   | (2705.00*)   |
| <i>1.1.3.7.1 - Blast furnace gas</i>   | 17200*   | 2705.00*   |
| <i>1.1.3.7.2 - Basic oxygen steel furnace gas</i>                                | 17200*   | 2705.00*   |
| <i>1.1.3.7.3 - Other recovered gases</i>   | 17200*   | 2705.00*   |
| <b>1.1.3.8 Other coal products n.e.s.</b>  | 33500*, 34540*   | 2707, 2708.10*, .20*, 2712.90*   |

|  |   |  |
|--|---|--|
| <b>1.2 – Peat and peat products</b>          | (11050, 33500*)   | (2703, 2712.90*)   |
| <b>1.2.1 – Peat</b>                          | (11050*, 33500*)  | (2703.00*, 2712.90*)   |
| <b>1.2.1.1 – Sod peat</b>                    | (11050*)  | (2703.00*)   |
| <i>1.2.1.1.0 – Sod peat</i>                  | 11050*  | 2703.00*   |
| <b>1.2.1.2 – Milled peat</b>                 | (11050*)  | (2703.00*)   |
| <i>1.2.1.2.0 – Milled peat</i>               | 11050*  | 2703.00*   |
| <b>1.2.2 – Peat products</b>                 | (11050*, 33500*)  | (2703.00*, 2712.90*)   |
| <b>1.2.2.1 – Peat briquettes</b>             | (11050*)  | (2703.00*)   |
| <i>1.2.2.1.0 – Peat briquettes</i>           | 11050*  | 2703.00*   |
| <b>1.2.2.2 – Peat products n.e.s.</b>        | (11050*, 33500*)  | (2703.00*, 2712.90*)   |
| <i>1.2.2.2.0 – Peat products n.e.s.</i>      | 11050*, 33500*  | 2703.00*, 2712.90*   |
| <b>1.3 - Oil shale</b>                       | (12030*)  | (2714.10*)   |
| <b>1.3.0 - Oil shale</b>                     | (12030*)  | (2714.10*)   |
| <b>1.3.0.0 - Oil shale</b>                   | (12030*)  | (2714.10*)   |
| <i>1.3.0.0.0 - Oil shale</i>                 | 12030*  | 2714.10*   |
| <b>2 - Natural gas and Oil</b>               | (12010, 12020, 33310, 33320, 33330, 33341, 33342, 33350, 33360, 33370, 33380, 33410, 33420, 33500*, 34210*, 34540*, 35430*) | (2708.10*, .20*, 2709, 2710.11, .19, 2711, 2712.20, 2713, 2804.10, 3811)                           |
| <b>2.1 - Natural gas</b>                     | (12020)   | (2711.11, .21)   |
| <b>2.1.0 - Natural gas</b>                   | (12020)   | (2711.11, .21)   |
| <b>2.1.0.0 - Natural gas</b>                 | (12020)   | (2711.11, .21)   |
| <i>2.1.0.0.0 - Natural gas</i>               | 12020   | 2711.11, .21   |
| <b>2.2 Oil</b>                               | (12010, 33310, 33320, 33330, 33341, 33342, 33350, 33360, 33370, 33380, 33410, 33420, 33500*, 34210*, 34540*, 35430*, ?)     | (2708.10*, .20*, 2709, 2710.11, .19, 2711.12, .13, .14, .19, .29, 2712.20, 2713, 2804.10, 3811, ?) |
| <b>2.2.1 - Conventional crude oil</b>        | (12010*)  | (2709.00*)   |
| <b>2.2.1.0 - Conventional crude oil</b>      | (12010*)  | (2709.00*)   |
| <i>2.2.1.0.0 - Conventional crude oil</i>    | 12010*  | 2709.00*   |
| <b>2.2.2 - Natural gas liquids (NGL)</b>     | (33420*)  | (2711.14, .19*, .29*)  |
| <b>2.2.2.0 - Natural gas liquids (NGL)</b>   | (33420*)  | (2711.14, .19*, .29*)  |
| <i>2.2.2.0.0 - Natural gas liquids (NGL)</i> | 33420*  | 2711.14, .19*, .29*  |
| <b>2.2.3 - Refinery feedstocks</b>           | ?   | ?  |
| <b>2.2.3.0 - Refinery feedstocks</b>         | ?   | ?  |
| <i>2.2.3.0.0 - Refinery feedstocks</i>       | ?   | ?  |
| <b>2.2.4 – Additives and oxygenates</b>      | (35430*)  | (3811)   |
| <b>2.2.4.0 - Additives and oxygenates</b>    | (35430*)  | (3811)   |
| <i>2.2.4.0.0 - Additives and oxygenates</i>  | 35430*  | 3811   |
| <b>2.2.5 - Other hydrocarbons</b>            | (12010*, 34210*)  | (2709.00*, 2804.10)  |
| <b>2.2.5.0 - Other hydrocarbons</b>          | (12010*, 34210*)  | (2709.00*, 2804.10)  |
| <i>2.2.5.0.0 - Other hydrocarbons</i>        | 12010*, 34210*  | 2709.00*, 2804.10  |

|   |   |  |
|---|---|--|
| <b>2.2.6 –Oil products</b>  | (33310, 33320, 33330, 33341, 33342, 33350, 33360, 33370, 33380, 33410, 33420*, 33500*, 34540*, ?) | (2708.10*, .20*, 2710.11, .19, 2711.12, .13, .19*, .29*, 2712.20, 2713, ?) |
| <b>2.2.6.1- Refinery gas</b>  | ?   | ?  |
| 2.2.6.1.0 - Refinery gas  | ?   | ?  |
| <b>2.2.6.2 - Ethane</b>   | (33420*)  | (2711.19*, .29*)   |
| 2.2.6.2.0 - Ethane  | 33420*  | 2711.19*, 29*,   |
| <b>2.2.6.3 - Liquefied petroleum gas (LPG)</b>                              | (33410)   | (2711.12, .13)   |
| 2.2.6.3.0 - Liquefied petroleum gas (LPG)                                   | 33410   | 2711.12, .13   |
| <b>2.2.6.4 - Naphtha</b>  | (33330*)  | (2710.11*)   |
| 2.2.6.4.0 - Naphtha   | 33330*  | 2710.11*   |
| <b>2.2.6.5- Gasolines</b>   | (33310, 33320)  | (2710.11*)   |
| 2.2.6.5.1- Aviation gasoline  | 33310*  | 2710.11*   |
| 2.2.6.5.2 - Motor gasoline  | 33310*  | 2710.11*   |
| 2.2.6.5.3 - Gasoline-type jet fuel  | 33320   | 2710.11*   |
| <b>2.2.6.6- Kerosenes</b>   | (33341, 33342)  | (2710.19*)   |
| 2.2.6.6.1 - Kerosene-type jet fuel  | 33342   | 2710.19*   |
| 2.2.6.6.2 - Other kerosene  | 33341   | 2710.19*   |
| <b>2.2.6.7 - Gas oil / diesel oil</b>                                       | (33360*)  | (2710.19*)   |
| 2.2.6.7.1- Road diesel  | 33360*  | 2710.19*   |
| 2.2.6.7.2 - Heating and other gas oil                                       | 33360*  | 2710.19*   |
| <b>2.2.6.8 - Heavy gas oil</b>  | (33360*)  | (2710.19*)   |
| 2.2.6.8.0 - Heavy gas oil   | 33360*  | 2710.19*   |
| <b>2.2.6.9 - Fuel oil</b>   | (33370)   | (2710.19*)   |
| 2.2.6.9.0 - Fuel oil  | 33370   | 2710.19*   |
| <b>2.2.6.10 - White spirit and special boiling point industrial spirits</b> | (33350)   | (2710.11*)   |
| 2.2.6.10.0 - White spirit and special boiling point industrial spirits      | 33350   | 2710.11*   |
| <b>2.2.6.11 - Lubricants</b>  | (33380*)  | (2710.19*)   |
| 2.2.6.11.0 - Lubricants   | 33380*  | 2710.19*   |
| <b>2.2.6.12 - Paraffin waxes</b>  | (33500*)  | (2712.20*)   |
| 2.2.6.12.0 - Paraffin waxes   | 33500*  | 2712.20*   |
| <b>2.2.6.13 - Petroleum coke</b>  | (33500*, 34540*)  | (2713.11, .12, 2708.20*)   |
| 2.2.6.13.0 - Petroleum coke   | 33500*, 34540*  | 2713.11, .12, 2708.20*   |
| <b>2.2.6.14 - Bitumen</b>   | (33500*)  | (2713.20)  |
| 2.2.6.14.0 - Bitumen  | 33500*  | 2713.20  |
| <b>2.2.6.15 - Other oil products n.e.s.</b>                                 | (33330*, 33500*, 34540*)  | (2708.10*, 2710.11*, 2713.90)  |
| 2.2.6.15.0 - Other oil products n.e.s.                                      | 33330*, 33500*, 34540*  | 2708.10*, 2710.11*, 2712.10*, .90*, 2713.90                                |
| <b>3 - Nuclear fuels</b>  | (33610*, 33620*, 33630*, 33690*, 33710)   | (2844.10*, .20*, 30*, 40*, 8401.30)  |
| <b>3.1 - Uranium and plutonium</b>  | (33610*, 33620*, 33710)   | (2844.10*, .20*, 8401.30)  |
| <b>3.1.0 - Uranium and plutonium</b>  | (33610*, 33620*, 33710)   | (2844.10*, .20*, 8401.30)  |

|  |                             |   |
|--|-----------------------------|---|
| <b>3.1.0.0 - Uranium and plutonium</b>                     | (33610*, 33620*, 33710)     | (2844.10*, .20*, 8401.30)                 |
| <i>3.1.0.0.0 - Uranium and plutonium</i>                   | 33610*, 33620*, 33710       | 2844.10*, .20*, 8401.30                   |
| <b>3.2 – Other nuclear fuels</b>                           | ( 33630*, 33690*)           | 2844.30*, .40*)                           |
| <b>3.2.0 – Other nuclear fuels</b>                         | ( 33630*, 33690*)           | 2844.30*, .40*)                           |
| <b>3.2.0.0 – Other nuclear fuels</b>                       | ( 33630*, 33690*)           | 2844.30*, .40*)                           |
| <i>3.2.0.0.0 – Other nuclear fuels</i>                     | 33630*, 33690*              | 2844.30*, .40*                            |
|  |                             |   |
| <b>4 - Biofuels and waste</b>                              |                             |   |
| <b>4.1 - Biofuels</b>                                      |                             |   |
| <b>4.1.1 - Solid biofuels</b>                              |                             |   |
| <b>4.1.1.1 - Fuelwood, wood residues and by-products</b>   | (03130, 31230, 39280)       | (4401)                                    |
| <i>4.1.1.1.0 - Fuelwood, wood residues and by-products</i> | 03130, 31230, 39280         | 4401                                      |
| <b>4.1.1.2 – Agrofuels</b>                                 |                             |   |
| <i>4.1.1.2.1 - Bagasse</i>                                 | 39140*                      | 2303.20*                                  |
| <i>4.1.1.2.2 - Animal waste</i>                            |                             |   |
| <i>4.1.1.2.3 - Other vegetal material and residues</i>     |                             |   |
| <b>4.1.1.3 - Black liquor</b>                              | (39230*)                    | (3804.00*)                                |
| <i>4.1.1.3.0 -Black liquor</i>                             | 39230*                      | 3804.00*                                  |
| <b>4.1.1.4 - Charcoal</b>                                  | (34510)                     | (4402)                                    |
| <i>4.1.1.4.0 - Charcoal</i>                                | 34510                       | 4402                                      |
| <b>4.1.2 - Liquid biofuels</b>                             | (34131*, 34139*, 35490*, ?) | (2207.20*, 2905.11, 2205.11, 3824.90*, ?) |
| <b>4.1.2.1 - Biogasoline</b>                               | (34131*, 34139*)            | (2207.20*, 2905.11)                       |
| <i>4.1.2.1.0 - Biogasoline</i>                             | 34131*, 34139*              | 2207.20*, 2905.11                         |
| <b>4.1.2.2 - Biodiesels</b>                                | (35490*)                    | (3824.90*)                                |
| <i>4.1.2.2.0 - Biodiesels</i>                              | 35490*                      | 3824.90*                                  |
| <b>4.1.2.3 - Other liquid biofuels</b>                     | ?                           | ?   |
| <i>4.1.2.3.0 - Other liquid biofuels</i>                   | ?                           | ?   |
| <b>4.1.3 - Biogases</b>                                    | ?                           | ?   |
| <b>4.1.3.1 – Natural biogases</b>                          | ?                           | ?   |
| <i>4.1.3.1.1 - Landfill gas</i>                            | ?                           | ?   |
| <i>4.1.3.1.2 - Sewage sludge gas</i>                       | ?                           | ?   |
| <i>4.1.3.1.3 - Other primary biogases</i>                  | ?                           | ?   |
| <b>4.1.3.2 - Manufactured biogases</b>                     | ?                           | ?   |
| <i>4.1.3.2.0 – Manufactured biogases</i>                   | ?                           | ?   |
| <b>4.2 – Waste</b>   | (39910, ?)                  | (3825.10, ?)                              |
| <b>4.2.1 - Industrial waste</b>                            | ?                           | ?   |
| <b>4.2.1.0 - Industrial waste</b>                          | ?                           | ?   |
| <i>4.2.1.0.0 - Industrial waste</i>                        | ?                           | ?   |
| <b>4.2.2 - Municipal waste</b>                             | (39910)                     | (3825.10)                                 |
| <b>4.2.2.0 - Municipal waste</b>                           | (39910)                     | (3825.10)                                 |
| <i>4.2.2.0.0 - Municipal waste</i>                         | 39910                       | 3825.10                                   |
| <b>5 - Electricity</b>                                     | 17100                       | 2716                                      |

|                                |            |              |
|--------------------------------|------------|--------------|
| <b>5.2 – Electricity</b>       | (39910, ?) | (3825.10, ?) |
| <b>5.1.1 - Electricity</b>     | (11010)    | (2701.11)    |
| <b>5.1.1.1 – Electricity</b>   | (11010*)   | (2701.11)    |
| <i>5.1.1.1.0 - Electricity</i> | 11010*     | 2701.11      |
| <b>6 - Heat</b>                | 17300      | 2201.90*     |
| <b>6.1 – Heat</b>              | (39910, ?) | (3825.10, ?) |
| <b>6.1.1 - Heat</b>            | (11010)    | (2701.11)    |
| <b>6.1.1.1 – Heat</b>          | (11010*)   | (2701.11)    |
| <i>6.1.1.1.0 - Heat</i>        | 11010*     | 2701.11      |

Note: “Coal Products” refer to the products derived from hard coal and brown coal. “Peat products” refer to products derived from peat. “Oil products” refer to products derived from the processing of conventional crude oil, NGLs, other Hydrocarbons, refinery feedstock, etc..

CPC and HS codes are described in the annex to Chapter 3.

## D. Definitions of energy products

3.21 The list of internationally agreed definition of the products in SIEC is provided in the sections below. The definitions are the result of the work of the InterEnerStat.

### 1. Solid fossil fuels and derived products

3.22 **Coal:** A solid fossil fuel consisting of carbonised vegetal matter. *Explanation:* There are two main categories of coal, hard coal (comprising medium- and high-rank coals) and brown coal (low-rank coals) which can be identified by their Gross Calorific Value - GCV and the Vitrinite mean Random Reflectance per cent - Rr. The relationship between the coal types defined below is illustrated here:

Hard Coal

Anthracite

Bituminous Coal

Coking Coal

Other Bituminous Coal

Brown Coal

Sub-Bituminous Coal

Lignite

*Remark:* Peat is not included in the coal group.

3.23 **Hard coal:** Coals with a gross calorific value (moist, ash-free basis) which is not less than 24 MJ/kg or which is less than 24 MJ/kg provided that the coal has a Vitrinite mean Random

Reflectance greater than or equal to 0.6 per cent. Hard coal comprises anthracite and bituminous coals. Note that hard coal may include coals with a GCV greater than or equal to 24 MJ/kg and a mean Rr < 0.6 per cent.

3.24 **Anthracite:** A high-rank, hard coal with a gross calorific value (moist, ash-free basis) greater than or equal to 24 MJ/kg and a Vitrinite mean Random Reflectance greater than or equal to 2.0 per cent. *Explanation:* It usually has less than 10% volatile matter, a high carbon content (about 86-98% carbon) and is non-agglomerating. *Remark:* It is mainly used for industrial and household heat raising.

3.25 **Bituminous coal:** A medium-rank hard coal with either a gross calorific value (moist, ash-free basis) not less than 24 MJ/kg and with a Vitrinite mean Random Reflectance less than 2.0 per cent, or with a gross calorific value (moist, ash-free basis) less than 24 MJ/kg provided that the Vitrinite mean random reflectance is equal to or greater than 0.6 per cent. Bituminous coals are agglomerating and have a higher volatile matter and lower carbon content than anthracite. They are used for industrial coking and heat raising and household heat raising.

3.26 **Coking coal:** Bituminous coal that can be used in the production of a coke capable of supporting a blast furnace charge.

3.27 **Other bituminous coal:** Bituminous coal not included under coking coal. *Remark:* Sometimes referred to as “steam coal”.

3.28 **Brown coal:** Coals with a gross calorific value (moist, ash-free basis) less than 24 MJ/ kg and a Vitrinite mean Random Reflectance less than 0.6 per cent. *Remark:* Brown coal comprises sub-bituminous coal and lignite.

3.29 **Sub-bituminous coal:** Brown coal with a gross calorific value (moist, ash-free basis) equal to or greater than 20 MJ/kg but less than 24 MJ/kg.

3.30 **Lignite:** Brown coal with a gross calorific value (moist, ash-free basis) not greater than 20 MJ/kg.

3.31 **Coal coke:** The solid, cellular, infusible material remaining after the carbonisation of certain coals. *Remark:* Various cokes are defined according to the type of coal carbonised and their conditions of carbonisation or use: coke oven coke, gas coke, coke breeze and semi cokes.

3.32 **Coke oven coke:** The solid product obtained from carbonisation of coking coal at high temperature. Coke oven coke is low in moisture, and volatile matter and has the mechanical strength to support the blast furnace charge. It is used mainly in the iron and steel industry acting as heat source and chemical agent.

3.33 **Gas coke:** A by-product from the carbonization of bituminous coal for the manufacture of “gas works gas”. Gas coke is used mainly for heating purposes.

3.34 **Coke breeze:** Comprises particles of coal coke of sizes less than 10 mm. *Remark:* It is the residue from screening coke. The coke which is screened may be made from bituminous or brown coals.

3.35 **Semi cokes:** Consists of cokes produced by low temperature carbonization. Note that semi cokes may be made from bituminous and brown coals and are used as a heating fuel.

3.36 **Patent fuel:** A composition fuel made by moulding hard coal fines into briquette shapes with the addition of a binding agent. *Remark:* Sometimes referred to as “hard coal briquettes”.

3.37 **Brown coal briquettes:** A composition fuel made of brown coal produced by briquetting under high pressure with or without the addition of a binding agent. *Remark:* Either sub-bituminous coal or lignite may be used, including dried lignite fines and dust.

3.38 **Coal tar:** A liquid by-product of the carbonization of coal in coke ovens.

3.39 **Coke oven gas:** A gas produced from coke ovens during the manufacture of coke oven coke.

3.40 **Gas works gas (and other manufactured gases for distribution):** Gases obtained from the carbonisation or gasification of carbonaceous material of fossil or biomass origins in Gas Works. *Explanation:* The gases comprise:

- (a) gases obtained from carbonisation or gasification of coals and cokes (e.g., carburetted water gas); and
- (b) substitute natural gas (a methane-rich gas) made from synthesis gas.

*Remark:* Synthesis gas is a mixture of mainly hydrogen and carbon monoxide obtained by cracking hydrocarbons with high temperature steam. The hydrocarbons may be taken from fossil fuels, biofuels or wastes.

3.41 **Recovered gases:** Combustible gases of solid carbonaceous origin recovered from manufacturing and chemical processes of which the principal purpose is other than the production of fuel. *Explanation:* Gases containing carbon monoxide resulting from the partial oxidation of carbon present as coke acting as a reductant in the process, carbon anodes, or carbon dissolved in iron. *Remark:* They may also be referred to as waste or off gases.

3.42 **Blast furnace gas:** A by-product gas of blast furnace operation consisting mainly of nitrogen, carbon dioxide and carbon monoxide. *Explanation:* The gas is recovered as it leaves the furnace. Its calorific value arises mainly from the carbon monoxide produced by the partial combustion of coke and other carbon bearing products in the blast furnace. *Remark:* It is used to heat blast air and as a fuel in the iron and steel industry. It may also be used by other nearby industrial plants. Note that where carbonised biomass (e.g, charcoal or animal meal) is used in blast furnaces, part of the carbon supply may be considered renewable.

3.43 **Basic oxygen steel furnace gas (BOSF):** A by-product of the production of steel in a basic oxygen furnace. The gas is recovered as it leaves the furnace. *Remark:* The concentration of

carbon monoxide in this gas is higher than that in blast furnace gas. The gas is also known as converter gas, LD gas or BOSF gas.

3.44 **Other recovered gases:** Combustible gases of solid carbonaceous origin recovered from manufacturing and chemical processes not elsewhere defined. *Remark:* Examples of fuel gas production from metals and chemicals processing are in the production of zinc, tin, lead, ferroalloys, phosphorus and silicon carbide.

3.45 **Peat:** A solid formed from the partial decomposition of dead vegetation under conditions of high humidity and limited air access (initial stage of coalification). *Explanation:* It is available in two forms for use as a fuel, sod peat and milled peat. *Remark:* Peat is also made into briquettes for fuel use. Peat is not considered a renewable resource as its regeneration period is long.

3.46 **Sod peat:** Slabs of peat, cut by hand or machine, and dried in the air.

3.47 **Milled peat:** Granulated peat produced by special machines. *Remark:* Used in power stations or for briquette manufacture.

3.48 **Peat briquettes:** A fuel comprising of small blocks of dried, highly compressed peat made without a binding agent. *Remark:* Used mainly as a household fuel.

3.49 **Oil shale:** A sedimentary rock which contains organic matter in the form of kerogen. *Explanation:* Kerogen is a waxy hydrocarbon-rich material regarded as a precursor of petroleum. Oil shale may be burned directly or processed by heating to extract shale oil.

## 2. **Natural gas, oil and derived products**

3.50 **Natural gas:** A mixture of gaseous hydrocarbons, primarily methane, but generally also including ethane, propane and higher hydrocarbons in much smaller amounts and some non-combustible gases such as nitrogen and carbon dioxide. *Explanation:* It is separated from both "non-associated" gas originating from fields producing hydrocarbons only in gaseous form, and "associated" gas produced in association with crude oil. The separation process produces natural gas by removing or reducing the hydrocarbons other than methane to levels which are acceptable in the marketable gas. The natural gas liquids (NGL) removed in the process are distributed separately. Natural gas also includes methane recovered from coal mines (colliery gas) or from coal seams (coal seam gas). When distributed it may also contain methane from anaerobic fermentation or the methanation of biomass.

3.51 Natural gas may be liquefied (LNG) by reducing its temperature in order to simplify storage and transportation when production sites are remote from centres of consumption and pipeline transportation is not economically practicable.

3.52 **Oil:** Liquid hydrocarbons of fossil origins comprising crude oil, liquids extracted from natural gas (NGL), and fully or partly processed products from the refining of crude oil, as well as functionally similar liquid hydrocarbons and organic chemicals from vegetal or animal origins.

**3.53 Conventional crude oil:** A mineral oil of fossil origin extracted by conventional means from underground reservoirs, and comprises liquid or near-liquid hydrocarbons and associated impurities such as sulphur and metals. *Explanation:* Conventional crude oil exists in the liquid phase under normal surface temperature and pressure, and usually flows to the surface under the pressure of the reservoir. This is termed “conventional” extraction. Crude oil includes condensate from condensate fields, and “field” or “lease” condensate extracted with the crude oil.

**3.54** The various crude oils may be classified according to their sulphur content (“sweet” or “sour”) and API gravity (“heavy” or “light”). There are no rigorous specifications for the classifications but a heavy crude oil may be assumed to have an API gravity of less than 20° and a sweet crude oil may be assumed to have less than 0.5% sulphur content.

**3.55 Natural gas liquids:** A mixture of ethane, propane, butane (normal and iso), (iso) pentane and a few higher alkanes collectively referred to as pentanes plus. *Explanation:* NGL are removed from associated and non-associated natural gas in field facilities or gas separation plants before sale of the gas.

*Remark:* The definition given above is the most commonly used. However, there is some use of terms based on the vapour pressure of the components which are liquid at the surface or can be easily liquefied. The three resulting groups are in order of increasing vapour pressure: condensates, natural gasoline and liquefied petroleum gas. NGL may be distilled with crude oil in refineries, blended with refined oil products or used directly. NGL differs from LNG (liquefied natural gas) which is obtained by liquefying natural gas from which the NGL has been removed.

**3.56 Refinery feedstocks:** Oils or gases from crude oil refining or the processing of hydrocarbons in the petrochemical industry which are destined for further processing in the refinery excluding blending. *Explanation:* Typical feedstocks include naphthas, middle distillates, pyrolysis gasoline and heavy oils from vacuum distillation and petrochemical plants.

**3.57 Additives and oxygenates:** Compounds added to or blended with oil products to modify their properties (octane, cetane, cold properties, etc.). *Remark:* Examples are: (a) oxygenates such as alcohols (methanol, ethanol) and ethers [MTBE (methyl tertiary butyl ether), ETBE (ethyl tertiary butyl ether), TAME (tertiary amyl methyl ether)]; (b) esters (e.g., rapeseed or dimethylester, etc.); and (c) chemical compounds (such as TML, TEL and detergents). Some additives/oxygenates may be derived from biomass while others may be of hydrocarbon origin.

**3.58 Other hydrocarbons:** Non-conventional oils and hydrogen. Although not a hydrocarbon, hydrogen is included unless it is a component of another gas. Non-conventional oils refer to oils obtained by non-conventional production techniques, that is oils which are extracted from reservoirs containing extra heavy oils or oil sands which need heating or treatment (e.g., emulsification) in situ before they can be brought to the surface for refining/processing. They also include the oils extracted from oil sands, extra heavy oils, coal and oil shale which are at, or can be brought to, the surface without treatment and require processing after mining (ex situ processing). Non-conventional oils may also be produced from natural gas.

3.59 The oils may be divided into two groups: (i) oils for transformation (e.g., synthetic crudes extracted from extra heavy oils, oil sands, coal and oil shale); and (ii) oils for direct use (e.g., emulsified oils such as orimulsion and GTL liquids). *Remark:* Oil sands are also known as tar sands. Extra heavy oils are also known as bitumen. This is not the oil product of the same name which is made from vacuum distillation residue.

3.60 **Oil products:** Products obtained from crude oil, non-conventional oils or gases from oil and gas fields. *Explanation:* They may be produced through the refining of conventional crude and non-conventional oils or during the separation of natural gas from gases extracted from oil or gas fields.

3.61 **Refinery gas:** Includes a mixture of non-condensable gases mainly consisting of hydrogen, methane, ethane and olefins obtained during distillation of crude oil or treatment of oil products (e.g., cracking) in refineries or from nearby petrochemical plants. *Remark:* It is used mainly as a fuel within the refinery.

3.62 **Ethane:** A naturally gaseous straight-chain hydrocarbon ( $C_2H_6$ ). *Remark:* Ethane is obtained at gas separation plants or from the refining of crude oil. It is a valuable feedstock for petrochemical manufacture.

3.63 **Liquefied petroleum gas (LPG):** LPG refers to liquefied propane ( $C_3H_8$ ) and butane ( $C_4H_{10}$ ) or mixtures of both. Commercial grades are usually mixtures of the gases with small amounts of propylene, butylene, isobutene and isobutylene stored under pressure in containers. *Remark:* The mixture of propane and butane used varies according to purpose and season of the year. The gases may be extracted from natural gas at gas separation plants or at plants re-gasifying imported liquefied natural gas. They are also obtained during the refining of crude oil. LPG may be used for heating and as a vehicle fuel. See also the definition for natural gas liquids. Certain oil field practices also use the term LPG to describe the high vapour pressure components of natural gas liquids.

3.64 **Naphtha:** Light or medium oils distilling between 30°C and 210°C which do not meet the specification for motor gasoline. *Remark:* Different naphthas are distinguished by their density and the content of paraffins, isoparaffins, olefins, naphthenes and aromatics. The main uses for naphthas are as feedstock for high octane gasolines and the manufacture of olefins in the petrochemical industry.

3.65 **Gasolines:** Complex mixtures of volatile hydrocarbons distilling between approximately 25°C and 220°C and consisting of compounds in the C4 to C12 range. *Remark:* Gasolines may contain blending components of biomass origin, especially oxygenates (mainly ethers and alcohols), and additives may be used to boost certain performance features.

3.66 **Aviation gasoline:** Gasoline prepared especially for aviation piston engines with additives which assure performance under flight conditions. Aviation gasolines are predominantly alkylates (obtained by combining C4 and C5 isoparaffins with C3, C4 and C5 olefins) with the possible addition of more aromatic components including toluene. The boiling range is 25°C to 170°C.

3.67 **Motor gasoline:** A mixture of some aromatics (e.g., benzene and toluene) and aliphatic hydrocarbons in the C5 to C12 range. The boiling range is between 25°C to 220°C. *Remark:* Additives are blended to improve octane rating, improve combustion performance, reduce oxidation during storage, maintain cleanliness of the engine and improve capture of pollutants by catalytic converters in the exhaust system. Motor gasoline may also contain biogasoline products.

3.68 **Gasoline-type jet fuel:** Light hydrocarbons for use in aviation turbine power units, distilling between 100°C and 250°C. They are obtained by blending kerosene and gasoline or naphtha in such a way that the aromatic content does not exceed 25 per cent in volume, and the vapour pressure is between 13.7 kPa and 20.6 kPa. *Remark:* Jet fuel is also known as “aviation turbine fuel”.

3.69 **Kerosene:** Mixtures of hydrocarbons in the range C9 to C16 and boiling over the temperature interval 145°C to 300°C, but not usually above 250°C and a flash point above 38°C. *Explanation:* The chemical compositions of kerosenes depend on the nature of the crude oils from which they are derived and the refinery processes that they have undergone. Kerosenes obtained from crude oil by atmospheric distillation are known as straight-run kerosenes. Such streams may be treated by a variety of processes to produce kerosenes that are acceptable for blending as jet fuels. *Remark:* Kerosenes are primarily used as jet fuels. They are also used as domestic heating and cooking fuels, and as solvents. Kerosenes may include components or additives derived from biomass.

3.70 **Kerosene-type jet fuel:** A blend of kerosenes suited to flight conditions with particular specifications, such as freezing point. *Remark:* The specifications are set down by a small number of national standards committees, most notably ASTM (U.S.), MOD (UK), GOST (Russia).

3.71 **Other kerosene:** Kerosene which is used for heating, cooking, lighting, solvents and internal combustion engines. *Remark:* Other names for this product are burning oil, vaporizing oil, power kerosene and illuminating oil.

3.72 **Gas oil/diesel oil:** Gas oils are middle distillates, predominantly of carbon number range C11 to C25 and with a distillation range of 160°C to 420°C. *Explanation:* The principal marketed products are automotive fuels for diesel engines, heating oils and marine fuel. *Remark:* Gas oils are also used as middle distillate feedstock for the petrochemical industry and as solvents.

3.73 **Road diesel:** Gas (diesel) oil (usually of low sulphur content) for fuel use in compression ignition (diesel) engines fitted in road vehicles. Distillation range is 160°C to 390°C. *Remark:* Additives are used to ensure a suitable cetane number and cleanliness of the engine. The cetane number describes the combustion quality of diesel fuel during compression ignition. The product may contain components or additives derived from biomass.

3.74 **Heating and other gas oil:** Gas oil/diesel oil used as a light heating oil for industrial and commercial uses, in marine and rail locomotive diesel engines and as a petrochemical feedstock. The distillation range is 160°C to 420°C.

3.75 **Heavy gas oil:** A mixture of predominantly gas oil and residual fuel oil which distills in the range of approximately 380°C to 540°C.

3.76 **Fuel oil:** Comprises residual fuel oil and heavy fuel oil which is usually a blended product based on the residues from various refinery, distillation and cracking processes. Residual fuel oils have a distillation range of 350°C to 650°C and a kinematic viscosity in the range 6 to 55 cSt at 100°C. Their flash point is always above 60°C and their specific gravity is above 0.95. *Explanation:* Heavy fuel oil is a general term and other names commonly used to describe this range of products include: bunker fuel, bunker C, fuel oil No. 6, industrial fuel oil, marine fuel oil and black oil.

*Remark:* Residual and Heavy fuel oil are used in medium to large industrial plants, marine applications and power stations in combustion equipment such as boilers, furnaces and diesel engines. Residual fuel oil is also used as fuel within the refinery.

3.77 **White spirit and special boiling point industrial spirits:** White spirit and special boiling point industrial spirits (SBP) are refined distillate intermediates with a distillation in the naphtha/kerosene range. They are mainly used for non-fuel purposes and sub-divided as: industrial spirit (SBP), light oils distilling between 30°C and 200°C; and white spirit, industrial spirit with a flash point above 30°C. The distillation range of white spirit is 135°C to 200°C. *Explanation:* There are 7 or 8 grades of industrial spirit, depending on the position of the cut in the distillation range. The grades are defined according to the temperature difference between the 5 per cent and 90 per cent volume distillation points (which is not more than 60°C). *Remark:* White spirit and Industrial spirits are mostly used as thinners and solvents.

3.78 **Lubricants:** Oils produced from crude oil, for which the principal use is to reduce friction between sliding surfaces and during metal cutting operations. *Explanation:* Lubricant base stocks are obtained from vacuum distillates which result from further distillation of the residue from atmospheric distillation of crude oil. The lubricant base stocks are then further processed to produce lubricants with the desired properties.

3.79 **Paraffin waxes:** Residues extracted when dewaxing lubricant oils. They have a crystalline structure which varies in fineness according to the grade, and are colourless, odourless and translucent, with a melting point above 45°C. *Remark:* Paraffin waxes are also known as “petroleum waxes”.

3.80 **Petroleum coke:** Petroleum coke is a black solid obtained mainly by cracking and carbonizing heavy hydrocarbon oils, tars and pitches. It consists mainly of carbon (90 to 95 per cent) and has a low ash content. *Explanation:* The two most important categories are "green coke" and "calcined coke".

- Green coke (raw coke) is the primary solid carbonization product from high boiling hydrocarbon fractions obtained at temperatures below 630°C. It contains 4 -15 per cent by weight of matter that can be released as volatiles during subsequent heat treatment at temperatures up to approximately 1330°C.

- Calcined coke is a petroleum coke or coal-derived pitch coke obtained by heat treatment of green coke to about 1330°C. It will normally have a hydrogen content of less than 0.1 wt.%.

*Remark:* In many catalytic operations (e.g., catalytic cracking) carbon or catalytic coke is deposited on the catalyst, thus deactivating it. The catalyst is reactivated by burning off the coke which is used as a fuel in the refining process. The coke is not recoverable in a concentrated form.

3.81 **Bitumen:** is a solid, semi-solid or viscous hydrocarbon with a colloidal structure, being brown to black in color. *Remark:* It is obtained as a residue in the distillation of crude oil and by vacuum distillation of oil residues from atmospheric distillation. It should not be confused with the unconventional primary extra heavy oils which may also be referred to as bitumen. In addition to its major use for road pavements, bitumen is also used as an adhesive, a waterproofing agent for roof coverings and as a binder in the manufacture of patent fuel. It may also be used for electricity generation in specially designed power plants. Bitumen is also known in some countries as asphalt but in others asphalt describes the mixture of bitumen and stone aggregate used for road pavements.

3.82 **Other oil products not elsewhere specified:** Products (including partly refined products) from the refining of crude oil and feedstocks which are not specified above. *Explanation:* They will include basic chemicals and organic chemicals destined for use within the refinery or for sale to or processing in the chemical industry such as propylene, benzene, toluene, xylene and hydrogen.

### 3. Nuclear fuels

3.83 **Nuclear fuels:** Nuclear fuels refer to materials that undergo fission (uranium, plutonium rods/pellets/etc.) to derive nuclear energy.

In the case of Uranium, there are different stages before Uranium is used in a nuclear power plant. SIEC distinguishes the following products: CPC 130 - Uranium and thorium ores and concentrates, CPC 3361 Natural Uranium, CPC 3362 Enriched Uranium.

It should be mentioned that although nuclear fuels are within the scope of SEIC there are practical limitations to the collection and dissemination of data related to this category. The energy balances present information on the energy (heat) produced from nuclear fuels rather than the actual production of nuclear fuels.

### 4. Biofuels and waste

3.84 **Biofuels:** Fuels derived directly or indirectly from biomass. *Remark:* Fuels produced from animal fats, by-products and residues obtain their calorific value indirectly from the plants eaten by the animals.

3.85 **Solid biofuels:** Solid fuels derived from biomass.

3.86 **Fuelwood, wood residues and by-products:** Fuelwood or firewood (in log, brushwood, pellet or chip form) obtained from natural or managed forests or isolated trees. Also included are wood residues used as fuel and in which the original composition of wood is retained.

3.87 **Agrofuels:** Solid biofuels obtained from crops as well as residues from crops and other agricultural products. *Remark:* Residues from agricultural production include animal solid excreta, meat and fish residues. Agrofuel is sub divided into bagasse, animal wastes, and other vegetal material and residues.

3.88 **Bagasse:** The fuel obtained from the fibre which remains after juice extraction in sugar cane processing.

3.89 **Animal waste:** Excreta of animals which, when dry, are used directly as a fuel. *Remark:* This excludes waste used in anaerobic fermentation plants. Fuel gases from these plants are included under biogases.

3.90 **Other vegetal material and residues:** Biofuels not specified elsewhere and including straw, vegetable husks, ground nut shells, pruning brushwood, olive pomace and other wastes arising from the maintenance, cropping and processing of plants.

3.91 **Black liquor:** The alkaline-spent liquor obtained from the digesters during the production of sulphate or soda pulp required for paper manufacture. *Explanation:* The lignin contained in the liquor burns to release heat when the concentrated liquor is sprayed into a recovery furnace and heated with hot gases at 900°C. *Remark:* Black liquor is used as a fuel in the pulping process.

3.92 **Charcoal:** The solid residue from the carbonisation of wood or other vegetal matter through slow pyrolysis.

3.93 **Liquid biofuels:** Liquids derived from biomass and generally used as fuels. *Remark:* Liquid biofuels comprise biogasoline, biodiesel and other liquid biofuels. They are used for transport, electricity generation and stationary engines.

3.94 **Biogasoline:** Liquid fuels derived from biomass and used in spark-ignition internal combustion engines. *Remark:* Common examples are:

- bioethanol;
- biomethanol;
- bio ETBE (ethyl-tertio-butyl-ether); and
- bio MTBE (methyl-tertio-butyl-ether).

Biogasoline may be blended with petroleum gasoline or used directly in engines. The blending may take place in refineries or at or near the point of sale.

3.95 **Biodiesels:** Liquid biofuels which are usually modified chemically so that they can be used as fuel in diesel engines either directly or after blending with petroleum diesel. *Explanation:* Biodiesels obtained by chemical modification are a linear alkyl ester made by transesterification of

vegetable oils or animal fats with methanol. The transesterification distinguishes biodiesel from straight vegetable and waste oils. Biodiesel has a flash point of around 150°C and a density of about 0.88 kg/litre. Biological sources of biodiesel include, but are not limited to, vegetable oils made from canola (rapeseed), soybeans, corn, oil palm, peanut or sunflower. Some liquid biofuels (straight vegetable oils) may be used without chemical modification and their use usually requires modification of the engine.

3.96 **Other liquid biofuels:** Liquid biofuels not elsewhere specified.

3.97 **Biogases:** Gases arising from the anaerobic fermentation of biomass. *Remark:* These gases are composed principally of methane and carbon dioxide and comprise landfill gas, sewage sludge gas and other biogases. They are used mainly as a fuel but can be used as a chemical feedstock.

3.98 **Landfill gas:** Biogas from the anaerobic fermentation of organic matter in landfills.

3.99 **Sewage sludge gas:** Biogas from the anaerobic fermentation of waste matter in sewage plants.

3.100 **Other primary biogases:** Biogases not elsewhere specified including synthesis gas produced from biomass.

3.101 In energy statistics, **waste** refers to the part of waste that is incinerated with heat recovery at installations designed for mixed wastes or co-fired with other fuels. *Remark:* The heat may be used for heating or electricity generation. Certain wastes are mixtures of materials of fossil and biomass origin.

3.102 **Industrial waste:** Non-renewable waste which is combusted with heat recovery in plants other than those used for the incineration of municipal waste. *Remark:* Examples are used tires, specific residues from the chemical industry and hazardous wastes from health care. Combustion includes co-firing with other fuels. The renewable portions of industrial waste combusted with heat recovery are classified according to the biofuels which best describe them.

3.103 **Municipal waste:** Household waste and waste from companies and public services that resembles household waste and which is collected at installations specifically designed for the disposal of mixed wastes with recovery of combustible liquids, gases or heat. *Remark:* Municipal wastes can be divided into renewable and non-renewable fractions.

## 5. Electricity

3.104 **Electricity:** The transfer of energy through the physical phenomena involving electric charges and their effects when at rest and in motion. Electricity can be generated through different processes such as: the conversion of energy contained in falling or streaming water, wind or waves; the direct conversion of solar radiation through photovoltaic processes in semiconductor devices (solar cells); or by the combustion of fuels. The distinction between the different production processes is important for energy statistics, but SIEC does not further classify electricity according

to the production processes. This is done by disaggregating information on the production side (see Chapter 5 for more details).

## **6. Heat**

3.105 **Heat:** Heat is the energy obtained from the translational, rotational and vibrational motion of the constituents of matter, as well as changes in its physical state. As in the case electricity, heat can be produced by different production processes (see Chapter 5 for more details).

## **Chapter 4. Measurement units and conversion factors**

### **A. Introduction**

4.1. Energy products are measured in physical units by their mass, volume, and energy content. The measurement units that are specific to an energy product and are employed at the point of measurement of the energy flow are often referred to as “original” or “natural<sup>1</sup>” units. Coal, for example, is generally measured by its mass and crude oil generally by its volume. Cross-fuel tabulations such as the energy balances are displayed in a “common unit” to allow comparison across energy products. These “common” units are usually energy units and require the conversion from an original unit through the application of an appropriate conversion factor.

4.2. When different units are used to measure a product, the compiler is left with the task of converting units which, in the absence of specific information on the products necessary for the conversion between different units (such as density, gravity and calorific value), may lead to discrepancies.

4.3. This chapter provides a review of the measurement units used for energy statistics, explains the concepts of “original” and “common” units, and presents default conversion factors to use in the absence of country or region specific calorific values.

### **B. Measurement units**

4.4. This section covers “original” or “natural” units as well as “common” units. It also makes reference to the International System of Units often abbreviated as SI from the French “*Système International d’Unités*” which is a modernized version of the metric system established by international agreement. It provides a logical and interconnected framework for all measurements in science, industry and commerce. See Box 4.1 for more details on SI.

4.5. Standardization in the recording and presentation of original units is a primary task of an energy statistician before quantities can be analyzed or compared<sup>2</sup>.

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<sup>1</sup> See IEA/Eurostat Energy Statistics Manual, Chapter 1, Section 5.

<sup>2</sup> See UNManual F.44 page 11

### Box 4.1: International System of Units

The SI was established by and is defined by the General Conference on Weights and Measures (CGPM). It is the result of a work that started in 1948 to make recommendations on the establishment of a practical system of units of measurement suitable for adoption by all signatories to the *Convention du Mètre*.

In 1954 and 1971, the CGPM adopted as *base units* the units of the following seven quantities: length, mass, time, electric current, thermodynamic temperature, luminous intensity and amount of substance..

In 1960, the CGPM adopted the name *Système International d'Unités*, with the international abbreviation SI, for this practical system of units and laid down rules for *prefixes*, *derived units*, and the former supplementary units; it thus established a comprehensive specification for units of measurement.

Source: Based on the International Bureau of Weights and Measures (BIPM) <http://www.bipm.org/en/si/>

4.6. The *base units* of SI are a choice of seven well-defined units which by convention are regarded as dimensionally independent. There are seven base units, each of which represents, at least in principle, different kinds of physical quantities.

| Physical quantities       | Base units |
|---------------------------|------------|
| length                    | metre      |
| Mass                      | kilogram   |
| time                      | second     |
| electric current          | ampere     |
| thermodynamic temperature | kelvin     |
| luminous intensity        | candela    |
| amount of substance       | mole       |

4.7. *Derived units* of SI are those formed by combining base units according to the algebraic relations linking the corresponding quantities. They are defined as products of powers of the base units. When the product of powers includes no numerical factor other than one, the derived units are called *coherent derived units*.

4.8. SI uses a specific set of prefixes known as *SI prefixes*, which are:

| Factor    | Name  | Symbol | Factor     | Name  | Symbol |
|-----------|-------|--------|------------|-------|--------|
| $10^1$    | deca  | da     | $10^{-1}$  | deci  | d      |
| $10^2$    | hecto | h      | $10^{-2}$  | centi | c      |
| $10^3$    | kilo  | k      | $10^{-3}$  | milli | m      |
| $10^6$    | mega  | M      | $10^{-6}$  | micro | $\mu$  |
| $10^9$    | giga  | G      | $10^{-9}$  | nano  | n      |
| $10^{12}$ | tera  | T      | $10^{-12}$ | pico  | p      |
| $10^{15}$ | peta  | P      | $10^{-15}$ | femto | f      |
| $10^{18}$ | exa   | E      | $10^{-18}$ | atto  | a      |
| $10^{21}$ | zetta | Z      | $10^{-21}$ | zepto | z      |
| $10^{24}$ | yotta | Y      | $10^{-24}$ | yocto | y      |

## 1. Original units

4.9. As mentioned in the introduction (para 4.1), original units are the units of measurement employed at the point of measurement of the product flow that are best suited to its physical state (solid, liquid or gas) and that require the simplest measuring instruments<sup>3</sup>. Typical examples are: *mass units* (e.g., kilograms or metric tons) for solid fuels<sup>4</sup>; *volume units* (e.g., barrels or litres) or mass units (metric tons) for oil; and volume units (e.g., cubic metres) for gases. The actual units used nationally vary according to country and local condition and reflect historical practice in the country, sometimes adapted to changing fuel supply conditions<sup>5</sup>.

4.10. It should be noted that in questionnaires utilized for the collection of energy statistics, data may be required to be reported in different units from the original/natural unit. For example, statistics on crude oil and oil products may be requested in a mass or weight basis since the heating value of oil products by weight displays less variation than the heating value by volume. Statistics on gases, as well as wastes, can be requested in terajoules or other energy unit in order to ensure comparability, since gases (and wastes) are usually defined on the basis of their production processes, rather than their chemical composition, and different compositions of the same type of gas (or waste) entail different energy contents by volume. Collection of statistics on wastes in an energy unit is based on the measured or inferred heat output, used directly for heat raising.

### ***Mass units***

4.11. Solid fuels, such as coal and coke, are generally measured in mass units. The SI unit for mass is the *kilogram* (kg). Metric tons (tons) are most commonly used, for example, to measure coal and their derivatives. One metric ton corresponds to 1000 kg. Other units of mass used by countries include pound (0.4536 kg), short ton (907.185 kg) and long ton (1016.05 kg). Table 1 Annex C presents the equivalent factors to convert different mass units.

### ***Volume units***

4.12. Volume units are original units for most liquid and gaseous fuels, as well as some traditional fuels. The SI unit for volume is the *cubic metre* which is equivalent to a kilolitre or one thousand litres. Other volume units include the British or Imperial gallon (4.546 litres), United States gallon (3.785 litres), the barrel (159 litres), and the cubic feet which is also used to measure volumes of gaseous fuels. Given the preference of oil markets for the barrel as a volume unit, the barrel per day is commonly used within the petroleum sector to allow direct data comparison across different time frequencies (e.g., monthly versus annual crude oil production). However, in

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<sup>3</sup> See IEA/Eurostat Energy Statistics Manual, Section 5 chapter 1.

<sup>4</sup> With some exceptions; for example, fuelwood, which is usually sold in stacks and measured in a local volume unit, then converted to cubic metres.

<sup>5</sup> See IEA/Eurostat Energy Statistics Manual, Annex 3.

principle, other units of volume per time can be used for the same purpose. Table 2 in Annex C shows the equivalent factors to convert volume units.

#### ***Relationship between mass and volume – Specific gravity and density***

4.13. The relationship between mass and volume is called *density* and is defined as mass divided by volume. Since liquid fuels are measured either by their mass or volume, it is essential to be able to convert one into the other. This is accomplished by using the density of the fuel:

$$Density = \frac{mass}{volume}$$

4.14. *Specific gravity* is a dimensionless unit defined as the ratio of density of the fuel to the density of water at a specified temperature. This can also be expressed as the ratio of the mass of a given volume of fuel, for instance oil, at 15°C to the mass of the same volume of water at that temperature:

$$Specific\ gravity = \frac{density_{fuel}}{density_{water}} = \frac{mass_{fuel}}{mass_{water}}$$

4.15. When using the SI or metric system in order to calculate volume, mass is divided by density. Vice versa, to obtain mass, volume is multiplied by density. When using other measurement systems, one must consult tables of conversion factors to move between mass and volume measurements.

4.16. Another measure to express the gravity or density of liquid fuels is *API gravity*, a standard adopted by the American Petroleum Institute. API gravity is related to specific gravity by the following formula:

$$API\ gravity = \frac{141.5}{specific\ gravity} - 131.5$$

4.17. Thus specific gravity and API gravity are inversely related. They are both useful in that specific gravity increases with energy content per unit volume (e.g., barrel), while API gravity increases with energy content per unit mass (e.g., metric ton).

#### ***Energy units***

4.18. Energy, heat, work and power are four concepts that are often confused. If force is exerted on an object and moves it over a distance, work is done, heat is released (under anything other than unrealistically ideal conditions) and energy is transformed. Energy, heat and work are three facets of the same concept. Energy is the capacity to do (and often the result of doing) work. Heat can be a by-product of work, but is also a form of energy. For example, in an automobile with a full tank of gasoline, embodied in that gasoline is chemical energy with the ability to create

heat (with the application of a spark) and to do work (the gasoline combustion powers the automobile over a distance).

4.19. The coherent derived SI unit of energy, heat and work is the *joule* (J). The *joule* is a precise measure of energy and work, defined as the work done when a constant force of 1 Newton is exerted on a body with mass of 1 gram to move it a distance of 1 metre. Common multiples of the joule are the megajoule, gigajoule, terajoule and petajoule.

4.20. Other units include: the kilogram calorie in the metric system, or kilocalorie, (kcal) or one of its multiples; the British thermal unit (Btu) or one of its multiples; ton of coal equivalent (tce) , ton of oil equivalent (toe); and the kilowatt hour (kWh).

4.21. The *International Steam Table Calorie* (IT calorie) was originally defined as 1/860 international watt-hour, but has later been defined exactly as 4.1868 joules<sup>6</sup>. This is the definition of the calorie used in the conversion tables in the annex to this chapter. The *kilocalorie* and the *teracalorie* are multiples of the calorie that are commonly used in the measurement of energy commodities. In the context of IRES, these are based on the IT calorie. Other definitions of the calorie include the *gram calorie*, defined by the amount of heat required to raise the temperature of one gram of water 1°C from a reference temperature. With a reference temperature of 14.5°C<sup>7</sup>, the gram calorie equals 4.1855 joules.

4.22. The *British thermal unit* is a precise measure of heat and is equal to the amount of heat required to raise the temperature of 1 pound of water at 60°F by 1 degree Fahrenheit. Its most used multiples are the *therm* (10<sup>5</sup> Btu) and the *quad* (10<sup>15</sup> Btu). The internationally agreed value for the Btu is now 1055.06 joules.

4.23. In the past, when coal was the principal commercial fuel, the *ton of coal equivalent* (tce) was commonly used as an energy unit. However, with the increasing importance of oil, it has been replaced by the *ton of oil equivalent* (toe). The toe is now defined as 41.686 gigajoules, whereas the tce equals 29.3076 gigajoules. Generally, it should *not* be assumed that one ton of coal contains one tce or that one ton of oil contains one toe of energy content since there is a wide spread in calorific values among various types of coals, crude oils and petroleum products.

4.24. Power is the rate at which work is done (or heat released, or energy converted). The rate of one joule per second is called a *watt*. As an example, a light bulb might draw 100 joules of electricity per second to emit light and heat (both forms of energy). This light bulb would then draw the power of 100 watts.

4.25. The above definition of watts leads to another commonly used measure of energy, the *kilowatt hour* (kWh), which refers to the energy equivalent of 1000 watts (joules per second) over a one-hour period. Thus, 1 kilowatt-hour equals 3.6x10<sup>6</sup> joules.

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<sup>6</sup> Defined at the Fifth International Conference on the Properties of Steam (London, July 1956)

<sup>7</sup> Other reference temperatures are also encountered, which leads to different values for the gram calorie.

4.26. Electricity is usually measured in kWh. This allows one to perceive the electrical energy in terms of the time an appliance of a specified wattage takes to “consume” this energy. Heat quantities, on the other hand, are usually measured in calories or joules.

4.27. Table 3 in Annex C to this chapter shows the conversion factors between several energy units.

## **2. Common units**

4.28. Since the original units in which energy products are measured vary (e.g., metric tons, barrels, kilowatt hours, therm, calories, joules, cubic metres), quantities of energy products need to be converted into a common unit to allow, for example, comparisons of fuel quantities and estimate efficiencies. The conversion from different units to a common unit requires some conversion factors for each product.

4.29. The energy unit in the International System of Units is the *joule* which is commonly used in energy statistics as a common unit. Although other energy units are also used (tonne, GWh, Btu, calories, etc.), the joule is the recommended unit for the presentation of energy balances in a common unit.

## **C. Calorific values**

4.30. *Calorific value* or *heating value* of a fuel express the heat obtained from one unit of the fuel. They are necessary for the compilation of overall energy balances, to convert from the original units in which the fuels are measured to a common unit of measurement. In addition, it may also be necessary to apply some form of conversion for certain individual fuels (e.g., to express different grades of coal in terms of coal of a standard calorific content). Even though calorific values are often considered in the context of the preparation of energy balances, they have wider application in the preparation of any tables designed to show energy in an aggregated form or in the preparation of inter-fuel comparative analyses.

4.31. Calorific values are obtained by measurements in a laboratory specializing in fuel quality determination. They should preferably be in terms of joules (or any of its multiples) per original unit, for example gigajoule/metric ton (GJ/t) or gigajoule/cubic metre (GJ/m<sup>3</sup>). Major fuel producers (mining companies, refineries, etc.) measure the calorific value and other qualities of the fuels they produce. A calorific value is a conversion factor, in the sense that it can be used to convert mass or volume quantities into energy content.

4.32. There are two main issues with regards to calorific values: the first one refers to whether they are measured gross or net of the heat necessary to evaporate the water formed during combustion and the water previously present in the fuel in the form of moisture; and the second one is related to the quality of the energy product, as the calorific value of, say, a ton of hard coal may vary greatly by geographic and geological location. These two issues are discussed in detail in the next two sections.

## 1. Gross and net calorific/heating values

4.33. The expression of original units of energy sources, in terms of a common unit, may be made on two bases as the energy stored in fuels may be measured in two stages. The *gross calorific value* (GCV), or high heat value, measures the total (maximum) amount of heat that is produced by combustion. However, part of this heat will be locked up in the latent heat of evaporation of any water present in the fuel before combustion (moisture) or generated in the combustion process. The latter comes from the combination of hydrogen present in the fuel with the oxidant oxygen (O<sub>2</sub>) present in the air to form H<sub>2</sub>O. This combination itself releases heat, but this heat is partly used in the evaporation of the generated water.

4.34. The *net calorific value* (NCV), or low heat value, excludes this latent heat. NCV is that amount of heat which is actually available from the combustion process in practice for capture and use. The higher the moisture of a fuel or its hydrogen content, the greater is the difference between GCV and NCV. For some fuels, with very little or no hydrogen content (e.g., some types of coke, blast furnace gas), this difference is negligible. In terms of magnitude, the difference between gross and net calorific values of commercial energy sources (coal, oil, products and gas) is less than 10 per cent while that of traditional energy (fuelwood, bagasse) is usually more than 10 per cent. Figures for the main energy commodities are presented in Table 4 of Annex C. The applied technology to burn a fuel can also play a role in determining the NCV of the fuel, for instance depending on how much of the latent heat it can recover from the exhaust gases.

4.35. NCVs are to be preferred over GCVs when building a balance, since most current technologies are still not able to recover the latent heat, which would thus not be treated as part of a fuel's energy providing capability. However, providing both gross and net calorific values while making clear which one (preferably net) is used in the balance is a good practice that should be encouraged, in order to allow monitoring technological advances in respect to recovering latent heat (paras. 133, 135, UN Manual F.29).

## 2. Default vs specific calorific values

4.36. Energy products with the same chemical composition will carry the same energy content. In practice, there are variations of the composition of the same energy product. For example, "premium" gasoline may have slightly different chemical formulations (and therefore have a different energy content); natural gas may contain variations in the proportions of ethane and methane; liquefied petroleum gas (LPG) may in fact be solely propane or solely butane or any combination of the two. Only those products which are single energy compounds, such as "pure" methane or "pure" ethane, and electricity (which strictly speaking is an energy form rather than a product) have precise and unalterable energy contents. In addition, differences in energy content may also occur over time as the quality of the fuel may change, for example, due to a change in the source of that fuel.

4.37. *Default calorific values* refer to the energy content of fuels with specific characteristics that are generally applicable to all circumstances (different countries, different flows, etc.). They are used as default values when specific calorific values are not available. *Specific calorific values*, on the other hand, are based on the specificity of the fuel in question and are measurable from the original data source. They are particularly important for fuels which present different qualities: coal, for example, displays a range of quality which makes it suitable for different uses. The respective calorific values are thus specific to the fuel and flow in question. However, in using many different specific calorific values, caution should be applied to ensure consistency between the energy content on the supply side and on the consumption side for a same country-year.

4.38. Often there is a problem in energy statistics as the product produced may not be identical in composition to the product in subsequent processes, even though it is referred to by the same name. Natural gas can be enriched with oil products, for example, to meet market specifications. Motor gasoline can be blended with ethanol and sold as motor gasoline, and depending on the country practice, this may be recorded as consumption of only motor gasoline. In this case, flow-specific calorific values would allow for a more consistent energy balance.

4.39. An alternative to applying specific calorific values for different flows (production, import, export, transformation, consumption) of the same fuel is to adjust the quantities of this fuel to meet the energy content of a grade of this fuel of a certain calorific value, constant across flows. While this approach would make no difference in an overall energy balance since it is measured in energy units, if compared with the previous one, it would make the commodity balance in the original unit more consistent with the overall balance in energy units.

4.40. **It is recommended** to provide metadata on all conversions between different energy units undertaken to arrive at the disseminated data, in order to ensure transparency and clarity, and to enable comparability. This would include the conversion factors between original and presented units, whether they are on a gross or net calorific basis, and the method utilized in each conversion (based on Recommendation 25 of the UN Manual F.29).

4.41. Country-specific calorific values should be used, and the default factors should be used only as a last resort.

### **3. How to calculate average calorific values**

4.42. The calculation of calorific values is not straightforward. There are two levels involved in the calculation of calorific values. The first is the actual measurement of the heating value of an energy product. This is done in laboratories specializing in fuel quality determination. In general, major fuel producers (i.e., mining companies, refineries, etc.) measure the quality of the energy product they produce as this may affect the price and the product specification. This type of calculation thus pertains to specialists and it is not covered in IRES: the calorific values are assumed to be available from the data providers (generally companies producing energy).

4.43. The second level in the calculation of the calorific values pertains more to the compilers of energy statistics as it involves the aggregation of different qualities of a fuel. Coal produced at different mines often has different qualities. The quality of the imported coal may vary according to the origin of the flow. Similarly, the quality of the consumed coal may also differ: the case, for example, of imported steam coal for electricity generation, and home-produced lignite for household consumption. Thus, in the preparation of energy balances and in the comparison of the energy content of energy products, it is necessary to take into account the different quality of the products themselves.

4.44. In general, in order to aggregate different qualities of an energy product, it is necessary to calculate the *average calorific value*. Let us consider, for example, the case where the production of lignite comes from two different mines in a country: mine A produces 1.5 thousands metric tons of lignite with 10.28 TJ/thousand tons as calorific value; while mine B produces 2.5 thousand metric tons of lignite with 12.10 TJ/thousand tons as calorific value. The average calorific value of the total production of lignite of the country is calculated as a weighted average of the calorific values from the two mines with their production as weights. The calculations are shown in the example below:

|        | Production<br>(1000 metric<br>tons) | Calorific value<br>(TJ/1000 metric<br>tons) | Average calorific value<br>(TJ/1000 metric tons)                  | Production<br>(TJ)         |
|--------|-------------------------------------|---|---|----------------------------|
| Mine A | 1.5                                 | 10.28                                       |   | 15.42                      |
| Mine B | 2.5                                 | 12.1  |   | 30.25                      |
| Total  | 4                                   |   | $= \frac{1.5 \times 10.28 + 2.5 \times 12.10}{1.5 + 2.5} = 11.42$ | $= 11.42 \times 4 = 45.67$ |

4.45. The average calorific value calculated as above corresponds to the country specific calorific values that are generally collected with international questionnaires and are reported in the disseminated data.

4.46. Since calorific values may change according to the type of flow (e.g., production, imports, exports, consumption by different types of users, etc.), countries **are encouraged** to collect calorific values at least on production, imports and exports.

#### 4. Default calorific values

4.47. The default calorific values are provided in Table 4.1 to Table 4.3 as a reference to countries when no specific calorific values are available. The default calorific values presented below are those used in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2006). For a number of products, no calorific values are available in the 2006 IPCC guidelines and thus no value is reported in the table below.

**Table 4.1: Default net calorific values for solid fossil fuels and derived products**

| SIEC HEADINGS  | Net Calorific Values<br>(GJ/metric tons) |                |                |
|--|--|----------------|----------------|
|  | Default<br>value                         | Range          |                |
|  |  | Lower<br>value | Upper<br>value |
| <b>1 - Solid fossil fuels and derived products</b>                               |  |                |                |
| <b>1.1 - Coal and coal products</b>  |  |                |                |
| <b>1.1.1 - Hard coal</b>   |  |                |                |
| <b>1.1.1.1 – Anthracite</b>  | 26.7                                     | 21.6           | 32.2           |
| <i>1.1.1.1.0 - Anthracite</i>  | 26.7                                     | 21.6           | 32.2           |
| <b>1.1.1.2 - Bituminous coal</b>   |  |                |                |
| <i>1.1.1.2.1 - Coking coal</i>   | 28.2                                     | 24.0           | 31.0           |
| <i>1.1.1.2.2 - Other bituminous coal</i>   | 25.8                                     | 19.9           | 30.5           |
| <b>1.1.2 - Brown coal</b>  |  |                |                |
| <b>1.1.2.1 - Sub-bituminous coal</b>   | 18.9                                     | 11.5           | 26.0           |
| <i>1.1.2.1.0 - Sub-bituminous coal</i>   | 18.9                                     | 11.5           | 26.0           |
| <b>1.1.2.2 - Lignite</b>   | 11.9                                     | 5.50           | 21.6           |
| <i>1.1.2.2.0 - Lignite</i>   | 11.9                                     | 5.50           | 21.6           |
| <b>1.1.3 – Coal products</b>   |  |                |                |
| <b>1.1.3.1 - Coal coke</b>   |  |                |                |
| <i>1.1.3.1.1 - Coke oven coke</i>  | 28.2                                     | 25.1           | 30.2           |
| <i>1.1.3.1.2 - Gas coke</i>  | 28.2                                     | 25.1           | 30.2           |
| <i>1.1.3.1.3 - Coke breeze</i>   |  |                |                |
| <i>1.1.3.1.4 - Semi cokes</i>  | 28.2                                     | 25.1           | 30.2           |
| <b>1.1.3.2 - Patent fuel</b>   | 20.7                                     | 15.1           | 32.0           |
| <i>1.1.3.2.0 - Patent fuel</i>   | 20.7                                     | 15.1           | 32.0           |
| <b>1.1.3.3 - Brown coal briquettes (BKB)</b>                                     | 20.7                                     | 15.1           | 32.0           |
| <i>1.1.3.3.0 - Brown coal briquettes (BKB)</i>                                   | 20.7                                     | 15.1           | 32.0           |
| <b>1.1.3.4 - Coal tar</b>  | 28.0                                     | 14.1           | 55.0           |
| <i>1.1.3.4.0 - Coal tar</i>  | 28.0                                     | 14.1           | 55.0           |
| <b>1.1.3.5 - Coke oven gas</b>   | 38.7                                     | 19.6           | 77.0           |
| <i>1.1.3.5.0 - Coke oven gas</i>   | 38.7                                     | 19.6           | 77.0           |
| <b>1.1.3.6 - Gas works gas (and other manufactured gases for distribution)</b>   | 38.7                                     | 19.6           | 77.0           |
| <i>1.1.3.6.0 - Gas works gas (and other manufactured gases for distribution)</i> | 38.7                                     | 19.6           | 77.0           |
| <b>1.1.3.7 - Recovered gases</b>   |  |                |                |
| <i>1.1.3.7.1 - Blast furnace gas</i>   | 2.47                                     | 1.20           | 5.00           |
| <i>1.1.3.7.2 - Basic oxygen steel furnace gas</i>                                | 7.06                                     | 3.8            | 15.0           |
| <i>1.1.3.7.3 - Other recovered gases</i>   |  |                |                |
| <b>1.1.3.8 Other coal products n.e.s.</b>  |  |                |                |
| <b>1.2 – Peat and peat products</b>  |  |                |                |
| <b>1.2.1 – Peat</b>  | 9.76                                     | 7.80           | 12.5           |
| <b>1.2.1.1 – Sod Peat</b>  |  |                |                |
| <b>1.2.1.2 – Milled Peat</b>   |  |                |                |

|                                       |     |     |      |
|---------------------------------------|-----|-----|------|
| <b>1.2.2 – Peat products</b>          |     |     |      |
| <b>1.2.2.0 – Peat Briquettes</b>      |     |     |      |
| <b>1.2.2.1 – Peat products n.e.s.</b> |     |     |      |
| <b>1.3 - Oil shale</b>                | 8.9 | 7.1 | 11.1 |
| <b>1.3.0 - Oil shale</b>              | 8.9 | 7.1 | 11.1 |
| <b>1.3.0.0 - Oil shale</b>            | 8.9 | 7.1 | 11.1 |
| <i>1.3.0.0.0 - Oil shale</i>          | 8.9 | 7.1 | 11.1 |

**Table 4.2: Default net calorific values for natural gas and Oil**

| SIEC HEADINGS                                    | Net Calorific Values<br>(GJ/metric tons) |                |                |
|--|--|----------------|----------------|
|  | Default<br>value                         | Range          |                |
|  |  | Lower<br>value | Upper<br>value |
| <b>2 - Natural gas and Oil</b>                   |  |                |                |
| <b>2.1 - Natural gas</b>                         | 48.0                                     | 46.5           | 50.4           |
| <b>2.1.0 - Natural gas</b>                       | 48.0                                     | 46.5           | 50.4           |
| <b>2.1.0.0 - Natural gas</b>                     | 48.0                                     | 46.5           | 50.4           |
| <i>2.1.0.0.0 - Natural gas</i>                   | 48.0                                     | 46.5           | 50.4           |
| <b>2.2 Oil</b>                                   |  |                |                |
| <b>2.2.1 - Conventional crude oil</b>            | 42.3                                     | 40.1           | 44.8           |
| <b>2.2.1.0 - Conventional crude oil</b>          | 42.3                                     | 40.1           | 44.8           |
| <i>2.2.1.0.0 - Conventional crude oil</i>        | 42.3                                     | 40.1           | 44.8           |
| <b>2.2.2 - Natural gas liquids (NGL)</b>         | 44.2                                     | 40.9           | 46.9           |
| <b>2.2.2.0 - Natural gas liquids (NGL)</b>       | 44.2                                     | 40.9           | 46.9           |
| <i>2.2.2.0.0 - Natural gas liquids (NGL)</i>     | 44.2                                     | 40.9           | 46.9           |
| <b>2.2.3 - Refinery feedstocks</b>               | 43.0                                     | 36.3           | 46.4           |
| <b>2.2.3.0 - Refinery feedstocks</b>             | 43.0                                     | 36.3           | 46.4           |
| <i>2.2.3.0.0 - Refinery feedstocks</i>           | 43.0                                     | 36.3           | 46.4           |
| <b>2.2.4 – Additives and oxygenates</b>          |  |                |                |
| <b>2.2.4.0 - Additives and oxygenates</b>        |  |                |                |
| <i>2.2.4.0.0 - Additives and oxygenates</i>      |  |                |                |
| <b>2.2.5 - Other hydrocarbons</b>                |  |                |                |
| <b>2.2.5.0 - Other hydrocarbons</b>              |  |                |                |
| <i>2.2.5.0.0 - Other hydrocarbons</i>            |  |                |                |
| <b>2.2.6 –Oil products</b>                       |  |                |                |
| <b>2.2.6.1- Refinery gas</b>                     | 49.5                                     | 47.5           | 50.6           |
| <i>2.2.6.1.0 - Refinery gas</i>                  | 49.5                                     | 47.5           | 50.6           |
| <b>2.2.6.2 - Ethane</b>                          | 46.4                                     | 44.9           | 48.8           |
| <i>2.2.6.2.0 - Ethane</i>                        | 46.4                                     | 44.9           | 48.8           |
| <b>2.2.6.3 - Liquefied petroleum gas (LPG)</b>   | 47.3                                     | 44.8           | 52.2           |
| <i>2.2.6.3.0 - Liquefied petroleum gas (LPG)</i> | 47.3                                     | 44.8           | 52.2           |
| <b>2.2.6.4 - Naphtha</b>                         | 44.5                                     | 41.8           | 46.5           |
| <i>2.2.6.4.0 - Naphtha</i>                       | 44.5                                     | 41.8           | 46.5           |

|   |      |      |      |  |
|---|------|------|------|--|
| <b>2.2.6.5– Gasolines</b>   |      |      |      |  |
| 2.2.6.5.1- Aviation gasoline  | 44.3 | 42.5 | 44.8 |  |
| 2.2.6.5.2 - Motor gasoline  | 44.3 | 42.5 | 44.8 |  |
| 2.2.6.5.3 - Gasoline-type jet fuel                                  | 44.3 | 42.5 | 44.8 |  |
| <b>2.2.6.6- Kerosenes</b>   |      |      |      |  |
| 2.2.6.6.1 - Kerosene-type jet fuel                                  | 44.1 | 42.0 | 45.0 |  |
| 2.2.6.6.2 - Other kerosene  | 43.8 | 42.4 | 45.2 |  |
| <b>2.2.6.7 - Gas oil / diesel oil</b>                               |      |      |      |  |
| 2.2.6.7.1- Road diesel  |      |      |      |  |
| 2.2.6.7.2 - Heating and other gas oil                               |      |      |      |  |
| <b>2.2.6.8 - Heavy gas oil</b>                                      |      |      |      |  |
| 2.2.6.8.0 - Heavy gas oil   |      |      |      |  |
| <b>2.2.6.9 - Fuel oil</b>   |      |      |      |  |
| 2.2.6.9.0 - Fuel oil  | 40.4 | 39.8 | 41.7 |  |
| <b>2.2.6.10 - White spirit and special boiling point industrial</b> |      |      |      |  |
| 2.2.6.10.0 - White spirit and special boiling point industrial      | 40.2 | 33.7 | 48.2 |  |
| <b>2.2.6.11 - Lubricants</b>  |      |      |      |  |
| 2.2.6.11.0 - Lubricants   | 40.2 | 33.5 | 42.3 |  |
| <b>2.2.6.12 - Paraffin waxes</b>                                    |      |      |      |  |
| 2.2.6.12.0 - Paraffin waxes   | 40.2 | 33.7 | 48.2 |  |
| <b>2.2.6.13 - Petroleum coke</b>                                    |      |      |      |  |
| 2.2.6.13.0 - Petroleum coke   | 32.5 | 29.7 | 41.9 |  |
| <b>2.2.6.14 - Bitumen</b>   |      |      |      |  |
| 2.2.6.14.0 - Bitumen  | 40.2 | 33.5 | 41.2 |  |
| <b>2.2.6.15 - Other oil products n.e.s.</b>                         |      |      |      |  |
| 2.2.6.15.0 - Other oil products n.e.s.                              | 40.2 | 33.7 | 48.2 |  |

**Table 4.3: Default net calorific values for biofuels and waste**

| SIEC HEADINGS  | Net Calorific Values<br>(GJ/metric tons) |                |                |
|--|--|----------------|----------------|
|  | Default<br>value                         | Range          |                |
|  |  | Lower<br>value | Upper<br>value |
| <b>4 - Biofuels and waste</b>                            |  |                |                |
| <b>4.1 - Biofuels</b>                                    |  |                |                |
| <b>4.1.1 - Solid biofuels</b>                            |  |                |                |
| <b>4.1.1.1 - Fuelwood, wood residues and by-products</b> | 15.6                                     | 7.9            | 31.0           |
| 4.1.1.1.0 - Fuelwood, wood residues and by-products      | 15.6                                     | 7.9            | 31.0           |
| <b>4.1.1.2 – Agrofuels</b>                               |  |                |                |
| 4.1.1.2.1 - Bagasse                                      |  |                |                |
| 4.1.1.2.2 - Animal waste                                 |  |                |                |
| 4.1.1.2.3 - Other vegetal material and residues          |  |                |                |
| <b>4.1.1.3 - Black liquor</b>                            | 11.8                                     | 5.90           | 23.0           |
| 4.1.1.3.0 -Black liquor                                  | 11.8                                     | 5.90           | 23.0           |

|   |                                      |                                     |                                      |
|---|--------------------------------------|-------------------------------------|--------------------------------------|
| <b>4.1.1.4 - Charcoal</b>                 | 29.5                                 | 14.9                                | 58.0                                 |
| <i>4.1.1.4.0 - Charcoal</i>               | 29.5                                 | 14.9                                | 58.0                                 |
| <b>4.1.2 - Liquid biofuels</b>            |                                      |                                     |                                      |
| <b>4.1.2.1 - Biogasoline</b>              | 27.0                                 | 13.6                                | 54.0                                 |
| <i>4.1.2.1.0 - Biogasoline</i>            | 27.0                                 | 13.6                                | 54.0                                 |
| <b>4.1.2.2 - Biodiesels</b>               | 27.0                                 | 13.6                                | 54.0                                 |
| <i>4.1.2.2.0 - Biodiesels</i>             | 27.0                                 | 13.6                                | 54.0                                 |
| <b>4.1.2.3 - Other liquid biofuels</b>    | 27.4                                 | 13.8                                | 54.0                                 |
| <i>4.1.2.3.0 - Other liquid biofuels</i>  | 27.4                                 | 13.8                                | 54.0                                 |
| <b>4.1.3 - Biogases</b>                   |                                      |                                     |                                      |
| <b>4.1.3.1 – Natural biogases</b>         |                                      |                                     |                                      |
| <i>4.1.3.1.1 - Landfill gas</i>           | 50.4                                 | 25.4                                | 100                                  |
| <i>4.1.3.1.2 - Sewage sludge gas</i>      | 50.4                                 | 25.4                                | 100                                  |
| <i>4.1.3.1.3 - Other primary biogases</i> | 50.4                                 | 25.4                                | 100                                  |
| <b>4.1.3.2 - Manufactured biogases</b>    |                                      |                                     |                                      |
| <i>4.1.3.2.0 – Manufactured biogases</i>  |                                      |                                     |                                      |
| <b>4.2 – Waste</b>                        |                                      |                                     |                                      |
| <b>4.2.1 - Industrial waste</b>           |                                      |                                     |                                      |
| <b>4.2.1.0 - Industrial waste</b>         |                                      |                                     |                                      |
| <i>4.2.1.0.0 - Industrial waste</i>       |                                      |                                     |                                      |
| <b>4.2.2 - Municipal waste</b>            |                                      |                                     |                                      |
| <b>4.2.2.0 - Municipal waste</b>          |                                      |                                     |                                      |
| <i>4.2.2.0.0 - Municipal waste</i>        | 11.6 <sup>a</sup><br>10 <sup>b</sup> | 6.80 <sup>a</sup><br>7 <sup>b</sup> | 18.0 <sup>a</sup><br>18 <sup>b</sup> |

<sup>a</sup> refers to the biomass fraction

<sup>b</sup> refers to the non-biomass fraction

## ***Fuelwood***

4.48. *Fuelwood.* In rural areas of many developing countries, the principal source of energy for cooking and heating is fuelwood; yet statistics on fuelwood in general are poor. This is due largely to the fact that fuelwood is produced (e.g. collected by households for own use) and traded in the informal sector.

4.49. There is a large variety of wood species and a large variability of moisture and ash content in wood products which highly affect the calorific value of the product, thus countries are encouraged to identify typical fuel wood mix and average water content and to establish country specific conversion factors between volume and mass. Guidelines for the measurement of fuelwood and the determination of calorific values are provided below.

4.50. Fuelwood can be measured by either volume or weight. If it is measured by volume, it can be either stacked volume or solid volume. Measures of stacked fuelwood are the *stere* or *stacked cubic metre* and the *cord* (128 stacked cubic feet). Solid volume is obtained by the water displacement method, that is the volume of water displaced if the quantity of fuelwood were to be

completely submerged. One advantage of measurement by volume is the relatively small influence of the moisture content of the wood on the measurement results. The weight of fuelwood is highly dependent on moisture content, and this is true for all biomass. The more water per unit weight, the less fuelwood. Therefore, it is important that the moisture content be accurately specified when fuelwood is measured by weight.

4.51. There are two ways of measuring moisture content (mc). They are the so-called "dry basis" and "wet basis" and are defined below.

$$\text{Dry basis: } mc\% = \frac{\text{wet weight} - \text{dry weight}}{\text{dry weight}} \times 100$$

$$\text{Wet basis: } mc\% = \frac{\text{wet weight} - \text{dry weight}}{\text{wet weight}} \times 100$$

4.52. When biomass is very wet there is a large difference between the two moisture contents (e.g., 100 per cent mc dry basis = 50 per cent mc wet basis), but when the biomass is air-dry, the difference is small (15 per cent mc dry basis = 13 per cent mc wet basis). It is important to state on which basis the moisture content is measured. Most fuelwood moisture is measured on the dry basis, but some is measured on the wet basis.

4.53. Another important determinant of the energy content of fuelwood is ash content. While the ash content of fuelwood is generally around 1 per cent, some species can register an ash content of up to 4 per cent. This affects the energy value of the wood since the substances that form the ashes generally have no energy value. Thus wood with 4 per cent ash content will have 3 per cent less energy content than wood with 1 percent ash content.

4.54. The default calorific values from mass unit to energy units provided in the UN Manual F.44 are presented in Table 4.4. The table shows how the calorific values vary with different moisture content of green wood, air-dried wood and oven-dried wood.

**Table 4.4: Influence of moisture on net calorific values of standard fuelwood**

(Wood with 1 per cent ash content)

|                 | Percentage moisture content |              | Kilocalories per kilogram | Btus per pound | Megajoules per kilogram |
|-----------------|-----------------------------|--------------|---------------------------|----------------|-------------------------|
|                 | Dry basis                   | Wet basis    |                           |                |                         |
| Green wood      | 160                         | 62           | 1360                      | 2450           | 5.7                     |
|                 | 140                         | 59           | 1530                      | 2750           | 6.4                     |
|                 | 120                         | 55           | 1720                      | 3100           | 7.2                     |
|                 | 100                         | 50           | 1960                      | 3530           | 8.2                     |
|                 | 80                          | 45           | 2220                      | 4000           | 9.3                     |
|                 | 70                          | 41           | 2390                      | 4300           | 10.0                    |
| Air-dried wood  | 60                          | 38           | 2580                      | 4640           | 10.8                    |
|                 | 50 <u>a/</u>                | 33 <u>a/</u> | 2790                      | 5030           | 11.7                    |
|                 | 40                          | 29           | 3030                      | 5460           | 12.7                    |
|                 | 30                          | 23           | 3300                      | 5930           | 13.8                    |
|                 | 25 <u>b/</u>                | 20 <u>b/</u> | 3460                      | 6230           | 14.5                    |
|                 | 20                          | 17           | 3630                      | 6530           | 15.2                    |
|                 | 15                          | 13           | 3820                      | 6880           | 16.0                    |
| Oven-dried wood | 10                          | 9            | 4010                      | 7220           | 16.8                    |
|                 | 5                           | 5            | 4230                      | 7610           | 17.7                    |
|                 | 0                           | 0            | 4470                      | 8040           | 18.7                    |

Sources: from UN Manual F.44. the original source was: Food and Agriculture Organization, A New Approach to Domestic Fuelwood Conservation, (Rome, 1986); D. A. Tillman, Wood as an Energy Resource (New York, Academic Press, 1978); and United Nations, Concepts and Methods for the Collection and Compilation of Statistics on Biomass Used as Energy, by K. Openshaw (ESA/STAT/AC.3016).

a/ Average of as-received fuelwood on cordwood basis (4-foot lengths).

b/ Average of logged fuelwood.

4.55. When fuelwood is collected in volume units, a conversion factor has to be used to obtain mass units. Table 4.5 shows conversion factors to go from volume units to mass units. Table 5 in Annex C shows how the different moisture contents of fuelwood affect the conversion factors between cubic metres and metric tons.

**Table 4.5: Conversion table for fuelwood**

(Wood with 20–30 per cent moisture content)

| Fuel wood      | Metric tons per cubic metre | Metric tons per cord | Cubic metres per metric ton | Cubic feet per metric ton |
|----------------|-----------------------------|----------------------|-----------------------------|---------------------------|
| General        | 0.725                       | 1.54                 | 1.38                        | 48.74                     |
| Coniferous     | 0.625                       | 1.325                | 1.60                        | 56.50                     |
| Non-Coniferous | 0.750                       | 1.59                 | 1.33                        | 46.97                     |

Source: from UN Manual F.44. The original source was: Food and Agriculture Organization of the United Nations, Yearbook of Forest Products, 1983 (Rome, 1985).

Note: 1 cord of wood = 3.624556 cubic metres = 128 cubic feet

1 stere (stacked wood) = 1 stacked m<sup>3</sup> = 35.31467 stacked cubic feet

1 board foot of wood = 2.359737 x 10<sup>-3</sup> m<sup>3</sup> = 0.08333 cubic feet

4.56. *Charcoal.* The amount of biomass (usually fuelwood) necessary to yield a given quantity of charcoal depends mostly on three factors: density, moisture content and the means of charcoal production.

4.57. The principal factor in determining the yield of charcoal from fuelwood is parent wood density, since the weight of charcoal can vary by a factor of 2 for equal volumes. However, the moisture content of the wood also has an appreciable effect on yields; the drier the wood, the greater is the yield. The means of charcoal production is the third determinant of yield. Charcoal is produced in earth-covered pits, in oil drums, in brick or steel kilns and in retorts. The less sophisticated means of production generally involve loss of powdered charcoal (fines), incomplete carbonization of the fuelwood and combustion of part of the charcoal product, resulting in lower yields.

4.58. There is always an amount of powdered charcoal produced in the manufacture and transport of charcoal. If powdered charcoal undergoes briquetting, then the weight of the briquettes may be 50-100 per cent higher, per given volume of un-powdered charcoal, due to greater density.

4.59. The three variables which affect the energy value of charcoal are: moisture content, ash content and degree of carbonization. The average moisture content of charcoal is 5 per cent. The average ash content of wood charcoal is 4 per cent, while that of charcoal produced from woody crop residues, such as coffee shrubs, is near 20 per cent. With the assumption of complete carbonization, the average energy value of wood charcoal with 4 per cent ash content and 5 per cent moisture content is approximately 30.8 MJ/kg. The average energy value of crop residue charcoal with 20 per cent ash content and 5 per cent moisture content is 25.7 MJ/kg.

4.60. Two tables pertaining to charcoal production are provided in Annex C. Table 6 illustrates the effect of parent wood density and moisture content on charcoal yield. Table 7 provides conversion factors for production of charcoal by the various kilns for selected percentages of wood moisture content. It assumes some standard hardwood as input to the process.

4.61. *Vegetal and animal wastes.* Energy stored in agricultural wastes and waste products from food processing are used to replace woody biomass in fuelwood deficient areas. These waste products can be burned as fuels to fulfil heating or cooking requirements.

4.62. There are two important determinants of the energy value of non-woody plant biomass—one is moisture content and the other is ash content. While the ash content of wood is generally around 1 per cent, that of crop residues can vary from 3 per cent to over 20 per cent, and this affects the energy value. Generally, the substances that form the ashes have no energy value. Thus, biomass with 20 percent ash content will have 19 percent less energy than a similar substance with 1 per cent ash content. Data for these potential sources of energy are rarely collected directly but derived from crop/waste or end-product/waste ratios. Due to this wide variability in composition, ash and moisture content of general animal and vegetal wastes across

countries, it is recommended to report these products to international organizations in an energy unit (TJ preferably) rather than their natural units. Country authorities in general are able to assess and determine the energy content of these wastes. Alternatively, measuring the energy content can be accomplished by measuring the heat or electricity output of transformation devices and applying standard efficiency factors.

4.63. Given the importance of the use of bagasse, the fibrous cane residue from the production of sugar from sugar cane, possible estimation procedures shall be outlined for this case. Also, singling out this specific vegetal waste allows reporting quantities to international organizations in its natural unit (weight basis), since its composition does not allow much variation. This has been done by the international organizations that treat bagasse separately from ordinary vegetal waste. Bagasse is used as a fuel mostly for the sugar industry's own energy needs (at times excess electricity is also fed into the public grid) in many sugar-producing countries. The availability of fuel bagasse can be estimated based on either data on the input of sugar cane into sugar mills, or production data on centrifugal cane sugar.

4.64. Method (a): Studies based on experiences in Central American countries, found that the yield of fuel bagasse is approximately 280 kilograms per metric ton of sugar cane processed. Assuming a 50 per cent moisture content at the time of use, 1 metric ton of bagasse yields 7.72 GJ. The energy values for bagasse corresponding to 1 metric ton of processed sugar cane are, therefore, as follows:

$$2.16 \text{ GJ} = 0.516 \text{ Gcal} = 0.074 \text{ tce} = 0.051 \text{ toe}$$

4.65. Method (b): Based on observations, the Economic Commission for Latin America and the Caribbean (ECLAC) proposed the use of 3.26 kg bagasse yield per kilogram of centrifugal sugar produced. Calorific equivalents for bagasse corresponding to the production of 1 metric ton of sugar are as follows:

$$25.2 \text{ GJ} = 6 \text{ Gcal} = 0.86 \text{ tce} = 0.59 \text{ toe}$$

4.66. Animal waste or dung is another important by-product of the agricultural sector. It can be dried and burned directly as a fuel for space heating, cooking or crop drying. When used as an input to biogas digestors, the outputs are gas for cooking, heating and lighting, and a solid residue for use as fertilizer. Another possibility is to use the animal waste as a feedstock to produce biodiesel. It can also be spread with no or minimal treatment in the fields as fertilizer. Table 8 of Annex C presents various animal and vegetal wastes and indicates the approximate calorific values recoverable from them when used as fuels.

## **D. Recommendations**

4.67. It is **recommended** that national and international offices in charge of energy statistics, and bodies that advise them or undertake work for them, should always define clearly the accounting units or presentation units employed in published analyses. The conversion factors and the methods used to convert original physical units into the chosen common accounting unit or

units should also be stated in a published source or made readily accessible. It should be made clear whether energy units are defined on a gross or net calorific basis.

4.68. It is **recommended** that, when expressing the energy content of energy products in terms of a common energy accounting unit, net calorific values (NCV) should be used in preference to gross calorific values (GCV). In other words, the heat required to evaporate moisture, which is present in all fuels (except electricity) and is also produced in the combustion process, should not be treated as part of a fuel's energy providing capability. However, where available, it is strongly encouraged to report both gross and net calorific values.

4.69. If and when recuperation of a significant part of the difference between GCV and NCV from exhaust gases becomes a practical possibility and seems likely to become a reality, this recommended basis may need to be reconsidered.

4.70. Given that the joule, and multiples of it by raising it to powers of  $10^3$ , is the only energy unit in the SI, it is **recommended** that international and national offices in charge of energy statistics should consider adopting the joule as the accounting unit for energy balances. The toe (1 toe = 41.868 gigajoules) and/or tce (1 tce = 29.3076 gigajoules) may be used as alternative presentation units. Whenever they are used, the method for converting original data to toe or tce should be clearly described.

4.71. It is **recommended** that countries collect data in original units and collect data on specific calorific values. A country-specific calorific value will arise as a weighted average of all the calorific values collected for the energy product in question. For some products (e.g., coal and crude oil), different calorific values may be needed for production, imports, exports and several major uses. Default calorific values should only be used as a last resort in the absence of specific values, acknowledging that this simplification will affect the precision of the published figures.

4.72. No specific measurement unit is recommended for national data collection, to allow countries to choose the measurement units most suitable for respondents to report. However, based on common practices, units are recommended for data dissemination. Organizations and countries may use other units, as long as clear conversions factors are provided.

4.73. For each class of fuels the recommended unit for dissemination is displayed on Table 4.6. Where there is no mention, it applies to primary as well as derived fuels.

**Table 4.6: Recommended units for dissemination**

| Fuels                          | Dimension             | Unit                                 |
|--------------------------------|-----------------------|--------------------------------------|
| Solid fossil fuels             | Mass                  | Thousand metric tons                 |
| Liquid fossil fuels            | Mass                  | Thousand metric tons                 |
| (Liquid) Biofuels              | Mass/Volume           | Thousand metric tons/ Thousand cubic |
| Gases                          | Energy                | Terajoules                           |
| Wastes                         | Energy                | Terajoules                           |
| Fuelwood                       | Volume/Mass           | Thousand cubic metres/               |
| Charcoal                       | Energy                | Terajoules                           |
| Electricity                    | Mass                  | Thousand metric tons                 |
| Electricity installed capacity | Energy (power x time) | GWh                                  |
| Refinery capacity              | Power                 | MW                                   |
| Heat                           | Mass/time             | Thousand metric tons/year            |
| Common unit (e.g., balances)   | Energy                | Terajoules                           |

4.74. **It is recommended** to report to international organizations both physical quantities of fuels and their country-specific (and where necessary flow-specific) calorific values.

4.75. When the type of waste is well-defined in its constitution, rather than only by the process from which it was generated, one can assume that there should not be great variation in specific calorific values. In this case, data can be reported on a weight basis (thousand metric tons). Even so, if the specific calorific values are available, they should be provided.

## Chapter 5. Energy Flows

### A. Introduction

5.1. The objective of this chapter is to describe energy flows and the main groups of economic units that are relevant for the collection of data on such flows. Wherever relevant and possible the correspondence with the International Standard Industrial Classification of All Economic Activities (ISIC), Rev 4 is provided.

### B. Concept of energy flows

5.2. In general, the term “energy flow” refers to the production, import, exports, stock changes, bunkering, transformation, and final consumption of energy products within the territory of reference for which the statistics are compiled<sup>1</sup>. This territory generally corresponds to the national territory; however, it can also refer to an administrative region at sub-national level or even to a group of countries. The term “rest of the world” is used here to denote all areas/territories which are outside the reference territory.

5.3. The first appearance of an energy product in the territory of reference is either through its production or by being imported. Whereas some energy products may be used directly in the form they were captured from the environment, many energy products undergo some sort of transformation before final use. This is the case, for example, with the processing of crude oil in petroleum refineries, where the oil is transformed into a range of products which are useful for specific purposes (e.g., gasoline for transportation).

5.4. Once produced and/or transformed, energy products can be: (a) exported to other territories; (b) stored for later use (entering into stock); (c) used for refuelling of ships and airplanes engaged in international voyages (international bunkering); (d) used by the energy industries themselves; and/or (e) delivered for final consumption. One important reason for recording international bunkering separately is because of its importance for the estimation of greenhouse gas emissions. On the other hand, bunkering of ships and airplanes engaged in *national* voyages are considered part of the final consumption of energy.

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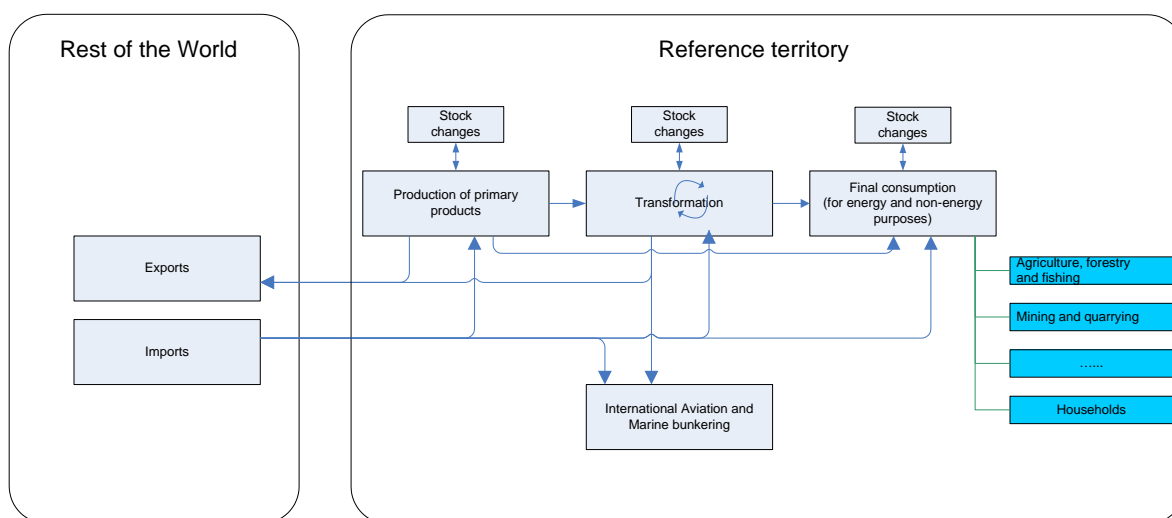
<sup>1</sup> Note that there are some energy flows that take place outside the territory of reference that are relevant for the compilation of energy accounts (e.g. the use abroad of energy products by resident units). These statistics allows for adjustments to the basic statistics for the compilation of the accounts. The collection/estimation of such statistics is covered in Chapter 11.

5.5. The final consumption of energy consists of the deliveries of energy products to the users located in the territory of reference for: (a) their energy needs such as for heat raising, transportation and electricity, and (b) for their non-energy needs, when the products are used as raw materials. For energy policy and for analytical purposes, the consumption for energy purposes is further disaggregated according to type of economic activity and the use of energy products for the purpose of transport is separately identified.

5.6. As previously noted, energy products can be stored during the various phases from their production to their final consumption. This storage of energy products is referred to as stocks of energy products. It should be noted that in this chapter the term “stock” does not refer to the quantities of underground deposits of a resource. The notion of stock dealt with in this chapter corresponds to, what in economic statistics and a national account, is referred to as “inventories”.

5.7. Diagram representing main kinds of energy flows is presented in Figure 5.1 below while their definitions are provided in the subsequent sections of the chapter.

**Figure 5.1: Diagram of main energy flows**



5.8. *Energy flows and economic units.* The energy flows are generated by activities of various economic units. Economic units can belong to different categories depending on their role in the flow of energy through the economy. The main groups are *energy industries*, *other energy producers* and *energy consumers*. These will be presented in sections D, E and F below.

## C. Definition of main energy flows

5.9. This section provides definitions and explanation of the main energy flows. **It is recommended** that countries follow these definitions in their official energy statistics as closely as possible. Any deviations should be reflected in country's energy metadata.

5.10. **Production:** is defined as the capture, extraction or manufacture of fuels or energy in forms which are ready for general use. In energy statistics, two types of production are distinguished, primary and secondary. **Primary production** is the capture or extraction of fuels or energy from natural energy flows, the biosphere and natural reserves of fossil fuels within the national territory in a form suitable for use. Inert matter removed from the extracted fuels and quantities reinjected, flared or vented are not included. The resulting products are referred to as "primary" products. **Secondary production** of fuels or energy is their manufacture through the process of transformation of primary fuels or energy. The quantities of secondary fuels reported as production include quantities lost through venting and flaring during and after production. In this manner, the mass, energy and carbon within the primary source(s) from which the fuels are manufactured may be balanced against the secondary fuels produced. Fuels, electricity and heat produced are usually sold but may be partly or entirely consumed by the producer.

5.11. **Imports of energy products:** Imports comprise all fuel and energy entering the national territory. Goods simply being transported through a country (goods in transit) and goods temporarily admitted/withdrawn are excluded but reimports, domestic goods exported but subsequently readmitted, are included. The bunkering of fuel outside the reference territory by national merchant ships and civil aircraft engaged in international travel is excluded from imports.

5.12. **Exports of energy products:** Exports comprise all fuel (excluding nuclear fuel) and energy leaving the national territory with the exception that exports exclude quantities of fuels delivered for use by merchant (including passenger) ships and civil aircraft, of all nationalities, during international transport of goods and passengers. Goods simply being transported through a country (goods in transit) and goods temporarily admitted/withdrawn are excluded but re-exports, foreign goods exported in the same state as previously imported, are included. Fuels delivered to foreign merchant ships and civil aircraft engaged in international travel are classified as "International Marine" or "Aviation Bunkers", respectively.

5.13. It should be noted that the definitions of imports and exports used in energy statistics differ from those in the national accounts because it follows the physical movements of the goods. The definition of imports and exports used in energy statistics are those of the "general trade system" of international trade statistics – in that all goods entering and leaving the national boundary of a country are recorded as imports and exports. However, it should be noted that in energy statistics the bunkering of international fleet is excluded from the trade figures and adjustment may need to be necessary when using data from international trade.

5.14. **International Marine Bunkers:** Quantities of fuels delivered to merchant (including passenger) ships, of any nationality, for consumption during international voyages transporting

goods or passengers. *Explanation:* International voyages take place when the ports of departure and arrival are in different national territories. *Remark:* Fuels delivered for consumption by ships during domestic transportation, fishing or military uses are not included here. For the purposes of energy statistics International Marine Bunkers are not included as exports.

5.15. **International Aviation Bunkers:** Quantities of fuels delivered to civil aircraft, of any nationality, for consumption during international flights transporting goods or passengers. International flights take place when the ports of departure and arrival are in different national territories. Fuels delivered for consumption by aircraft undertaking domestic or military flights are not included. See para. 5.82 for “Domestic Aviation”. For the purposes of energy statistics International Aviation Bunkers are not included as exports.

5.16. **Stocks:** For the purposes of energy statistics, stocks are quantities of fuels that can be held and used to: (a) maintain service under conditions where supply and demand are variable in their timing or amount due to normal market fluctuations, or (b) supplement supply in the case of a supply disruption. Stocks used to manage a supply disruption may be called “strategic” or “emergency” stocks and are often held separately from stocks designed to meet normal market fluctuations.

5.17. **Stock changes:** The increase (stock build) or decrease (stock draw) in the quantity of stock over the reporting period. They are calculated as a difference between the closing and opening stocks

5.18. **Transfers:** The movements of energy products between processes in different sectors, for example, the blending of natural gas in the manufactured gas stream, the diversion of products (feedstocks) for further processing in the refining industry or the transfer of products for blending. Transfers also include backflows which are the petroleum products returned to refineries by the chemical and petrochemical industries.

5.19. **Transformation:** The process where the movement of part or all of the energy content of a product entering a process resulting in one or more different products leaving the process (e.g., coking coal to coke, crude oil to petroleum products, and heavy fuel oil to electricity). (See section D.2 for further description).

5.20. **Losses:** Losses during the transmission, distribution and transport of fuels, heat and electricity. Losses also include venting and flaring of manufactured gases, losses of geothermal heat after production and pilferage of fuels or electricity. *Remark:* Production of secondary gases includes quantities subsequently vented or flared. This ensures that a balance can be constructed between the use of the primary fuels from which the gases are derived and the production of the gases.

5.21. **Energy Industry Own Use:** Consumption of fuels, electricity and heat for the direct support of the production, and preparation for use of fuels and energy. *Explanation:* Quantities of fuels which are transformed into other fuels or energy are not included here but within the transformation use. Neither are quantities which are used within parts of the energy industry not

directly involved in the activities listed in the definition. These quantities are reported within final consumption.

5.22. **Final Consumption of Energy Products:** All fuel and energy that is delivered to users for both their energy and non-energy uses. The main user groups are shown in Table 5.3. **Energy uses** are for heat raising, transportation and electrical services. Any fuel use for a transformation process should not be classified as final consumption.

5.23. **Non-Energy Use:** Fuels used for chemical feedstocks and for non-energy purposes. Studies of the non-energy use of fuels also classify reductants as non-energy use; however, in energy statistics the use of reductants<sup>2</sup> is considered an energy use. This use (mostly for the manufacture of iron and steel) is considered as use for energy purposes within energy statistics because the gases created by the reduction process, and which contain most of the carbon from the reductant, are used as fuels to sustain the process or for other heat raising purposes.

#### **D. Energy industries**

5.24. *Definition of energy industries.* Energy production is an energy flow of major importance for various analytical purposes, and provision of further details on energy production is one of the priorities of energy statistics. Energy can be produced in various quantities by many economic units. However, not all of them belong to energy industries, as other industries may carry out energy production as a secondary activity. It is recommended that energy industries are defined as economic units whose principal activity is the primary energy production, transformation of energy and distribution of energy. This means that the value added generated by these activities exceed that of any other activity carried out within the same economic unit. For a more detailed definition of principal activity see Box 5.1.

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<sup>2</sup> Reductants are carbon from fuels (usually cokes) which are heated with metal oxides. During the process the formation of carbon monoxide removes the oxygen from the metal oxides and produces the pure metal.

### Box 5.1: Principal, secondary and ancillary activities

The **principal activity** of a producer unit is the activity whose value added exceeds that of any other activity carried out within the same unit. (2008 SNA para. 5.8)

A **secondary activity** is an activity carried out within a single producer unit in addition to the principal activity and whose output, like that of the principal activity, must be suitable for delivery outside the producer unit. The value added of a secondary activity must be less than that of the principal activity, by definition of the latter. (2008 SNA para. 5.9)

An **ancillary activity** is incidental to the main activity of an enterprise. It facilitates the efficient running of the enterprise but does not normally result in goods and services that can be marketed. (2008 SNA para. 5.10).

5.25. *Activities of energy industries.* In order to improve cross country comparability of statistics on energy production by energy industries it is recommended that countries identify, as far as feasible and applicable, the energy industry groups listed in Table 5.1 and briefly described in the rest of this section. Table 5.1 also provides the correspondence of energy industry groups to ISIC Rev. 4. The ISIC correspondence in the right column indicates in which ISIC category(ies) the activity or plant in the left column is found.

**Table 5.1: Energy industries**

| Energy industry groups                                 | ISIC Rev. 4   |
|--|---|
| Electricity and heat plants <sup>a</sup>               | Division: 35 - Electricity, gas, steam and air conditioning supply  |
| Pumped storage plants                                  |   |
| Coal mines   | Division: 05 - Mining of coal and lignite   |
| Coke ovens   | Group: 191 - Manufacture of coke oven products  |
| Coal liquefaction plants                               | Class: 1920 - Manufacture of refined petroleum products   |
| Patent fuel plants                                     | Class: 1920 - Manufacture of refined petroleum products   |
| Brown coal briquette plants                            | Class: 1920 - Manufacture of refined petroleum products   |
| Gas works <sup>b</sup> (and other conversion to gases) | Class 3520: Manufacture of gas: distribution of gaseous fuels through mains   |
| Gas separation plants                                  | Division: 06 – Extraction of crude petroleum and natural gas  |
| Gas to liquid (GTL) plants                             | Class: 1920 – Manufacture of refined petroleum products   |
| LNG plants / regasification plants                     | Class: 0910 - Support activities for petroleum and natural gas extraction<br>Class: 5221 - Service activities incidental to land transportation |
| Blast furnaces   | Class: 2410 - Manufacture of basic iron and steel   |
| Oil and gas extraction                                 | Division: 06 - Extraction of crude petroleum and natural gas<br>Class: 0910 – Support activities for petroleum and natural gas extraction       |
| Oil refineries   | Division: 19 - Manufacture of coke and refined petroleum products   |
| Charcoal plants <sup>c</sup>                           | Class: 2011 - Manufacture of basic chemicals  |

|  |   |
|--|---|
| Biogas production plants <sup>d</sup>                      | Class: 3520 - Manufacture of gas; distribution of gaseous fuels through mains                   |
| Nuclear fuel extraction and fuel processing                | Class 0721 - Mining of uranium and thorium ores<br>Class: 2011 - Manufacture of basic chemicals |
| Other energy industry not elsewhere specified <sup>e</sup> | Class: 0892 – Extraction of peat<br>....  |

<sup>a</sup> Also including the *distribution of electricity and heat* to consumers.

<sup>b</sup> Also including the distribution of these gases.

<sup>c</sup> The provided ISIC link refers to the production of charcoal through distillation of wood. If charcoal is produced in the forest using traditional methods, the activity would be classified in ISIC 0220 – “Logging”.

<sup>d</sup> Plants having the production of biogases as their main activity would be classified in ISIC class 3520, as indicated in the table above. However, biogases may also be produced as by-products of other activities, such as those classified in ISIC 3700 - “Sewerage” and 3821 – “Treatment and disposal of non-hazardous waste”.

<sup>e</sup> The given ISIC link provides an example, namely the extraction of peat, but is not exhaustive.

**5.26. Electricity and heat plants:** See section 1 below for a detailed presentation of these activities.

**5.27. Coal mines:** Plants extracting coal through underground or open-cast mining. In addition to the extraction activity itself, the operation of coal mines also includes operations such as grading, cleaning, compressing, etc., leading to a marketable product.

**5.28. Coke ovens:** Large ovens within which coke oven coke, coke oven gas and coal tars are produced by high temperature carbonisation of coking coal.

**5.29. Coal liquefaction plants:** Coal liquefaction plants are where coal is used as a feedstock to produce liquid fuels by hydrogenation or carbonisation.

**5.30. Patent fuel plants:** Plants manufacturing patent fuels.

**5.31. Brown coal briquette plants:** Plants manufacturing brown coal briquettes.

**5.32. Gas works (and other conversion to gases):** Plants manufacturing gases for distribution to the public either directly or after blending with natural gas. *Remark:* The gases are collectively referred to as “Gas Works Gas and other distributed gases”; short name – gas works gas. Some gas works may produce coke as well as gas.

**5.33. Gas separation plants:** Plants involved in the separation of associated gas from crude oil, and/or the separation of condensate, water, impurities and natural gas liquids from natural gas. In addition to the above, the activities of these plants may also involve fractionation of the recovered natural gas liquids.

**5.34. Gas to liquid (GTL) plants:** Plants in which natural gas is used as feedstock for the production of liquid fuels. *Remark:* The liquid fuels are usually used as vehicle fuels.

5.35. **LNG plants/regasification plants:** Plants for carrying out liquefaction and/or regasification of natural gas for the purpose of transport. *Remark:* This activity can be carried out on or off the actual mine site.

5.36. **Blast furnaces:** Blast furnaces produce blast furnace gas as a by-product when making pig iron from iron ore. *Explanation:* Carbon, mainly in the form of coke, is added to the blast furnace to support and reduce the iron oxide charge and provide heat. Blast furnace gas comprises carbon monoxide and other gases formed during the heating and reduction process.

5.37. **Oil and gas extraction:** The activities of extracting crude petroleum, mining and extraction of oil from oil shale and oil sands and production of natural gas and recovery of hydrocarbon liquids. This includes overall activities of operating and/or developing oil and gas field properties, including such activities as drilling, completing and equipping wells, operating separators, emulsion breakers, desilting equipment and field gathering lines for crude petroleum and all other activities in the preparation of oil and gas up to the point of shipment from the producing property.

5.38. **Oil refineries:** Oil refineries are plants which transform crude oil and other hydrocarbons into finished petroleum products. *Explanation:* Typical finished products are liquefied petroleum gases, naphtha, motor gasoline, gas oils, aviation fuels and other kerosene, and fuel oils.

5.39. **Charcoal plants:** Plants in which wood or other vegetal matter is carbonised through slow pyrolysis to produce charcoal.

5.40. **Biogas production plants:** Plants for capture and/or manufacturing of biogases. Biogases arise from the anaerobic fermentation of biomass. They can be derived from several sources including landfills, sewage sludge and agricultural residues. They also include synthesis gas produced from biomass.

5.41. **Nuclear fuel extraction and fuel processing:** Plants involved in the mining of ores chiefly valued for uranium and thorium content, the concentration of such ores, production of yellowcake, enrichment of uranium and thorium ores, and/or the production of fuel elements for nuclear reactors.

5.42. **Other energy industry not elsewhere specified:** This residual category refers to any energy industry not covered elsewhere in the list above. One example is the extraction of peat for energy purposes.

## 1. Electricity and heat

5.43. Statistics on electricity and heat (SIEC Division 5 – Electricity and Division 6 - Heat) data are collected according to the type of producer and type of generating plant. Two types of producers are distinguished:

- **Main Activity Producer:** Enterprises which produce electricity or heat as their main activity. Formerly known as public utilities, the enterprises may be privately or publicly owned companies.

- **Autoproducers (electricity):** Enterprises which produce electricity but for whom the production is not their main activity.
- **Autoproducers (Heat):** Enterprises which produce heat for sale but for whom the production is not their main activity. Deliveries of fuels for heat generated by an establishment for its own use are classified within the branch of final consumption where they are consumed.

5.44. Three types of plants are identified as follow:

- **Electricity plants** refer to plants producing only electricity. The electricity may be obtained directly from natural sources such as hydro, geothermal, wind, tidal, marine, solar energy or from fuel cells or from the heat obtained from the combustion of fuels or nuclear reactions.
- **Combined Heat and Power (CHP)** sometimes referred to as “co-generation” plants, produce both heat and electricity from at least one generating unit.
- **Heat plants** refer to plants (including heat pumps and electric boilers) designed to produce heat only for deliveries to third parties. *Remark:* Deliveries of fuels for heat generated by an establishment for its own use are classified within the branch of final consumption where they are consumed.

5.45. A table summarizing the different data requirement for the production and use of fuels are summarised schematically as follows:

**Table 5.2: Main activity producers and autoproducers of electricity and heat**

| Types of Plant:<br>Types of Producer: | Electricity Only                        | CHP   | Heat only                                    |
|---------------------------------------|---|---|--|
| Main activity producers               | Report all production and all fuel used | Report all electricity and heat produced and all fuel used                        | Report all heat produced and all fuel used   |
| Autoproducer                          |   | Report all electricity produced and heat <b>sold</b> with corresponding fuel used | Report heat sold and corresponding fuel used |

Source: IEA Electricity Questionnaire reporting instruction

5.46. Note that *pumped storage plants* are plants where electricity is used during periods of lower demand to pump water into reservoirs for subsequent release and electricity generation during periods of higher demand. Less electricity is eventually produced than is consumed to pump the water into the higher reservoir

5.47. The different types of technology/processes for the generation of electricity and heat are defined as follows.

5.48. **Electricity from solar photovoltaics:** Electricity produced by the direct conversion of solar radiation through photovoltaic processes in semiconductor devices (solar cells). Photovoltaic cells receiving concentrated solar radiation are included.

5.49. **Heat from concentrating solar thermal:** High temperature heat obtained by focusing solar radiation onto a collector/receiver. The high temperature heat captured may be used for electricity generation and chemical processes or for use away from the concentrating system.

5.50. **Heat from non-concentrated solar thermal:** Heat taken from a fluid which is circulated through a collector heated by incident solar radiation *without* augmentation. *Remark:* The heat is not capable of generating steam.

5.51. **Wind electricity:** Electricity produced from devices driven by wind.

5.52. **Hydro electricity:** Electricity produced from devices driven by fresh, flowing water.

5.53. **Wave electricity:** Electricity produced from devices driven by the motion of waves.

5.54. **Tidal electricity:** Electricity generated from devices driven by tidal currents or the differences of water level caused by tides.

5.55. **Other marine electricity:** Electricity generated from devices which exploit non-tidal currents, temperature differences and salinity gradients in seas and between sea and fresh water.

5.56. **Geothermal heat:** Heat extracted from the earth. The sources of the heat are radioactive decay in the crust and mantle and heat from the core of the earth. Heat from shallow geothermal sources will include heat gained by the earth by direct sunlight and rain. The heat is usually extracted from the earth in the form of heated water or steam.

5.57. **Nuclear heat:** For the purposes of energy statistics, nuclear energy is the heat obtained from the steam (or other working fluid) produced by the nuclear reactor. A working fluid is the substance circulated in a closed system to convey heat from the source of heat to its point(s) of use.

## 2. Transformation processes

5.58. An important group of energy industries are engaged in the *transformation* of energy products. In this context, a transformation process is a process where part or all of the energy content of an energy product is transferred into one or more different energy products leaving the process.

5.59. Industries engaging in transformation activities play an important role in the flow of energy throughout an economy, as they describe how some energy products are changed into other energy products before consumption. As such, it is important to identify them. In energy balances, they constitute the rows of the transformation block (see Chapter 8 for more detail).

5.60. There are two groups of transformation processes:

- (a) The physical or chemical conversion of a product into another product or products whose intrinsic properties differ from those of the original product. Examples are:

- chemical or physical changes to the input product(s) resulting in the creation of products containing new chemical compounds. (e.g., refining);
- physical changes to the input which involves separation into several different products with intrinsic physical properties which are different from those of the input material (e.g., coke oven carbonisation of coal);
- conversion of heat into electricity; and
- production of heat from combustion, fission or electricity.

(b) The separation or blending of products, sometimes involving a change of physical shape. Examples are:

- blending gases to meet safety and quality requirements before distribution to consumers; and
- briquetting of peat and brown coal.

5.61. These transformation processes are currently identified by the plants in which they occur, namely:

Electricity plants

Combined heat and power plants

Heat plants

Coke ovens

Patent fuel plants

Brown coal briquette plants

Coal liquefaction plants

Gas works (and other conversion to gases)

Blast furnaces

Peat briquette plants

Natural gas blending plants

Gas to liquid (GTL) plants

Oil refineries

Petrochemical plants

Charcoal plants

Other transformation processes not elsewhere classified

5.62. Most of the plants on the above list have already been described in the context of Table 5.1. Descriptions of the remaining plants are given below:

5.63. **Peat briquette plants:** Plants manufacturing peat briquettes.

5.64. **Natural gas blending plants:** Plants, separate from gas works, in which substitute natural gas (see para. 5.32) or petroleum gases are mixed with natural gas for distribution in the gas mains. Plants where the calorific value and density of natural gas for distribution is adjusted through blending with nitrogen, gases from oil and/or coal, substitute natural gas or with biogases. *Remark:* Where blending of substitute natural gas with natural gas takes place within gas works the blending is considered part of the gas works process.

5.65. **Petrochemical plants:** Petrochemical plants convert hydrocarbon feedstock into organic chemicals, intermediate compounds and finished products such as plastics, fibres, solvents and surfactants. Feedstock used by the plant is usually obtained from the refinery and includes naphtha, ethane, propane and middle distillate oils (e.g., gas oil). The carbon and hydrogen in the feedstock is largely transferred to the basic chemicals and products subsequently made from them. However, in petrochemical plants certain by-products (e.g., pyrolysis gasoline) are created and returned as a feedstock to the refinery to be used either as a fuel or to be included in products. It should be noted these feedstock, commonly referred to as backflows, are part of the energy transformation industries. Furthermore, in the petrochemical plant, the by-product may also be burned for fuel to provide the heat and electricity required for cracking and other processes.

#### **E. Other energy producers**

5.66. *Other energy producers* cover economic units (including households) which choose, or are forced by circumstance, to produce and sometimes supply energy to consumers, but not as part of their principal activity. These are economic units engaged in the production, transformation and transmission/distribution of energy as a secondary and/or ancillary activity, that is the “energy” output generated by these activities measured in value added does not exceed that of the principal activity of the unit, or in the case of ancillary activities, the activities are carried out to support the principal and secondary activity of the unit.

5.67. Geographically remote industries may have no access to electricity unless they produce it themselves; iron and steel works requiring coke and the heat from it, for their own production purposes will often capitalize on this requirement by producing their own coke and their own electricity. Sugar mills nearly always burn the bagasse they produce for generating steam, process heat and electricity. On a smaller scale many industrial establishments and commercial organizations may have electricity generating equipment that they can turn to in the event of failure in the public supply system (and they sometimes sell electricity to other consumers or to the public supply system). Households which use solar panel for generating the electricity for their own use (and sometimes even for sale to third parties) are considered as part of “other energy producers”.

5.68. It is recognized that collection of data on energy production by these industries might be a challenge. However, **it is recommended that** countries, where these industries account for a significant part of total energy production, make efforts to obtain from them the detailed data and incorporate them in their official energy statistics including in energy balance. Countries, where production of energy by non-energy industries is small, (as determined by the agency responsible

for dissemination of official energy statistics) might limit their data collection from such industries to appropriate aggregates only or prepare estimates as necessary.

5.69. In energy statistics, producers of heat and electricity are distinguished as being either main activity producers or autoproducers. *Main activity producers* are those enterprises that produce electricity or heat as their principal activity. *Autoproducers* are enterprises that produce electricity or heat but for whom the production is not their main activity. Autoproduction of electricity covers the generation of electricity for own use and sale to third parties. In the case of heat, only the generation of heat for sale is included (see para 5.44). The use of fuel for the generation of heat for own use is recorded as final consumption of the fuel.

5.70. Industries other than the energy industry may also be involved in the transformation of energy products or in use of other products for extraction of energy. For example, an enterprise whose primary activity is in the production of animal products (i.e., raising and breeding of pig, sheep, etc.) could be using its animal waste as fuel in a biogas system for the generation of electricity for its own use or to sell to a local market (waste actually used for electricity generation will be treated as energy product, see Chapter 3).

## **F. Energy consumers and energy consumption**

5.71. Similar to energy production, information on energy consumers and energy consumption is important for both analytical purposes as well as for energy policy, as it allows formulation of policies targeted to, for example, reinforce or modify consumption patterns. Section 1 describes the major groups of energy consumers. The breakdown presented in this section represents the grouping of consumers which is used in energy statistics. Section 2 describes energy consumption and how it relates to the energy consumers.

### **1. Energy consumers**

5.72. *Energy consumers* consist of economic units (enterprises and households) in their capacity as final users of energy: they use energy products for energy purposes (heat raising, transportation and electrical services) and/or for non-energy purposes. Energy consumers exclude the energy industries; although the energy industries also consume energy (the consumption of energy industries is separately considered).

5.73. **It is recommended** that countries identify, as far as feasible and applicable, the groups of energy consumers as listed in Table 5.3. The economic activities of these groups of energy consumers are presented with their correspondence to ISIC Rev. 4. This correspondence facilitates the data collection and the integration of the basic data with other statistics.

**Table 5.3: Main categories of energy consumers**

| Energy consumers  | Correspondence to ISIC Rev. 4  |
|---|--|
| Industry  |  |
| Iron and steel  | ISIC Group 241 and Class 2431. Consumption in coke ovens and blast furnaces are defined as part of Transformation Processes and Energy Industry Own Use.   |
| Chemical and petrochemical                              | ISIC Divisions 20 and 21. Consumption by plants manufacturing charcoal or enrichment/production of nuclear fuels (found in ISIC 2011) is excluded, as these plants are considered part of the energy industries. |
| Non-ferrous metals                                      | ISIC Group 242 and Class 2432.   |
| Non-metallic minerals                                   | ISIC Division 23. Report glass, ceramic, cement and other building materials industries.   |
| Transport equipment                                     | ISIC Divisions 29 and 30.  |
| Machinery   | ISIC Divisions 25, 26, 27 and 28. Fabricated metal products, machinery and equipment other than transport equipment.   |
| Mining and quarrying                                    | ISIC Divisions 07 and 08 and Group 099. This excludes the mining of uranium and thorium ores (Class 0721) and the extraction of peat (Class 0892).   |
| Food and tobacco  | ISIC Divisions 10, 11 and 12.  |
| Paper, pulp and print                                   | ISIC Divisions 17 and 18. Includes production of recorded media.   |
| Wood and wood products (Other than pulp and paper)      | ISIC Division 16.  |
| Textile and leather                                     | ISIC Divisions 13, 14 and 15.  |
| Construction  | ISIC Divisions 41, 42 and 43.  |
| Industries not elsewhere specified                      | ISIC Divisions 22, 31, 32 as well as any manufacturing industry not listed above.  |
| Household   | ISIC Divisions 97 and 98   |
| Commerce and public services                            | ISIC divisions: 33, 36-39, 45-47, 49-51, 52-53, 55-56, 58-66, 68-75, 77-82, 84-88, 90-96 and 99  |
| Agriculture, Forestry                                   | ISIC Divisions 01 and 02   |
| Fishing   | ISIC Divisions 03  |
| Not elsewhere specified (includes military consumption) | ISIC Class 8422  |

5.74. The scope of each group in the table above is defined by the economic units belonging in ISIC categories to which it is linked, except “households”, which includes *all* households in their capacity of final consumers and not only those engaged in economic activities (as covered by ISIC)<sup>3</sup>.

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<sup>3</sup> ISIC Division 97 and 98 only covers households engaged in economic activities (as employers or as producer of undifferentiated goods or services for own use).

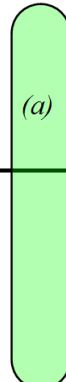
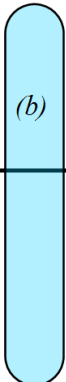
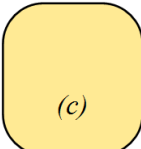


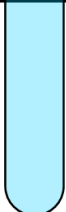
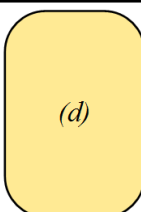
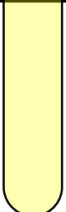
## 2. Energy uses and final energy consumption

5.75. Each economic unit can use energy products for: (i) energy purposes; (ii) non-energy purposes; and (iii) transformation.

5.76. The term ‘**energy use**’ refers to the use of energy products for energy purposes that is for heat raising, electrical services and transportation. **Non-energy use** of energy products covers their use for non-energy purposes, as explained in para. 5.23 above. **Transformation** is the use of energy products as input into transformation processes, as described above in para. 5.19.

5.77. In energy statistics and energy balances, statistics on the use of energy products is presented by cross-classifying the type of use of energy products with the categories of energy industries and energy consumers, as presented in Table 5.1 and Table 5.3 respectively. Figure 5.2 shows in a simplified way how the statistics on the use of energy products for transportation, for energy purposes (including transport) and for non-energy purposes are cross-classified with the categories of energy consumers and energy industries.

**Figure 5.2: Cross classification of energy consumers and use by purpose**

| Use of energy:           |   |   |  |   |
|--------------------------|---|---|--|---|
| Activity (ISIC-based)    | Transformation  | Non-energy use  | Energy use excl. Transport   | Transport   |
| <b>Energy industries</b> |  |  |  |  |
| Electricity plants       |   |   |  |   |
| Coal mines               |   |   |  |   |
| <Etc.>                   |   |   |  |   |
| ...                      |   |   |  |   |
| <b>Energy consumers</b>  |  |  |  |  |
| Iron and Steel           |   |   |  |   |
| <Etc.>                   |   |   |  |   |
| <Etc.>                   |   |   |  |   |
| Households               |   |   |  |   |

Note that economic units under “energy consumers” may carry out activities of production, transformation and/or distribution of energy as a secondary activity (other producing industries). Thus in the table the transformation may also occur in the energy consumers (see section E).

### ***Final consumption***

5.78. *Final consumption*, as is defined in para. 5.22, as all fuel and energy that is delivered to users for both their energy and non energy use (see para. 5.22). This is portrayed in Figure 5.2 as follows:

- (i) the use of energy products for energy purposes by energy consumers is box (d);
- (ii) the use for transport by all economic units is box (e); and
- (iii) non-energy uses by all economic activities is box (b).

The use for energy purposes by the energy industries themselves - box (c) - is not included in the final consumption, but presented in the balances as energy industry own use. The energy use by energy consumers is generally disaggregated according to the breakdown provided in Table 5.1.

5.79. *Non energy use* of energy products covers the use of energy products for non-energy purposes irrespective of the economic activity where the use takes place (energy consumers or energy industries). They are generally presented in aggregated form and thus not linked to any specific economic activity (see also Chapter 8).

5.80. *Transport* is defined as the consumption of fuels and electricity used in transport of goods or persons between points of departure and destination within the national territory irrespective of the economic sector within which the activity occurs. Classification of the consumption of fuels by merchant ships and civil aircraft undertaking transport of goods or persons beyond the national territory is covered under the definitions for International Marine and Aviation Bunkers and are therefore excluded from this definition. However, deliveries of fuels to road vehicles going beyond national borders cannot be readily identified and by default are included here.

5.81. Transport can be disaggregated by mode of transport as indicated below:

**Table 5.4: Mode of transport**

|                                   |
|-----------------------------------|
| Transport                         |
| Domestic aviation                 |
| Road                              |
| Rail                              |
| Domestic navigation               |
| Pipeline transport                |
| Transport not elsewhere specified |

5.82. *Domestic aviation* refers to quantities of aviation fuels delivered to all civil aircraft undertaking a domestic flight transporting passengers or goods, or for purposes such as crop spraying and the bench testing of aero engines. A domestic flight takes place when the departure and landing airports are on national territory. In cases where distant islands form part of the national territory this may imply long flights through the air space of other countries but the flights are, nevertheless, part of domestic aviation. Military use of aviation fuels should not be included

in domestic aviation but included under “not elsewhere specified”. The use of fuel by airport authorities for ground transport *within* airports is also excluded here but included under “Commerce and Public Services”.

5.83. *Road* refers to fuels and electricity delivered to vehicles using public roads. Fuels delivered for “off-road” use and stationary engines should be excluded. Off-road use comprises vehicles and mobile equipment used primarily on commercial, industrial sites or private land, or in agriculture or forestry. The deliveries of fuels related to these uses are included under the appropriate final consumption heading. Deliveries for military uses are also excluded here but included under “not elsewhere specified”. The road fuel use by freight transport by road is included here.

5.84. *Rail* refers to fuels and electricity delivered for use in rail vehicles, including industrial railways. This includes urban rail transport (including trams) and is part of the fuel and energy consumption by this activity.

5.85. *Domestic navigation* refers to fuels delivered to vessels transporting goods or people and undertaking a domestic voyage. A domestic voyage is between ports of departure and destination in the same national territory without intermediate ports of call in foreign ports. Note, that this may include journeys of considerable length between two ports in a country (e.g., San Francisco to Honolulu). Fuels delivered to fishing vessels are excluded here but included under “fishing”.

5.86. *Pipeline transport* refers to fuels and electricity used in the support and operation of pipelines transporting gases, liquids, slurries and other commodities between points within the national territory. It comprises the consumption at pumping stations and for maintenance of the pipeline. Consumption for maintaining the flow in pipelines carrying water, natural gas, manufactured gas, hot water and steam in distribution networks is excluded here but included under the appropriate heading within “Energy Industry Own Use”. Consumption for the transport of natural gas in transmission networks is included. A transmission pipeline transports its contents to distribution pipelines for eventual delivery to consumers. Transmission pipelines for gas usually operate at pressures considerably higher than those used in the distribution pipelines.

5.87. *Transport not elsewhere specified* refers to deliveries of fuels or electricity used for transport activities not covered within the modes of transport defined elsewhere. *Remark:* Most of the forms of transport listed in ISIC Class 4922 (other land transport) are included in the modes of transport defined elsewhere. However, consumption of electricity for téléphériques (telfers), and ski and cable lifts would be included here.

### ***Transformation***

5.88. Transformation covers the use of energy products for transformation. It is represented in Figure 5.2 by box (a) which goes across all economic units within a territory of reference to take into account the transformation that occur as a secondary and/or ancillary activity by the energy consumers. Statistics on transformation are disaggregated and presented according to the list in para. 5.61. When the transformation takes place outside the energy industries (i.e., by other energy

producers), the part of the unit that is involved in the transformation/distribution of energy is considered separately from the part of the unit engaging in its main activity, and its consumption for transformation purposes is recorded under the most relevant category of the disaggregation .

### ***Energy industry own use***

5.89. Energy industry own use (box (c) in Figure 5.2) represents the consumption of fuels, electricity and heat for the direct support of the production, and preparation for use of fuels and energy within the energy industry itself. It does not cover energy industry use of energy product for transport or non-energy purposes. Consumption figures on energy industries own use are generally presented in aggregated form and thus not linked to any specific parts of the energy industries.

## Chapter 6. Statistical Units and Data Items

### A. Introduction

6.1. The aim of this chapter is to describe entities about which information is sought and for which energy statistics are ultimately compiled (statistical units), and to provide a reference list of data items to be collected from those entities in order to assist countries in the organization of their data collection activities and ensure maximum possible comparability of the collected data with other economic statistics. The clear identification of the statistical units and their consistent use is a fundamental precondition for obtaining unduplicated and comparable data about any phenomenon under investigation, including energy.

6.2. To ensure the effective compilation and interpretation of energy statistics, as well as its comparability with other statistics both nationally and internationally, it is necessary to clearly define the data items that are collected. This chapter provides such definitions. It should be noted that the definitions of most of the data items are determined by the definitions of the relevant energy products (see Chapter 3) and flows (see Chapter 5), and are not reproduced in this chapter. However, if certain data items are not covered in Chapters 3 and 5, or need further elaboration, additional explanations are provided.

6.3. The list of data items presented in this chapter represents a reference list in the sense that it contains all generally desirable data items for compilation and dissemination of energy statistics as part of official statistics. **It is recommended that** countries use the reference list of data items for selecting the data items for use in their national energy statistics programme, in accordance with their own statistical circumstances, respondent load and available resources. It is recognized that national compilation of energy statistics involve both direct data collection by energy statisticians as well as the re-use of the data collected via other national statistics such as enterprise, foreign trade and price statistics, as well as data from administrative sources. The agency responsible for overall official energy statistics programme should be aware of the advantages and shortcomings of these other statistics and undertake efforts to assemble various data into coherent data set which will best match the expectations of the user community.

## B. Statistical units

6.4. As indicated in para. 6.1 a *statistical unit* is an entity about which information is sought and for which statistics are ultimately compiled. It is also the unit at the basis of statistical aggregates<sup>1</sup>. Because of the diversity of economic units involved in production, distribution and consumption of energy, energy data compilers should be aware of the different types of statistical units in order to organize data collection as well as to ensure that data are interpreted and used correctly in conjunction with other statistics. The universe of economic units involved in production, transformation and consumption of energy is very vast. It varies from the small local energy producers or distributors to large and complex corporations engaged in many different activities carried out at or from many geographical locations. These units vary in their legal, accounting, organizational and operating structures, and have different abilities to report data. The concepts of statistical units and their characteristics introduced below are intended to assist energy statistics compilers to better organize their work.

6.5. Statistical units can be divided into two categories: (a) *observation units* – identifiable legal/organizational or physical units which are able, actually or potentially, to report data about their activities; and (b) *analytical units* – units created by statisticians, often by splitting or combining observation units in order to compile more detailed and more homogeneous statistics than is possible by using data on observation units. Analytical units are not able to report data themselves about their activities, but indirect methods of statistical estimation exist including imputation of such data. Use of analytical units varies from country to country. However, it should be noted that accuracy of energy statistics may suffer if countries where complex economic units are active in both energy production and other economic activities, do not use analytical units in their energy data compilation programmes. Data about activities of statistical units can be collected (i.e., census or surveys) from those units themselves or from others (i.e., administrative sources). See Chapter 7 on data collection and compilation for details.

6.6. For practical purposes the following statistical units are differentiated: *enterprise*, *establishment*, *kind-of-activity unit*, *unit of homogeneous production and household*.

6.7. *Enterprise*. An economic entity in its capacity as a producer of goods and services is considered to be an enterprise if it is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other economic units. An enterprise is an economic transactor with autonomy in respect of financial and investment decision-making, as well as authority and responsibility for allocating resources for the production of goods and services. It may be engaged in one or more productive activities at one or more locations.

6.8. *Establishment*. An establishment is defined as an enterprise or part of an enterprise that is situated in a single location and in which only a single productive activity is carried out or in which

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<sup>1</sup> For detailed description of the statistical units and their characteristics see UNSD October 20007 “Statistical Units” paragraph 14: <http://unstats.un.org/unsd/isdts/docs/StatisticalUnits.pdf>

the principal productive activity accounts for most of the value added. Although the definition of an establishment allows for the possibility that there may be one or more secondary activities carried out, their magnitude should be small compared with that of the principal activity. If a secondary activity is as important, or nearly as important, as the principal activity, then the unit is more like a local unit, that is, an enterprise which engages in a productive activity at or from one location.

6.9. In the case of most small and medium-sized businesses, the enterprise and the establishment will be identical. In general, **it is recommended that** large enterprises engaged in many economic activities that belong to different industries be broken into one or more establishments, provided that smaller and more homogeneous units can be identified for which data on energy production or other activities attributed to energy industries may be meaningfully compiled.

6.10. *Kind-of-activity unit (KAU)*. Any given enterprise may perform many different activities, both related and not related to energy. To focus on the part of enterprise which is of interest to energy statistics an analytical statistical unit, called the kind-of-activity unit, may be constructed and used by the energy compiler. A kind-of-activity unit is defined as an enterprise or part of an enterprise that engages in only one kind of productive activity or in which the principal productive activity accounts for most of the value added. There is no restriction placed on the geographical area in which the activity is carried out. Therefore, if there is only one location from which an enterprise carries out that activity, KAU and establishment are the same units.

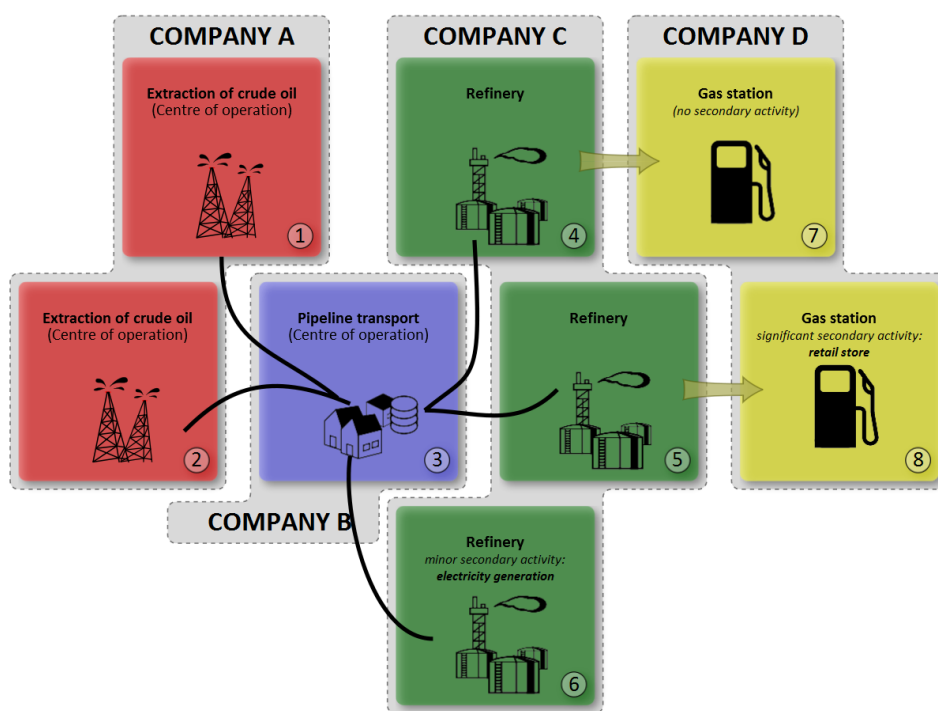
6.11. *Unit of homogeneous production*. To ensure the most complete coverage the energy statistics compilers may need, in certain cases, to use even more detailed splitting of the enterprise activities. The statistical unit recommended for such a purpose is the unit of homogeneous production. It is defined as a production unit in which only a single (non-ancillary) productive activity is carried out. For example, if an enterprise is engaged primarily in a non-energy related activities but still produces some energy the compiler may “construct” an energy producing unit which might be classified under proper energy activity category and collect data about its energy production and inputs used in such a production. This is the case, for example, of the sugar industry which burns bagasse to generate electricity for own use. It may not be possible to collect data corresponding to such a unit directly from the enterprise or establishment. In practice, such data are calculated/estimated by transforming the data supplied by establishments or enterprises on the basis of various assumptions or hypotheses.

6.12. *Households*. The scope of energy statistics also includes statistics (mainly on consumption) on households. In data collection from this sector a special statistical unit – household – is used. In some cases, household may also produce energy products for sale or for own use. A household is defined as a group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. In general, each member of a household should have some claim upon the

collective resources of the household. At least some decisions affecting consumption or other economic activities must be taken for the household as a whole<sup>2</sup>.

6.13. In order to illustrate the different types of statistical units a fictitious, but realistic example is presented below. Figure 6.1 show a schematic representation of a large corporation involved in the primary energy production, transformation and distribution of energy. The corporation consists of four separate companies (identified in the figure as company A to company D) which carry out activities of extraction, transportation, refining and sale of petroleum products (this is an example of vertically integrated activities). Each tile in the figure represents a different geographical location. In each tile a description of the kind of economic activity(ies) carried out on that location is described. For easy reference, the tiles are numbered (1) to (8).

**Figure 6.1: Example of a large oil corporation**



6.14. Company A is engaged in the activity of crude petroleum extraction (ISIC Rev.4 Group 061). It has plants at two different locations illustrated in the figure by tiles (1) and (2). The crude oil is then supplied to Company B, which carries out the activity of transporting crude oil through pipelines (i.e., ISIC Rev.4 Group 493). Although the pipelines themselves are geographically distributed, the centre of operation can be assigned to a physical location and is illustrated by tile (3). Company B provides the crude oil to Company C, which operates three separate refineries

<sup>2</sup> 2008 SNA para 1.149

located in different geographical areas, illustrated by tiles (4), (5) and (6). The refinery associated with tile (6) also has a minor secondary activity of electricity generation (ISIC Rev.4 Group 351), for which small quantities of electricity are sold to third parties.

6.15. Company C provides some of its refined petroleum products (i.e., motor gasoline, diesel, etc.) to Company D, whose principal activity is the retail sale of motor gasoline and diesel (ISIC Rev.4 Group 473) at the gas stations illustrated by tiles (7) and (8) in the figure. The gas station at tile (8) also carries out retail sale of food, beverages, tobacco and miscellaneous household equipment as a significant secondary activity (ISIC Group 471).

6.16. The definition of an enterprise is very broad and not limited by geographical distribution or specificity of economic activity. As such, most economic units can technically be regarded as enterprises. In particular, in the example above, the corporation as a whole can be considered as an enterprise, as can each of the three companies into which it is structured.

6.17. Each of the installations in tiles (1) to (7) can be considered establishments, since they are all situated in a single location and do not carry out secondary activities of any significant magnitude. The gas station illustrated by tile (8) has a significant secondary activity of other retail. If the magnitude of this activity is as important, or nearly as important as that of its primary activity, this gas station should, for statistical purposes, be considered as two separate establishments located together.

6.18. The definition of kind-of-activity unit (KAU) does not depend on physical location, but does require a principal productive activity that accounts for most of the value added. The installations at tiles (1) and (2) can collectively be considered one KAU unit. Installation (3) can be considered a separate KAU. The same can be said for the installations at tiles (4), (5) and (6) taken together. Whether or not the installations in (7) and (8) can be considered together as a single KAU depends on the significance of the secondary activity in (8). If this activity is important, it will have to be separated as a second KAU located in (8).

6.19. The definition of a unit of homogeneous production does not make reference to the physical location of the unit, but allow only for a single (non-ancillary) productive activity. For example, the installations at tiles (1) and (2) can be collectively considered a unit of homogeneous production, but not the installations at tiles (4), (5) and (6), since the installation at (6) is also engaged in some electricity production. In order to define units of homogeneous production, the installation at this tile needs to be conceptually split into two parts: one for the refinery operation and another for the generation of electricity. The installations at (4) and (5), together with the refinery part of installation at (6) can collectively be considered a unit of homogeneous production, and the electricity generating component of (6) can be considered as a separate unit (of homogeneous production).

## 1. Statistical units for energy statistics

6.20. For the inquiries dealt with in the present recommendations, the statistical units should ideally be the establishment and households. The establishment **is recommended** because it is the most detailed unit for which the range of data required is normally available. In order to be analytically useful, data need to be grouped according to such characteristics as kind-of-activity, geographical area and size, and this is facilitated by the use of the establishment unit.

6.21. However, the choice of statistical unit can be guided also by factors such as purpose of the study, user need, as well as the availability and quality of requisite data. Therefore, the enterprise also can be used as the statistical unit. In majority of the cases, the establishment and the enterprise are the same except in the case of the multi-establishment enterprises.

## C. Reference list of data items

6.22. This section provides the reference list of data items for use in national energy statistics aiming to satisfy basic needs of energy policy makers, business community and general public and to ensure the international comparability of the national statistics. It consists of five parts: (i) data items on the characteristics of statistical units; (ii) data items on energy stocks and flows; (iii) data items on production and storage capacity; (iv) data items for assessment of the economic performance of the energy industries; and (v) data items on reserves of underground resources.

### 1. Characteristics of statistical units

6.23. Characteristics of statistical units are data items used for their unique identification of statistics units, their classification within particular activity area of energy and for description of various aspects of their structure, operation and relationship with other units. Availability of information on characteristics of the statistical units allows to compile statistics on the size of energy industries as a whole, its economic and geographical structure. Also, it is a precondition for an effective organization of the statistical sample surveys as well as for comparisons and links to be made between energy data from different data sources, thus significantly reducing the duplication in data collection and response burden.

6.24. The main characteristics of the statistical unit are: its identification code, location, kind of activity, period of operation, type of economic organization, and size.

| Item Number | Reference List Items                     |
|-------------|--|
| 0.1         | Identification code                      |
| 0.2         | Location                                 |
| 0.3         | Kind-of-activity                         |
| 0.4         | Period of operation                      |
| 0.5         | Type of economic organization            |
| 0.6         | Type of legal organization and ownership |
| 0.7         | Size                                     |

6.25. *Identification code.* The identification code is a unique number assigned to a statistical unit which may comprise digits identifying its geographic location, kind-of-activity, whether a unit is a principal producing unit or an ancillary unit, link to its subsidiaries/principal if any, etc.. The unique identification of statistical units is necessary in order to: (i) allow their registration in statistical business register or their inclusion in the sampling frame; (ii) permit the collection of information about them via administrative sources; (iii) provide a sampling base for statistical surveys; and (iv) permit demographic analysis of the population of units. The identification code must not change throughout the life of the unit, although some of the other units' characteristics may change. Common identification codes, shared with administrative authorities and other government departments greatly facilitate the statistical work, including the connection of the statistical business register, if such is established, with other registers.

6.26. *Location.* The location is defined as the place at which the unit is physically performing its activities, not the location of its mailing address. This characteristic serves two important purposes. First, to identify the units and to classify them by geographical regions, at the most detailed level as demanded by the statistical programme. Second, if a unit operates in more than one location, to allocate its economic activity to the location in which it actually takes place. The latter is important for sub-national analyses. Since the classification of units by location is of particular national interest, any geographical classification should aim to distinguish sub-national levels (i.e., economic regions or administrative divisions, states or provinces, local areas or towns).

6.27. The details about mailing address, telephone and fax numbers, e-mail address and contact person are also important identification variables since these details are used for mailing the statistical questionnaires, written communication with the unit or making ad-hoc queries about its activity. Up-to-date information about any changes in those variables is crucial for the efficient work of statistical authorities.

6.28. Where an enterprise has more than one establishment; it may or may not have one location and address. Often, the enterprise address is used for administrative purposes and the establishment address for statistical purposes. There is a need, however, for care when dealing with large complex enterprises. The multi-establishment enterprise should be requested to provide location details about each establishment it has, or the establishment may be asked about the name and location of the enterprise that owns it so that a data set in the register on the enterprise and its own component establishments can be established. In some cases, it may be necessary to correspond with both the establishment and the enterprise because, for instance, the unit supplying employment details is different from one providing financial details.

6.29. *Kind-of-activity.* The kind-of-activity is the type of production in which a unit is engaged and should be determined in terms of the national activity classification which, in turn, is recommended to be based on the latest version of ISIC (Rev. 4) or be correlated with it.

6.30. *Period of operation.* This indicates the period during which the establishment has been in operation during the reference period. It would be useful to seek information for the following items: (a) in operation since (date) - important, for instance, in determining *the electricity* installed

capacity as of a determined date; (b) temporary or seasonal inactivity - useful, for example, to track refinery shut-downs which might explain decrease in annual refinery throughput/output; (c) ceased operation (date) - also important for determining installed capacity; and (d) sold or leased to another operator (name of new operator), which might explain changes in electricity capacity/production between main and autoproducers. Besides the information that this characteristic provides about the activity status of the unit (active or temporarily inactive), it also helps in interpreting the returns made by statistical units that are affected by seasonal factors and those made by statistical units that began or ceased operations during the reference period. Most of such information lies on the level of metadata and is useful for data quality checks.

6.31. *Type of economic organization.* The enterprise and the establishment are the main units used by countries for conducting industrial surveys. The characteristic “type of economic organization” is intended to indicate whether the establishment is the *sole establishment* of the enterprise of immediate ownership or is a part of a *multi-establishment enterprise*. If further details are required on this aspect of the industrial structure, the multi-establishment enterprises might be divided into classes according to the number of their constituent establishments or by the criteria used for classifying establishments (employment, value added) that are most appropriate for each country.

6.32. For the purpose of accurate measurement of energy production and other energy flows and for compilation of various energy indicators, it is desirable to have the links between individual establishments and their parent enterprise clearly defined. More importantly, these links are fundamental for the efficient sampling design and merging data obtained from different surveys covering both energy data and other variables needed to obtain indicators of energy industries’ performance.

6.33. *Type of legal organization and type of ownership.* The kind of legal organisation is another important characteristics and possible criterion for stratification of economic entities in statistical surveys. The type of legal organization is the legal form of the economic entity that owns the unit. The minimum classification of units by type of legal organization distinguishes between two main types, namely, incorporated units and unincorporated units. Incorporated units are legal entities separate from their owners, and include corporations as well as other incorporated entities such as cooperatives, limited liability partnerships and non-profit institutions. Unincorporated units are not incorporated as legal entities separately from their owners and may include public agencies that are part of general government and sole proprietorships and partnerships owned by households.

6.34. In addition to the kind of legal organization, the main *types of ownership*, namely, private ownership and the various forms of public ownership of units, are useful optional characteristics. The criterion for distinguishing between privately and publicly owned units should be based on whether the ownership of the enterprise to which the establishment belongs rests with public authorities or private parties. Public units are those units that are owned or controlled by government units, whereas privately owned units are those owned or controlled by private parties. Public authorities or private parties are considered to be the owners of a given enterprise if they

own all, or a majority, of the unit's shares, or of its other forms of capital participation. Control over a unit consists in the ability to determine the unit's policy by choosing appropriate directors, if necessary.

6.35. The category of publicly owned units can undergo further disaggregation into the main divisions of public ownership existing in each country, which would normally differentiate among central Government ownership, ownership by State or provincial governments and ownership by local authorities. Within the group of privately owned units, a further classification of ownership, which differentiates between nationally owned units and those under foreign control, could be applied. Further detail on the type of legal organization and type of ownership are found in UN 2009a and 2009b.

6.36. *Size.* The size is an important data item for assessment of the role of energy industries in national economy as well as for use in sample frames stratification and grossing up techniques. In general, the size classes of statistical units can be defined in terms of employment, turnover or other variables. In energy statistics, there may be the need to define two size measures depending on the main objective of the analysis (e.g., to study the production/generation of energy it may be more appropriate to define the size of an establishment in terms of the maximum capacity of the establishment to generate energy products). This, however, may not be applicable to all energy products. To study the consumption of energy products, it may be more appropriate to measure the size of a unit by employment for establishment and number of persons for households.

## **2. Data items on stocks and flows**

6.37. Data items presented in this section relate to the collection of statistics in physical units on the production, conversion and consumption of different energy products. Such data items are designed to produce consistent time-series information which shows changes in the supply and demand for these energy products. They also provide the basis for making comparisons and observing interrelationships between energy products, and, when the data items are expressed in common units, provide the material for the regular monitoring of national energy patterns and the preparation of energy balances.

6.38. The data items in this section are presented in two sub-categories, namely: (i) data items common for all energy products, and (ii) data items applicable to a specific energy product. These data items are both required for the collection and dissemination of statistics on stocks and flows. Recommendations on units of measurement are provided in Chapter 4.

### ***Data items common for all energy products:***

6.39. For each of the products in SIEC, the following data items apply (for the definitions of the data items please see Chapter 5).

| Item number | Data item  |
|-------------|--|
| 1.1         | Production   |
| 1.2         | Total Imports  |
| 1.2.1       | Imports by origin  |
| 1.3         | Total Exports  |
| 1.3.1       | Exports by destination                                       |
| 1.4         | International Marine Bunkers                                 |
| 1.5         | International Aviation Bunkers                               |
| 1.6         | Stocks at the end of the period                              |
| 1.7         | Stock Changes  |
| 1.8         | Transfers  |
| 1.9         | Transformation (by transformation processes <sup>a</sup> )   |
| 1.10        | Losses   |
| 1.11        | Final Consumption <sup>b</sup>                               |
| 1.11.1      | For Energy Use   |
| 1.11.1.1    | Of which: for transport (by type of transport <sup>c</sup> ) |
| 1.11.2      | Non-Energy Use   |

<sup>a</sup> The transformation processes are described in Chapter 5.

<sup>b</sup> The breakdown of final consumption in the main consumer groups (e.g., industry, commerce and public services, agriculture, forestry and fishing – see Chapter 5) is the result of combining information from data item 0.3-Kind-of activity and data item energy on final consumption. Similar is the case for the energy industry own use which is identified by combining information on the kind of activity and the energy use.

<sup>c</sup> The breakdown of transport is provided in Chapter 5.

### ***Data items applicable to a specific group of energy products.***

#### ***Solid fossil fuels and derived products***

6.40. For products classified in SIEC under Section 1 - Solid fossil fuels and derived products, the following list of additional data items apply.

| Item number | Data item                     |
|-------------|-------------------------------|
| 2.1         | Production                    |
| 2.1.1       | <i>Of which:</i> Underground  |
| 2.1.2       | <i>Of which:</i> Surface      |
| 2.2         | Production from other sources |

6.41. *Underground production* refers to production from underground mines which are mines where coal is produced by tunneling into the earth to the coalbed, which is then mined with

underground mining equipment such as cutting machines and continuous, longwall, and shortwall mining machines.

6.42. *Surface production* refers to production from surface mines, that is “a coal-producing mine that is usually within a few hundred feet of the surface. Earth above or around the coal (overburden) is removed to expose the coalbed, which is then mined with surface excavation equipment, such as draglines, power shovels, bulldozers, loaders, and augers. It may also be known as an area, contour, open-pit, strip, or auger mine”.

6.43. *Production from other sources* consists of two components: (a) recovered slurries, middlings and other low-grade coal products, which cannot be classified according to type of coal and includes coal recovered from waste piles and other waste receptacles; and (b) fuels whose production is covered in other sections of SIEC, for example from oil products (e.g., petroleum coke addition to coking coal for coke ovens), from natural gas (e.g., natural gas addition to gas works gas for direct final consumption), from biofuel and waste (e.g., industrial waste as binding agent in the manufacturing of patent fuel).

### ***Natural Gas***

6.44. For products classified in SIEC under Division 2.1 – Natural Gas, the following list of additional data items apply.

| <b>Item number</b> | <b>Data item</b>                            |
|--------------------|---|
| 3.1                | Production                                  |
| 3.1.1              | <i>Of which:</i> Associated gas             |
| 3.1.2              | <i>Of which:</i> Non-associated gas         |
| 3.1.3              | <i>Of which:</i> Colliery and Coal Seam Gas |
| 3.2                | Production from other sources               |
| 3.3                | Extraction losses <sup>a</sup>              |
| 3.3.1              | <i>Of which:</i> gas flared                 |
| 3.3.2              | <i>Of which:</i> gas vented                 |
| 3.3.3              | <i>Of which:</i> gas re-injected            |
| 3.4                | Gas flared (in secondary production)        |
| 3.5                | Gas vented (in secondary production)        |

<sup>a</sup> These are losses that occur during the extraction of natural gas and are not included under the production of natural gas. See para 5.10 for the definition of production.

6.45. The production of natural gas refers to the dry marketable production within national boundaries, including offshore production. Production is measured after purification and extraction of NGLs and sulphur. Extraction losses and quantities reinjected, vented or flared are not included in the figures for production. Production includes quantities used within the natural gas industry; in gas extraction, pipeline systems and processing plants. Production is disaggregated for the following:

**Associated gas:** natural gas produced in association with crude oil;

**Non-associated gas:** natural gas originating from fields producing hydrocarbons only in gaseous form;

**Colliery and coal seam gas:** methane produced at coal mines or from coal seams, piped to the surface and consumed at collieries or transmitted by pipeline to consumers.

6.46. *Production from other sources* refers to the production of gas from other fuel energy balances, but which are blended with natural gas, and consumed as a blend. They include: LPG from oil for upgrading the quality, that is heat content; manufactured gas from coal for blending with natural gas; and biogas for blending with natural gas.

6.47. *Gas flared:* Gas disposed of by burning in flares usually at the production sites or at gas processing plants.

6.48. *Gas vented:* Gas released into the air on the production site or at processing plants.

6.49. *Gas reinjected:* The reinjection of gas into an oil reservoir in an attempt to increase recovery.

## ***Oil***

6.50. For products classified in SIEC under Division 2.2 – Oil, the following list of additional data items apply.

| <b>Item number</b> | <b>Data item</b>                                  |
|--------------------|---|
| 4.1                | Backflows from petrochemical industry to refinery |
| 4.2                | Refinery intake (by products)                     |
| 4.3                | Refinery losses                                   |
| 4.4                | Direct use (of crude oil, NGL, etc.)              |

6.51. *Backflows from petrochemical sector to refineries* consist of finished or semi-finished products which are returned from final consumers to refineries for processing, blending or sale. They are usually by-products of petrochemical manufacturing. For integrated petrochemical industries this flow should be estimated. Transfers from one refinery to another within the country should be excluded.

6.52. *Refinery intake* refers to the amount of oil (including other hydrocarbons and additives) that have entered the refinery process.

6.53. *Refinery losses* refer to losses during the refinery processes. They are the difference between *refinery intake* (observed) and the production from refineries (gross refinery output). Losses may occur during the distillation processes due to evaporation. The reported losses are a positive number in a mass balance. Although there may be volumetric gains in a volume balance, there are no gains in mass.

6.54. *Direct use* refers to the use of crude oil, NGL and other hydrocarbons directly without being processed in petroleum refineries. This includes, for example, crude oil burned for electricity generation.

### ***Electricity and Heat***

6.55. For products classified in SIEC under Division 5 – Electricity and Division 6 – Heat, the list of additional data items is presented below.

| <b>Item number</b> | <b>Data item</b>  |
|--------------------|---|
| 5.1                | Gross Production (by type: hydro, geothermal, etc.)                         |
| 5.2                | Own Use   |
| 5.3                | Net Production (by type: hydro, geothermal, etc.)                           |
| 5.4                | Use of energy products (by energy products and by transformation processes) |

6.56. *Gross electricity production* is the sum of the electrical energy production by all the generating sets concerned (including pumped storage) measured at the output terminals of the main generators.

6.57. *Gross heat production* is the total heat produced by the installation and includes the heat used by the installation's auxiliaries, which use a hot fluid (liquid fuel heating, etc.), and losses in the installation/network heat exchanges, as well as heat from chemical processes used as a primary energy form. Note that for autoproducers, the production of heat covers only the heat sold to third parties; thus gross heat production for autoproducers is equal to net heat production.

6.58. *Own use* is the difference between the gross and the net production.

6.59. *Net electricity production* is equal to the gross electricity production less the electrical energy absorbed by the generating auxiliaries and the losses in the main generator transformers.

6.60. *Net heat production* is the heat supplied to the distribution system as determined from measurements of the outgoing and return flows.

6.61. *Use of energy products* (by energy product and by transformation processes) refers to the quantity of energy products used for the generation of electricity and heat.

### **3. Data items on production and storage capacity**

6.62. The data items presented in this section refer to the production and storage capacity of energy. These statistics are important for the assessment of the existing ability of a country to produce and store energy products.

### *Natural gas*

| Item number | Data item                               |
|-------------|---|
| 6.1         | Peak output                             |
| 6.2         | Gas storage facility – Name             |
| 6.3         | Gas storage facility – Type of storage  |
| 6.4         | Gas storage facility – Working capacity |

6.63. **Peak output.** Peak output is the maximum rate at which gas can be withdrawn from storage.

6.64. The **name** of the storage facility identifies the facility. Additional information on the location or site of the facility are also important in the identification.

6.65. **Types of storage capacity.** There are three main types of storage in use: (a) Depleted oil and gas fields are naturally capable of containing the gas and have existing installations for the injection and withdrawal of the gas; (b) Aquifers may be used as storage reservoirs provided that they have suitable geological characteristics. The porous sedimentary layer must be overlaid by an impermeable cap rock; and (c) Salt cavities may exist naturally or be formed by injecting water and removing the brine. They are generally smaller than the reservoirs provided by depleted oil and gas fields or aquifers, but offer very good withdrawal rates and are well suited for peak-shaving requirements (IEA/Eurostat/ECE questionnaire).

6.66. **Working gas capacity.** Working gas capacity is the total gas storage capacity minus cushion gas (cushion gas: total volume of gas required as a permanent inventory to maintain adequate underground storage reservoir pressures and deliverability rates throughout the output cycle). (IEA/Eurostat/ECE questionnaire.)

### *Oil*

| Item number | Data item         |
|-------------|-------------------|
| 6.5         | Refinery capacity |

6.67. *Refinery capacity* is the theoretical maximum capacity of crude oil distillation plants available for operation at the end of the reference year (UNSD guidelines to the Questionnaire).

### *Biofuels and waste*

| Item number | Data item                             |
|-------------|---------------------------------------|
| 6.6         | Liquid Biofuels Plants Capacity:      |
| 6.6.1       | Biogasoline Plants Capacity           |
| 6.6.2       | Biodiesel Plants Capacity             |
| 6.6.2       | Other Liquid Biofuels Plants Capacity |

6.68. *Liquid biofuels plants capacity* consists of the production capacity, at the end of the reference year, in terms of tons of products per year. This information is disaggregated according to the type of plant.

### ***Electricity and heat plant***

| <b>Item number</b> | <b>Data item</b>  |
|--------------------|---|
| 6.7                | Net maximum electrical capacity (by type of technology) |
| 6.8                | Peak load demand  |
| 6.9                | Available capacity at time of peak                      |
| 6.10               | Date and time of peak load occurrence                   |

6.69. *Net maximum electrical capacity* is the maximum active power that can be supplied continuously, with all plant running, at the point of outlet (i.e., after taking the power supplies for the station auxiliaries and allowing for the losses in those transformers considered integral to the station). This assumes no restriction of interconnection to the network. Does not include overload capacity that can only be sustained for a short period of time (e.g., internal combustion engines momentarily running above their rated capacity). The net maximum electricity-generating capacity represents the sum of all individual plants' maximum capacities available to run continuously throughout a prolonged period of operation in a day.

6.70. *Peak load demand* is the highest simultaneous demand for electricity satisfied during the year. Note that the electricity supply at the time of peak demand may include demand satisfied by imported electricity or alternatively the demand may include exports of electricity. Total peak load on the national grid is not the sum of the peak loads during the year on every power station as they may occur at different times. Either synchronized or very frequent data must be available in order to measure the peak load demand. The former is likely to be gathered by the national grid authority, and the latter by some electricity-generating companies.

6.71. *Available capacity at time of peak* of an installation at peak period is the maximum power at which it can be operated under the prevailing conditions at the time, assuming no external constraints. It depends on the technical state of the equipment and its ability to operate, and may differ from the net maximum capacity due to lack of water for hydro capacity, plant maintenance, unanticipated shutdown, or other outages at the time of peak load.

6.72. *Date and time of peak load occurrence* consist of the date and time on which the peak load was reached.

## **4. Data items for assessment of the economic performance**

6.73. Data items for assessment of the economic performance of producers and users of energy are important economic indicators which allow for the formulation and monitoring of economic policies related to energy (e.g., impact of taxation on consumers' behaviour, contribution of the

energy industry to the national gross domestic product, etc.). The data items presented below are very much linked and consistent with the concepts, definitions and methods of the 2008 System of National Accounts (2008 SNA).

6.74. The data items presented in this section are generally collected as part of economic statistics, thus further reference and detail are provided in the International Recommendations for Industrial Statistics (UN, 2008), ILO at al. (2004, 2004a and 2009).

| Item Number | Reference List Items                              |
|-------------|---|
| 7.1         | Consumers prices (end-use) (by energy product)    |
| 7.2         | Import energy prices (by energy product)          |
| 7.3         | Export energy prices (by energy product)          |
| 7.4         | Taxes (by energy product):                        |
| 7.5         | Other taxes on production (by energy product):    |
| 7.6         | Subsidies received (by energy products)           |
| 7.7         | Subsidies on products (by energy product)         |
| 7.8         | Other subsidies on production (by energy product) |
| 7.9         | Gross output at basic prices                      |
| 7.10        | Of which: of energy products (by product)         |
| 7.11        | Total number of person employed                   |
| 7.12        | Average number of persons employed                |
| 7.13        | Hours worked by employees                         |
| 7.14        | Gross fixed capital formation                     |

6.75. Prices refer to the actual market price paid for an energy product (or group of products). They correspond to what is commonly referred to as spot prices. Consumers prices refers to “purchasers prices” (2008 SNA, para 14.46) which are the amount paid by the purchaser. For analytical purposes, countries are encouraged to compile information on the components of the different prices :

Purchasers’ prices

*minus* wholesale and retail distribution margins (trade margins),

*minus* transportation charges invoiced separately (transport margins),

*minus* non-deductible VAT,

*equals* producers’ prices;

*minus* taxes on products resulting from production excluding invoiced VAT,

*plus* subsidies on products resulting from production,

*equals* basic prices.

6.76. *Import prices* generally include cost, insurance and freight (CIF) at the point of entry into the importing economy.

6.77. *Export prices* are valued free on board (FOB) at the point of exit from the exporter's economy. It includes the cost of transport from the exporter's premises to the border of the exporting economy.

6.78. *Taxes* are compulsory unrequited payments, in cash or in kind, made by trade units to the government. Two main groups of taxes are identifiable: taxes on products and other taxes on production. However, only other taxes on production are presented as data item as these payments are recorded in the business accounts of units. It is recommended that, in statistical questionnaires, countries refer to the specific names or descriptions of taxes as they exist in their national fiscal systems.

6.79. *Other taxes on production* are taxes that units are liable to pay as a result of engaging in production. As such, they represent a part of production costs and should be included in the value of output. Units pay them irrespective of profitability of production. These taxes consist mainly of taxes on the ownership or use of land, buildings or other assets used in production, or on the labour employed or compensation of employees paid. Examples are motor road vehicle taxes, duties and registration fees, and levies on the use of fixed assets. Also included are official fees and charges—that is to say, duties payable for specific public services, such as the testing of standards of weights and measures, provision of extracts from official registers of crime and the like.

6.80. It may not be possible to collect data on all these taxes at establishment level; therefore, in such cases the design of statistical questionnaires and subsequent data compilation should clearly indicate the type of taxes that have been reported.

6.81. *Subsidies received* covers payments that government units make to resident producing units on the basis of their production activities or the quantities or values of the goods or services they produce, sell or import. Classification of subsidies follows closely the classification of taxes.

6.82. *Subsidies on products* correspond to subsidies payable per unit of a good or service produced, either as a specific amount of money per unit of quantity of a good or service, or as a specified percentage of the price per unit; it may also be calculated as the difference between a specified target price and the market price actually paid by a buyer.

6.83. *Other subsidies on production* consist of subsidies, except subsidies on products, that resident enterprises may receive as a consequence of engaging in production, for example, subsidies on payroll or workforce and subsidies to reduce pollution.

6.84. *Gross output at basic prices* measures the result of the overall production activity of industrial units. The value of production corresponds to the sum of the value of all goods or services that are actually produced within an establishment and become available for use outside that establishment plus any goods and services produced for own final use. In order to maintain consistency with valuation principle for output (production) of other international recommendations on business statistics and national accounts, it is recommended that countries compile the output of industrial establishments at basic prices. However, in circumstances where it

is not possible to segregate “taxes and subsidies on products” and “other taxes on production”, valuation of output at factor cost can serve as second best alternative.

6.85. *Data on gross output of energy products (by product)* refers to the output generated by the production of the energy products described in SIEC.

6.86. *Total number of person employed, average number of persons employed, and hours worked by employees* are important data items describing the employment in an economic unit and allowing for the assessment, for example, of the contribution of the energy industry in terms of labour.

6.87. *Gross fixed capital formation* is measured by the total value of a producer’s acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of non-produced assets data. It should include the value of all durable goods expected to have a productive life of more than one year and intended for use by the establishment (land, mineral deposits, timber tracts and the like, buildings, machinery, equipment and vehicles). This data item gives a measure of the investments of an economic unit. Information should be disaggregated by type of asset. (UN 2009a and 2009 b)

## **5. Data items on deposit of underground resources**

6.88. Data items on deposit of underground resources are important for the assessment of the depletion of the underground resources. The data items presented in this section cover the stocks of the underground resources which are classified according to the SEEA-E classification of natural resources presented in Figure 6.1.

**Table 6.1: SEEA-E classification of underground resources**

EA.11 Mineral and energy resources

EA.111 Petroleum resources

EA.111.1 Natural gas (including NGL and condensate)

EA.111.2 Crude Oil

EA.111.3 Natural bitumen, extra heavy oil, shale oil , sand oil and others n.e.c.

EA.112 Non-metallic minerals and solid fossil energy resources

EA.112.1 Non-metallic minerals except for coal and peat

EA.112.2 Coal

EA.112.3 Peat

EA.113 Metallic minerals

EA.113.1 Uranium ores

EA.113.2 Other metallic minerals

6.89. The deposit of underground resources are further classified by characteristics describing the “quality and knowledge” of the deposits, which describe the economic, geological and project feasibility status in relation to the deposit. These characteristics are:

- A. commercial recoverable;
- B. potential commercial recoverable; and
- C. non- commercial and other known deposits.

6.90. It should be noted that further detail on the classification and the correspondence of the SEEA-E classification of deposit of underground resources with the United Nations Framework Classification for Fossil Energy and Mineral Reserves and Resources (UNFC) is provided in the SEEA-E.

| Item number | Data item  |
|-------------|--|
| 8.1         | Opening stocks of deposit of underground resources<br>(by type of resources and by type characteristics) |
| 8.2         | Closing stocks of deposit of underground resources<br>(by type of resources and by type characteristics) |

6.91. The *opening and closing stocks of deposit of underground resources* refers to the amount of the resource at the beginning and end of the reference year by type of resources - as classified in Table 6.1- and type of characteristics mentioned in para. 6.89 above.

6.92. It should be noted that these data are generally estimated by geological institutes through geological modelling and not directly collected by the statistical agency in charge of the compilation of energy statistics.

## **Chapter 7. Data collection and compilation**

7.1. Energy data collection and compilation are difficult tasks and country practices in this respect vary significantly. Countries should make efforts to learn from the experiences of others, share best practices and promote relevant standards and strategies that will improve the overall quality of energy data including their completeness and international comparability. To assist countries in these activities, this chapter discusses the role of legal frameworks and institutional arrangements in data collection, followed by a discussion of data collection strategies, data sources and data compilation methods.

### **A. Legal framework**

7.2. The existence of a strong legal framework is one of the most important prerequisites for establishing a sound national statistical system in general and a national system of energy statistics in particular. The legal framework is provided by the statistical and other applicable national laws and regulations which, to different degrees, specify the rights and responsibilities of entities that collect data, provide data, produce statistics or use statistical outputs. For example, data obtained by conducting statistical surveys depend on the statistical laws and energy related legislation and regulations, while data on imports and exports of energy is subject to customs laws and regulations.

7.3. The establishment of a legal framework making reporting of energy data mandatory through well designed channels and instruments is of great importance for ensuring the compilation of high quality energy statistics. Although many countries lack such a legal framework, it is important to recognize it as the preferred option. With reference to such framework, energy ministries or energy agencies maintain administrative records relevant to energy statistics, and national statistical offices are able to organize data collection from entities producing energy products as a primary or secondary activity, and from energy users. The legal framework should not only enable efficient data collection but also deal adequately with confidentiality issues, providing necessary protection to data reporters (see Chapter 10 for further discussion of confidentiality issues).

7.4. The legal framework should also describe responsibilities for collection, compilation and maintenance of the different data components among different government bodies, taking into account the variety of public policy objectives as well as the changes brought by market liberalization, such as increasing difficulty in obtaining data given the growing number of participants in energy industries and the commercial sensitivities around the data disclosure in an ever more competitive market.

7.5. **It is recommended** that national agencies responsible for compilation and dissemination of energy statistics should, whenever appropriate, actively participate in the discussion of national statistical legislation or relevant administrative regulations in order to establish a solid foundation for high quality and timely energy statistics, aiming at mandatory reporting, whenever appropriate, and at adequate protection of confidentiality. Also, such participation would strengthen the agencies' responsiveness to the data requirements and priorities of the user community.

## **B. Institutional arrangements**

7.6. The legal framework creates a necessary but not sufficient foundation for energy statistics. To ensure that these statistics are, in fact, collected and compiled in the most effective way, establishing appropriate institutional arrangements between all relevant governmental agencies is of paramount importance to ensure an effective national system of energy statistics.

7.7. *Members of national system of energy statistics.* The most important members of such a system are national statistical offices and specialized governmental agencies responsible for implementation of energy policies (e.g., energy ministries/agencies, etc.). In this context it should be noted that the complex and vast nature of energy supply and use, and the liberalization of the energy markets have resulted in an increasing number of governmental agencies and other organizations collecting data and maintaining databases on energy, such as: industrial chambers, associations, regional offices, etc. On the one hand, this represents great potential for reducing the response burden and improving timeliness of the data, but on the other, this poses great challenges in ensuring the harmonization of data as the underlying concepts, definitions, and methods and quality assurance might be significantly different.

7.8. *Purposes of institutional arrangements.* To function efficiently, a national system of energy statistics should be based on appropriate institutional arrangements between various agencies. Such arrangements should allow for the collection, compilation, standardization and integration of the information scattered from different entities (using administrative data from regulatory processes where appropriate) and the information should be made available to users through a networked information system or in a central energy database. The institutional arrangements should also promote harmonization of concepts and methods with international standards, as well as enable collection of data necessary for systematic production of high quality official energy statistics.

7.9. Efficient institutional arrangements will not only minimize the cost of data collection for the agencies involved by avoiding the duplication of work and sharing good practices, but should also result in reduced response burden on data reporters due to improved communication and coordination between data collectors, leading to less data being requested.

7.10. *Governance of the national system of energy statistics.* A key element of the institutional arrangements is the establishment of a clear, efficient and sustainable governance of the national system of energy statistics. Depending on the country legislation and other national considerations, various agencies might be leading the system and be responsible for official energy statistics. These can be the national statistical offices, the energy ministry or agency, or another specialized governmental agency. It is imperative that the lead agency ensures the necessary coordination of work, thus resulting in energy statistics that comply with the quality standards as described in Chapter 10.

7.11. *Mechanism.* In order to guarantee the successful functioning of a national system of energy statistics, it is vital that all stakeholders are actively involved. **It is recommended** that countries develop an appropriate interagency coordination mechanism which would systematically monitor performance of the national system of energy statistics, motivate its members to actively participate in the system, develop necessary recommendations focused on improvement of the system's functioning, and have the authority to implement such recommendations. Such a mechanism should address, among others, the issue of statistical capacity, as the lack of funding and human resources is a persistent problem in many countries. In this context, the proper allocation of responsibilities to agencies as well as joint training courses and workshops on energy matters to further develop skills and knowledge of the staff can be of great help.

7.12. Models for the organization of a national system of energy statistics vary from a centralized system, where one institution is in charge of the whole statistical process (from the collection, compilation to the dissemination of statistics), to a decentralized system, where in which several institutions are involved and are responsible for different parts of the process.

7.13. It is recognized that different institutional arrangements (depending on the structure of a country's government and other national considerations) can result in appropriate energy statistics, provided that the overall national system follows internationally accepted methodological guidelines, utilizes all available statistical sources and applies appropriate compilation procedures. Effective institutional arrangements are characterized by:

- (a) The designation of only one agency responsible for the dissemination of official energy statistics or, if this is not possible, the identification of agencies responsible for dissemination of specific data subsets and the mechanisms which ensure overall consistency of energy statistics;
- (b) A clear definition of the rights and responsibilities of all agencies involved in data collection and compilation,
- (c) The establishment of formalized working arrangements between them, including agreements on holding inter-agency working meetings as needed and on the access to micro data that those agencies collect. The formal arrangements should be

complemented by the informal agreements between the involved agencies and institutions as required.

7.14. **It is recommended** that countries consider the establishment of the institutional arrangements necessary to ensure the collection and compilation of high quality energy statistics as a matter of high priority and periodically review their effectiveness.

7.15. Whatever the institutional arrangement, the national agency which has an overall responsibility for the compilation of energy statistics should periodically review the definitions, methods and the statistics themselves to ensure that they are compiled in accordance with the relevant international recommendations and recognized best practice, are of high quality, and are available to users in a timely fashion. If such an agency is not designated the appropriate mechanism should be put in place to ensure that those functions are performed consistently and effectively.

### **C. Data collection strategies**

7.16. The collection of energy data can be a complex and costly process which very much depends on country needs and circumstances, including the legal framework and institutional arrangements. Therefore, it is important that countries undertake this on the basis of well thought out strategic decisions regarding scope and coverage of data collection, organization of the data collection process, selection of the appropriate data sources and use of reliable data compilation methods.

#### **1. Scope and coverage of data collection**

7.17. The scope and coverage of the collection of energy statistics are defined according to:

- the conceptual design, which includes the objective and thematic coverage;
- the target population;
- geographical coverage;
- reference period of data collection;
- frequency with which data are to be collected; and
- point in time of collection.

7.18. *Conceptual design.* The overall objective of the data collection should clearly be defined. The thematic coverage must take into account the type of statistics to collect, for example the flows and stocks of energy products and the units of measurement. International standards should be considered in the conceptual design process.

7.19. *The target population.* For an efficient data collection a good knowledge of the main groups of data reporters is required so that data collection methods can be customized as

necessary. **It is recommended** to distinguish, as applicable, at least the following three reporter groups: energy industries, other energy producers and energy consumers.

7.20. *The energy industries* (see Chapter 5 for definition) are represented by various entities for which their principal business is directly related to energy production and often concentrate on one particular fuel or one part of the overall energy supply chain. Detailed information is compiled by the energy industry entities themselves on a regular basis for management purposes, as well as for reporting to government regulatory bodies. Therefore, statistical data can often be obtained from those entities directly or from administrative records maintained by the regulatory bodies without too much delay, when the proper data collection mechanisms exist.

7.21. The entities belonging to the energy industries can be differentiated according to their public-private status as private industries, public industries and public-private industries. The degree to which a central government is directly involved in the industries will have a significant effect on both the ease with which data may be collected, and the range of data that will be considered reasonable to collect. Given that such enterprises can provide data on most of energy flows, they need to be treated with special attention and be fully enumerated in statistical surveys or covered using appropriate administrative sources of data (see section on data sources for details). When the number of enterprises in an energy industry is large and the energy statistics compiler has no direct contact with the original sources, it is common that industrial chambers, associations, institutions, regional offices or civil organizations perform as intermediate data collectors to simplify the data collection process. However, in such a case, efforts should be undertaken to ensure that data quality is not compromised.

7.22. *Other energy producers*. This group includes those economic units (including households) that produce energy for self-consumption and sometimes supply to other consumers, but not as part of their principal activity (see Chapter 5 for details). Since these activities are not the principal aim of these companies and may be partially or fully exempt from the provisions of energy legislation and regulations, it cannot be expected that they will have the same amount of detailed information readily available or feel the need to provide data to compilers.

7.23. Even though it is mostly the case that these industries account for only a small part of the national energy production, it is important that these industries are considered in national energy statistics for a number of reasons: there is a trend towards an increase in their participation in the energy sector; and their energy consumption is important for greenhouse gas emissions and for energy efficiency indicators. In cases where they play a significant role in the national aggregate of energy supply and consumption, means have to be devised to obtain more adequate data from them.

7.24. In some countries, the auto-production (or co-generation) (see Chapter 5 for details) requires a government's permission, which facilitates the monitoring of these companies and creates the means to obtain the required data. In addition, it is becoming more necessary to

compile this information, as it is directly related to both energy savings and the efficient use of energy.

7.25. *Energy consumers* can be grouped according to the energy needs of the economic activity under which they are classified, such as industry, transport, household, etc (see Chapter 5 for details). The data collection from energy consumers is complex since it is necessary to consider their diversity, mobility and multipurpose forms. To ease this task, it is essential to design specific methodologies and compilation strategies for different subgroups of consumers, given their particularities.

7.26. It is usually the case that the energy producers can provide data on how much energy in total is being delivered to the energy consumers. Often, they may also be able to breakdown the total deliveries by various consumer groups taking into account differences in applicable tariffs and/or taxes. However, in order to fill the remaining gaps and obtain more detailed information needed, as in the case of energy balance compilation, direct consumer surveys might be necessary. The coherence between data based on the information about energy deliveries to final consumers and the information reported by consumers must be ensured. In other cases, for example solid biomass fuels, information will most likely be obtained through surveys and consumer-derived measurements rather than from energy producers.

7.27. *Geographical coverage.* The geographical coverage identifies the area for which the statistics are collected. In general, for policy purposes it is fundamental to collect statistics at the national level. However, some countries compile their energy statistics at a sub national level, which implies a better coverage of the information, given dissimilarities among regions. For example, regional collection of energy statistics is essential in planning future infrastructure to take into account the different locations of production and consumption. When it comes to consumption, regional disaggregation is necessary since the energy use could vary according to climate, local behaviour, customs, economic activities, incomes, availability of energy products, etc. However, this detail of information requires considerable expertise to ensure that in adjusting regional data to a national basis there are no omissions or double counting in the results, and also implies a higher cost of collection.

7.28. *Reference period of data collection.* The reference period of the energy data collected refers to the time period that the data relates to. For example, oil production data may have a reference period of one month, energy use data collected from households may have a reference period of one quarter (as this is available from energy bills) and energy behaviour data (e.g., measures taken to reduce energy use) may have a reference period of one year.

7.29. *Frequency of data collection.* The frequency of the collection of energy data represents a balance between the priority of data items of interest, the level of detail required, the availability of data and the available resources. Comprehensive annual data should be the initial consideration, but it will often be unrealistic to expect that complete comprehensiveness could be achieved more frequently than annually. In some cases (e.g., the conduct of large

consumer surveys), annual data collection may not be realistic or necessary. The frequency of data collection could be annual, infra-annual or infrequent (i.e., less frequent than annual).

*Annual data collection* should comprise the energy data relating to the basic and most appropriate information needs. They are, in general, most detailed and cover production, supply and consumption.

*Infra annual data collections* (quarterly, monthly, etc.) are conducted when frequent data is of high priority (e.g., monthly oil production and trade) but are usually more restricted in scope than those carried out annually, as higher frequency leads to increased costs and reporting burden.

*Infrequent data collections* are generally conducted by countries either for specialized topics, to fill in gaps in the data collected annually or infra-annually, to provide baseline information; or where data collection is particularly expensive (e.g., large consumer surveys).

7.30. *Point in time of collection.* The point in time of the collection should also be considered, since the data collected could have a cyclical or seasonal behaviour, making a big difference in the analysis.

## **2. Organization of data collection**

7.31. Proper organization of the data collection process is fundamental for official energy statistics. The first important step in data collection is to sketch the production, supply, transformation and consumption flows for each fuel, in order to clarify the processes, procedures and the economic agents involved. Secondly, it is necessary to outline the potential data sources for each stage of the flow in order to determine whether it is feasible to obtain accurate information on a regular basis from them, making use of the information they already hold for their own management purposes. From these descriptions, it can be determined what kind of energy data can be obtained from energy industries and other industries and organizations producing energy, as well as through regular programmes of enterprise/establishment surveys and administrative sources, and plan the process accordingly.

7.32. Collection of energy data relies on a legal and institutional framework for energy statistics and the use of agreed compilation methods, for example statistical business registers, administrative data and census or sample surveys, to obtain comprehensive data. The most appropriate collection method should be selected taking into consideration the nature and specific characteristics of the given energy activity, the availability of the required data, and the budget constraints for the implementation of the collecting strategy.

7.33. *An integrated approach to collection of energy statistics.* Collection of energy data should be seen as an integral part of data collection activities by the national statistical system in order to ensure the best possible data comparability and cost efficiency. In this context, close collaboration between compilers of various statistical surveys and energy statisticians is

essential and should be fully encouraged. A collaborative relationship will bring a better understanding of the information and represent an opportunity to incorporate energy items into non-energy specific questionnaires (e.g., financial questionnaires), taking into account the priorities and specific needs of the energy industries and making a cost-benefit analysis

7.34. The existence of regular programmes indicates a long-term strategic planning for energy statistics compilation which ensures regular data collection and allows for time series analysis. Hence, there should be a programme directed to obtain a wide coverage of accurate, detailed and timely energy statistics from surveys of energy industries, as well as a separate programme designed to cover industries that are engaged in supplying energy as a secondary activity.

7.35. An integrated approach is especially important for collection of data on energy demand, as many different data sources can be used. Data can be obtained directly or indirectly from appropriate economic units (e.g., enterprises or establishments and households) by means of censuses, surveys and/or administrative records. Given that the number of energy consumers is larger than energy suppliers, it may be necessary to exploit existing business surveys to identify those establishments that will be required to answer specific questions on energy consumption. Consistency of data on energy consumption collected from various sources should be ensured.

#### **D. Data Sources**

7.36. Two basic groups of sources energy data are:

*Statistical data sources:* Data collected exclusively for statistical purposes from censuses and/or sample surveys;

*Administrative data sources:* Data not primarily collected for statistical purposes.

##### **1. Statistical data sources**

7.37. The typical statistical data source for compiling energy statistics consists of surveys of the units in the population under consideration. The surveys are done either by enumerating all the units in the population (census) or by enumerating a subset of representative units scientifically selected from the population (sample survey).

7.38. In general, *censuses* represent a time consuming and resource intensive exercise to collect energy statistics: it is costly and imposes a high overall response burden on the population. For these reasons, it is unlikely that censuses are used very often. However, depending on the population of interest, the available resources and the particular circumstances in a country, conducting a census may be a viable option for collecting energy statistics. A complete census of units in the energy industry may be appropriate when, for example, a particular country does not maintain an up-to-date business register, there are few energy producers (in such a case they should be included in a “take all” stratum of appropriate

surveys) or there is a significant users' interest for detailed energy data by small geographical areas.

7.39. *Sample surveys* collect information from a portion of the total population, called a sample, to draw inferences on the whole population. They are almost always less costly than censuses. There are different types of surveys that can be used in energy statistics depending on the sampling units: (i) enterprise surveys, (ii) household surveys and (iii) mixed household-enterprise surveys. In general, **it is recommended** that countries make efforts to establish a programme of sample surveys which would satisfy the needs of energy statistics in an integrated way, which is a part of an overall national sample surveys programme of enterprises and households, to avoid duplication of work and minimize the response burden.

### ***Survey design***

7.40. Before carrying out a survey, it is fundamental to have a proper survey design. To achieve this goal a number of steps are needed. First the identification of the particular information needs and the establishment of the specific goals of the project, making a special emphasis on priorities, feasibility, budget, geographic breakdown, etc. In order to do so, it is necessary make use of the experience gained in similar projects, take into account relevant international recommendations and the provisions of the different applicable national laws and regulations. This phase requires the expertise of several professionals, such as specialists in energy matters, in the specific subject being covered, in sample design, in interviewing techniques, in analysis procedures, etc. Given the above, the participation and cooperation between different ministries, national statistical offices and academic institutions is essential.

7.41. Once the specific topic or topics of the survey are determined, the next stage is to select the categories and variables included in the data items presented in Chapter 6, according to an appropriate classification and precise definition of each of the concepts.

7.42. Selecting the target population or sample is critical to successfully meet the goals of the survey. Within this phase, the number of units that will be interviewed must be decided in order to assure representativeness, taking into account the time availability, budget constraints and necessary degree of precision. The sampling technique used will depend on the population or populations being sampled, and the available information from other surveys, regular programmes and business registers that will provide a better picture and context of the project.

7.43. The design of the questionnaires and supplementary documentation should follow. Deciding the interviewer's profile, the interviewing method that is best for the survey's purpose (personal interviews, telephone surveys, mail surveys, computer direct interviews, email surveys, Internet/Intranet surveys and others), the temporal scope of the variables and the way each of the concepts will be presented and asked is the starting point to assure a good questionnaire design. Determining the type of questions and its sequence comes next, paying special attention on using a clear, direct and straight forward language. The proper measurement unit for which the answers should be provided is also very significant and

depends entirely on who is being interviewed. For example, small units of measurement such as kilowatt-hour, cubic foot, etc., are perfectly proper for consumers or gas stations, but it is not the case for energy supply industries.

7.44. Another important part of this process is to write concise and clear instructions that will help clarify any doubt. It is important to mention that several adaptations should be made according to the specific context, geographical scope, informant, interviewer and procedures. It is necessary to test the questionnaires under a similar context in which they will be applied, and carry out the required adjustments. Interviewers need to be carefully trained in the techniques to be adopted for measuring different fuels and in some cases, especially for biomass, the availability of measurement instruments (e.g., scales for fuelwood and charcoal) for the physical measurements of fuels actually consumed is extremely important. Deciding on the way the results and its contents are going to be presented should also be taken into account.

### ***Enterprises surveys***

7.45. Enterprise surveys are surveys in which the sampling units comprise enterprises (or statistical units belonging to these enterprises such as establishments or kind-of-activity units) in their capacity as the reporting and observation units from/about which data are obtained. They assume the availability of a sampling frame of energy enterprises. Depending upon the source of the sampling frame, surveys may also be classified as either list based or area based. In a *list based survey*, the initial sample is selected from a pre-existing list of enterprises or households. In an *area based survey*, the initial sampling units are a set of geographical areas. After one or more stages of selection, a sample of areas is identified within which enterprises or households are listed. From this list, the sample is selected and data collected. In general, it is preferred to use list based surveys as it may be difficult to enumerate the enterprises within an area, and area-based sampling is inappropriate for (large or medium sized) enterprises that operate in several areas because of the difficulty of collecting data from just those parts of the enterprises that lie within the areas actually selected. A stratified sampling should be used whenever appropriate and feasible to improve accuracy of data.

7.46. *Use of business register.* In principle, the sampling frame should contain all the units that are in the survey target population, without duplication or omissions. The *business register* maintained by countries for statistical purposes provides such a population. In general, a statistical business register is a comprehensive list of all enterprises and other units together with their characteristics that are active in a national economy. It is a tool for the conduct of statistical surveys as well as a source for statistics in its own right. The establishment and maintenance of a statistical business register in most cases are based on legal provisions, as its scope and coverage are determined by country-specific factors. **It is recommended**, as the best option, that the frame for every list-based enterprise survey for energy industries is derived from a single general-purpose, statistical business register maintained by the statistical office, rather than using standalone registers for each individual survey.

7.47. For countries not maintaining a current up-to-date business register, **it is recommended** that the list of enterprises drawn from the latest economic census is used as a sampling frame.

#### ***Ad-hoc energy statistics surveys***

7.48. Specially designed energy statistics surveys are extremely useful to cover the lack of information and gaps from the mechanisms and instruments mentioned above. Example of ad-hoc energy statistics surveys are consumption surveys designed specifically to measure the quantities of consumption of fuels and biofuels. The sampling unit is likely to be the household and possibly other sites of small-scale rural industries below the normal threshold for sample enquiries. Data generally cover the weights (or volumes, if realistic conversions to weight can be made later) of different fuels consumed for different purposes. If there is a seasonal pattern of fuel usage then interviews will have to be spread over the year to be representative of all seasons. Results will need to be analysed by size of household in order to obtain a range of per capita consumption figures.

7.49. The design and implementation of such surveys may be demanding in terms of financial and human resources and often require a multidisciplinary expertise in order to identify the appropriate sample scheme, interviewing techniques and analysis procedures. Therefore, **it is recommended** that cooperation between energy ministry/agency, national statistics office and a national or international academic institute is assured.

7.50. Ideally, energy surveys must be designed to ensure regular implementation. For this reason, **it is also recommended** to establish from the beginning the periodicity of such surveys. In addition, the survey design must be optimized, keeping in mind the desirable use and inferences of the results, while unnecessary information for the survey purposes should be discarded to the extent possible. Considering the cost of conducting such surveys, it is necessary to design the survey in such a way that it guarantees the greatest benefits of analytical results and assure consistency through time.

7.51. In general, ad-hoc energy statistics surveys are very useful instruments to assess energy consumption activities, monitoring impacts of energy programs, tracking potential for energy efficient improvements and targeting future programs.

#### ***Household surveys and mixed household-enterprise surveys***

7.52. Household surveys are surveys in which the sampling units comprise the households. In mixed household-enterprise surveys, a sample of households is selected and each household is asked whether any of its members own and operate an unincorporated enterprise (also called informal sector enterprise in developing countries). The list of enterprises thus compiled is used as the basis for selecting the enterprises from which desired data are finally collected. Mixed household-enterprise surveys are useful to cover only unincorporated (or household) enterprises which are numerous and cannot be easily registered.

7.53. Even though household surveys are not designed specifically for the energy data compilation, they could bring a broad overview of residential energy consumption by end-use. Given the complexity of the energy consumption characteristics in households, estimates and other measurements should be derived using the metadata provided by the survey. For energy purposes, useful information is related to the number and average size of households, appliance penetration and ownership, appliance attributes and usage parameters, fuels used for cooking and for heat and air conditioning, electricity sources (national grid, solar electricity, etc.), types of bulbs used for illumination, etc. Note that another way to determine the characteristics of the household's appliances stock, such as age and efficiency, is through administrative registers or surveys on appliances sales.

7.54. The frequency of these household surveys is another key element to obtain information on a regular basis, given that the behaviour in this sector often shows high variation due to changes in prices, technologies and fuel availability. The appearance in the market of new appliances in households creates new energy consumption habits that should be taken into account.

7.55. These surveys should be representative not only at national level, but also in rural and urban areas and by regions, in order to achieve a proper analysis of the data.

## **2. Administrative data sources**

7.56. *Publicly controlled administrative data sources.* Data may be collected by diverse governmental agencies in response to a legislation and/or regulations to: (i) monitor activities related to production and consumption of energy; (ii) enable regulatory activities and audit actions; and (iii) assess outcomes of government policies, programmes and initiatives.

7.57. Each regulation/legislation (or related group of regulations/legislations) usually results in a register of the entities – enterprises, households, etc. – bound by that regulation/legislation and in data resulting from application of the regulation/legislation. The register and related data are referred to collectively as administrative data. The data originating from administrative sources can be effectively used in compiling energy statistics.

7.58. There are a number of advantages in the use of administrative data, the most important of which include the following: reduction of the overall cost of data collection; reduction of the response burden; smaller errors than those arising from a sample survey (due to the complete coverage of the population to which the regulation/legislation applies); sustainability due to minimal additional cost and long-term accessibility; regular updates; possible absence of a survey design, sample measure and data editing; possibility of cooperation between various agencies, which could lead to feedback on the compiling process and acknowledgment of diverse areas of interest; potential data quality improvement; potential recognition of administrative data uses; opportunity to link data from diverse sources; development of statistical systems within agencies; and possible use as a framework for statistical surveys.

7.59. However, since administrative data are not primarily collected for statistical purposes, it is important that, when using administrative data, special attention is given to their limitations and a description of these is given in the output metadata. Possible limitations in the use of administrative data include: inconsistencies in the concepts and definitions of data items; deviation from the preferred definition of the statistical units; the legislation/regulation may differ from the desired survey population; poor quality data due to lack of quality assurance of the administrative data; possible breaks in the time series because of changes in regulations/legislations; and legal constraints with respect to access and confidentiality (see Chapter 10 for further discussion of confidentiality).

7.60. It is important that compilers of energy statistics identify and review the available administrative data sources in their country and use the most appropriate ones for compilation of energy statistics. This significantly reduces the response burden and the surveying costs. The relative advantages and disadvantages mentioned above have no absolute value. Whether they apply and to what extent depend on the specific country situation. Examples of administrative data sources important for energy statistics include customs returns (for imports/exports), value added tax (VAT) tax systems, a system of specific tax (or excise duty) payable on specific fuels (gasoline and diesel for road use) or energy types (e.g., carbon tax), and regulated electricity and gas market meter operator systems.

7.61. *Privately controlled administrative data sources.* Data may be collected by privately controlled organizations, such as trade associations. This is typically done to assist the industry in understanding important aspects of the operations of their own industry. These data are often also important to government and decision- and policy-makers. The statistical agency responsible for energy statistics should work cooperatively with these private organizations to gain access to such data, in order to maximise its statistical value. This would keep the reporting burden on the industry to a minimum, by not requiring the businesses to report to both the private organization and the statistical agency too. However, if agreement cannot be reached, then the statistical agency may need to require the data to be submitted to them directly. Every effort should be made to establish a proper cooperation between the private organizations and the statistical agency. Statistical agencies must ensure the quality and objectivity of data being provided by these organizations, as data collection is not their primary activity and they may be functioning as industry advocates.

## **E. Data compilation methods**

7.62. Data compilation, in general, refers to the operations performed on collected data to derive new information according to a given set of rules (statistical procedures) in order to produce various statistical outputs<sup>1</sup>. In particular, data compilation methods cover: (a) data validation and editing; (b) imputation of missing data; and (c) estimation of population

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<sup>1</sup> See [SDMX for details ...]

characteristics. A brief overview of these methods is provided below<sup>2</sup>. These methods are used to deal with various problems in collected data, such as incomplete coverage, non-response, out of range responses, multiple responses, inconsistencies or contradictions and invalid responses to questions. Usually, these problems are caused by deficiencies in the questionnaire design, lack of proper interviewer training, errors from the respondent providing the data, and errors related to the processing of the data. It is advisable to periodically generate reports specifying the frequency in which each of the problems occurs, thus identifying the main sources of error and making necessary adjustments in future data collection processes.

7.63. *Data validation and editing* refers to the systematic examination of data collected from respondents for the purpose of identifying and eventually modifying the inadmissible, inconsistent and highly questionable or improbable values, according to predetermined rules. It is an essential process for assuring quality of the collected data. It is important to define validation criteria that clearly and systematically identify whether the data that fulfils, or not, the completeness, integrity, arithmetic and congruence required, as well as guarantee the quality of the data. The validation criteria is determined according to the nature of the data and the analysis of the variables of interest, taking into account magnitude, structure, trends, relationships, causalities, interdependencies and possible response ranks.

7.64. Recognizing the importance of the data validation and editing, it should be emphasized that an arbitrary alteration of the data should not be allowed, and any changes in the collected data should be based on the relationship between variables and the response values. To prevent out of range responses and inconsistencies, appropriate response ranges for each question and the congruence that must exist between responses from related questions must be established. For example, checking that the sum of available supplies equals the sum of recorded uses is an important validation criterion, and it is also valid for routine questionnaires directed to the energy supply industries. A possible solution to non-response is to give more time to the respondent to provide the information. When this is not plausible, the value can be estimated arithmetically or using statistical methods, based on valid related responses or using non official information compiled elsewhere.

7.65. Editing and validation can be a very expensive component of the survey design process. Consideration should be given to focusing the editing and validation process to best effect. For example, many survey responses may have minimal impact on the final results, and effort in correcting errors in such responses may be ineffective. So if the responses that will have the greatest impact on the final results can be identified prior to the editing and validation process, then the editing and validation resources can be focused on these responses.

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<sup>2</sup> More information on the different techniques used in data compilation is found, for example, in International Recommendations for Industrial Statistics (IRIS) and International Recommendations for Distributive Trade Statistics (IRDTS).

7.66. *Data imputation.* Imputation refers to replacing one or more erroneous responses or non-responses with plausible and internally consistent values in order to produce a complete data set. It is used for estimating missing data values when, for example, the respondent has not answered all relevant questions, but only part of them or when the answers are not logically correct. There is a variety of methods for imputation, ranging from simple and intuitive to rather complicated statistical procedures.

7.67. The choice of methods for imputation depends on the objective of the analysis and on the type of missing data. No method is superior to others in all circumstances. In most imputation systems, a mix of imputation method is used. The following are the desirable properties of all imputation processes:

- (a) The imputed records should closely resemble the failed edit record, retaining as much respondent data as possible. Thus, a minimum number of data items should be imputed;
- (b) The imputed records should satisfy all edit checks;
- (c) It is desirable to flag the imputed values and identify the methods and sources of imputation.

7.68. **It is recommended** that compilers of energy statistics use imputation as necessary, with the appropriate methods consistently applied.

7.69. *Grossing up procedures.* After the data have been validated, edited and imputations have corrected for the non-response and erroneous responses, estimation procedures are applied to the sample values to estimate the required characteristics of the population (referred to as “grossing up” procedures). These procedures consist of raising the sample value with a factor based on the sampling fraction (or the factor using returned data) for each cell in the stratified sample, in order to obtain the levels of data for the sample frame population. In some cases, more sophisticated statistical techniques can be used for this purpose. The application of estimation procedures is a complex undertaking and **it is recommended** that specialist expertise is always sought for this task.

7.70. Treatment of outliers is an important estimation consideration, particularly in energy statistics. Outliers are reported data which are correct but are unusual in the sense that they do not represent the sampled population and hence may distort the estimates. If the sampling weight is large and the unadjusted outlier value is included in the sample, the final estimate will be inappropriately large and unrepresentative as it is driven by one extreme value. The simplest way to deal with such an outlier is to reduce its weight in the sample so that it represents itself only. Alternatively, statistical techniques can be used to calculate a more appropriate weight for the outlier unit.

## Chapter 8. Energy balances

### A. Introduction

8.1. *Concept of energy balance.* An overall energy balance (referred to as “energy balance” in the rest of the chapter) is an accounting framework for compilation and reconciliation of data on all energy products entering, exiting and used within the national territory of a given country during a reference period. Such a balance must necessarily express all forms of energy in a common accounting unit, and show the relationship between the inputs to and the outputs from the energy transformation industries. The energy balance should be as complete as possible where all energy flows should, in principle, be accounted for. The energy balance should be based firmly on the first law of thermodynamics which states that the amount of energy within any closed system is fixed and can be neither increased nor diminished unless energy is brought into or sent out from that system. The energy balance as presented in this chapter differs from the *energy accounts* which are developed on the basis of concepts, definition and classifications of the System of National Accounts (UN 2008) (see Chapter 11 for details)<sup>1</sup>.

8.2. Balances can be compiled also for any particular energy product (energy commodity) and are referred to as energy commodity balances or, for brevity, *commodity balances*. Commodity balances follow the general structure of energy balances, which is described in this chapter, but focus on single energy products (see Annex D for details).

8.3. *Purpose of energy balance.* The energy balance is a multipurpose tool to:

- (a) Enhance the relevance of energy statistics by providing comprehensive and reconciled data on the energy situation on a national territory basis;
- (b) Provide comprehensive information on the energy supply and demand on the national territory in order to understand the energy security situation, the effective functioning of energy markets and other relevant policy goals, as well as to formulate energy policies;
- (c) Serve as a quality tool to ensure completeness, consistency and comparability of basic statistics;
- (d) Ensure comparability between different years and between different countries;

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<sup>1</sup> The energy balance is, in fact, as specific kind of energy account compiled with a reference to a national territory and not differentiating between residents and non-residents. By convention, the term “balance” is used in IRES instead of “account” in order to differentiate it from an energy “account” compiled with respect to an economic territory of a country and making a clear distinction between residents and non-residents.

- (e) Provide data for estimation of CO<sub>2</sub> emissions with respect to national territory;
- (f) Provide the basis for indicators of the energy's role in the country's economy;
- (g) Calculate efficiencies of transformation processes occurring in the country (e.g., refining, electricity production by combustion of fuels, etc.);
- (h) Calculate the relative shares of the supply/consumption of various products (including renewables versus non-renewables) of the country's total supply/consumption;
- (i) Provide an input for modeling and forecasting.

8.4. The multipurpose nature of the energy balance might be further increased by the development of additional tables which combine information from the balance with additional information on particular issues that are not explicitly reflected in the balance itself. This is the case, for example, when linking the production of primary fuels with the information on the deposit of the resource.

8.5. *Detailed and aggregated energy balances.* Energy balances can be presented in both detailed and aggregated formats. The degree of detail depends on the policy concern, data and resource availability, and the underlying classifications used. The energy balance in an aggregated format is usually prepared for the dissemination in printed form where the level of aggregation, that is the number of columns and rows, is mainly constrained by practical considerations. However, it is recommended that countries collect data at the level of detail that allow for the compilation of a detailed energy balances as presented in Table 8.1. However, when such level of detail is not available, **it is recommended** that countries at minimum follow the template of the aggregate energy balance presented in Table 8.2.

## **B. Scope and general principles of an energy balance compilation**

8.6. *The scope of an energy balance.* The scope of an energy balance is determined, inter alia, by the territory, product and flow boundaries:

- (a) *Territory boundary* – defined by the boundary of the national territory of the compiling country (see Chapter 2 for detail);
- (b) *Product boundary* – defined by the scope of all energy products shown in the balance columns (see Chapter 3 for detail);
- (c) *Flow boundary* – defined by the scope of energy flows (see Chapter 5 for detail) shown in the balance rows.

8.7. The product and flow boundaries are fixed in the short term. However, as technology advances, new sources of energy may become available and they should be reflected in the balances when used.

8.8. The scope of an energy balance does not include:

- (a) Passive energy such as the heat gain of building and solar energy falling on the land to grow crops, etc.;
- (b) Deposit of energy resources and reserves (which can be nevertheless considered in additional tables);
- (c) Extraction of any materials not included in primary energy production (data on such materials are included in the data reference list, see Chapter 6, and can be shown in a separate table);
- (d) Waste and biomass used for non-energy purposes.

8.9. When compiling an energy balance, some general principles on the coverage and structure of the balance should be taken into account. These principles are formulated as follows:

- (a) The energy balance is compiled with respect to a clearly defined reference period. In this respect, **it is recommended** that countries, as a minimum, compile and disseminate an energy balance on an annual basis;
- (b) The energy balance is a matrix represented by rows and columns;
- (c) Columns represent energy products that are available for use in the national territory;
- (d) The column “Total” contains cells which provide the sum of the data entries in the corresponding row; however, the meaning of the cells in the “Total” column is not the same for all rows of the balance (see below);
- (e) Rows represent energy flows;
- (f) A separate row is reserved for statistical difference, calculated as the numerical difference between the total supply of a fuel, electricity or heat and the total use of it;
- (g) Rows and columns should contain homogeneous information (refer to the same products and flows as defined in their headers);
- (h) The detailed energy balance should contain sufficient rows and columns to show clearly the relationship between the inputs and outputs in the production of the secondary energy products;
- (i) All entries should be expressed in one energy unit (the recommended unit is Joule, though countries could use other energy units such as tons of oil equivalent, tons of coal equivalent); the conversion between energy units should be through the application of appropriate conversion factors (see Chapter 4) and the applied factors should be reported with the energy balance to make any conversion from physical units to joules or other units transparent and comparable;
- (j) Net calorific values should be used for measuring the energy content of energy products. If gross calorific values are used in a country because of the recuperation of

latent heat, the corresponding conversion factors should be reported and countries should clearly identify which method is used;

- (k) Physical energy content method - according to which the normal physical energy value of the primary energy form is used for the production figure - should be used to give primary energy equivalent to electricity produced from non-combustible energy sources. This is in contrast to the partial substitution method which is no longer used in the balances according to which the primary energy production was given an energy value equal to the hypothetical amount of the fuel required to generate an identical amount of electricity in a thermal power station using combustible fuels;
- (l) Production of primary and secondary energy as well as, external trade of energy products, stock changes, final energy consumption and non-energy use should be clearly separated to better reflect the structure and relationships between energy flows and to avoid double-counting.

### C. Structure of energy balance: an overview

8.10. *Structure.* An energy balance is a matrix showing the relationship between energy products (represented in columns) and flows (represented in rows). The structuring of an energy balance depends on the country's energy production and consumption patterns and the level of detail which the country requires. However, **it is recommended that** certain common principles, described below, apply to ensure international comparability and consistency.

8.11. *Columns.* Columns of the energy balance should contain information about various energy products. The cells of a column show the contribution of a given energy product to specific flows.

8.12. *The number of columns.* The number of columns depends, among other things, on whether the balance is intended for use as the source of the most detailed data or is prepared for general dissemination (including printed publications) where space limitations have to be taken into account. In the first case, the energy balance may contain as many columns as needed; and in the second case it should be compact and contain columns which highlight energy products important for the compiling country as well as columns needed for international comparisons. Even when a compact version is compiled, a more detailed electronic version of the energy balance should be made available to the users requiring more detailed information.

8.13. *Sequencing of columns.* While different columns (except "Total") represent various energy products, they are generally grouped and sequenced in a way to add to the analytical value of the balance. However, **it is recommended that:**

- (a) groups of energy products are mutually exclusive and are based on SIEC;
- (b) the column "Total" follows the columns specific to particular energy products (or groups of products);

- (c) the column “Total” is followed by additional columns containing additional subtotals such as “non-renewables” and/or “renewables”, and their definition and coverage is provided in the appropriate explanatory note.

8.14. *Rows.* One of the main purposes of an energy balance is to reflect the relationships between the primary production of energy (and other energy flows entering/exiting national territory), its transformation and final consumption.

8.15. *Sequencing of rows.* **It is recommended** that an energy balance contains three main blocks of rows as follows:

- (a) *Top block* – flows representing energy entering and leaving the national territory, as well as stock changes to provide information on supply of energy on the national territory during the reference period;
- (b) *Middle block* – flows showing how energy is transformed, transferred, used by energy industries for own use and lost in distribution and transmission;
- (c) *Bottom block* – flows reflecting final energy consumption and non-energy use of energy products.

8.16. A separate row should be reserved for statistical difference placed between the top and middle blocks of the balances.

#### 1. **Top block - Energy supply**

8.17. The top block of an energy balance – *Energy supply* – is intended to show flows representing energy entering the national territory for the first time, energy removed from national territory and stock changes. The entering flows consist of production of primary energy products and imports of both primary and secondary energy products. The flows removing energy from the national territory are exports of primary and secondary energy products and international bunkers.

8.18. The balance item of the flows described above and the changes in stock represents the amount of energy which is available on the national territory during the reference period. This aggregate is named ***Total energy supply***.

Total energy supply =

- + Primary energy production
- + Import of primary and secondary energy
- Export of primary and secondary energy
- International (aviation and marine) bunkers
- Stock changes

8.19. *Primary energy production.* Primary energy production (as defined in Chapter 5) is the capture or extraction of fuels or energy from natural energy flows, the biosphere and natural

reserves of fossil fuels within the national territory in a form suitable for use. Inert matter removed from the extracted fuels and quantities re-injected, flared or vented are not included. The production of primary products is, usually, an activity of the energy industries. However, some primary energy products can be generated by industries other than the energy industries as autoproduction.

8.20. *Imports and exports of energy products.* Imports and exports of energy products are defined in paras. 5.11 and 5.12. They cover both primary and secondary energy products.

8.21. *International bunkers.* International bunkers cover both marine and aviation bunkers and are defined in paras. 5.14-5.15.

8.22. *Stock changes.* Stocks and stock changes are defined in para. 5.17. It is desirable, in principle, to record changes in all stocks located in the national territory but it is recognized that in practice countries often find it difficult to obtain satisfactory data on changes in stock held by final energy users. This problem is particularly troublesome in the case of non-industrial final users, who are very numerous and, therefore, it is very costly to cover them in regular stock surveys. As countries may adopt different conventions for calculation of the change in energy stocks, **it is recommended that** necessary clarification is provided in country metadata. Countries are encouraged to collect comprehensive data on stock changes from large companies, private or public, as a minimum.

8.23. A stock change can be the result of a stock build or a stock draw. To ensure comparability of energy statistics with the accepted practice in other areas of economic statistics, **it is recommended that** stock changes are measured as closing stock minus opening stock. Thus, a positive value of stock change is a stock build and represents a reduction in the supply available for other uses, while a negative value is a stock draw and represents an addition to the supply for other uses.

8.24. For each product, the row “total energy supply” reflects the supply of energy embodied in that particular energy product. The total supply of energy on the national territory is shown under the column “Total”.

## **2. The middle block**

8.25. The main purpose of the middle block of an energy balance is to show *transfers, energy transformation, energy industry own use and losses*.

8.26. *Transfers*, the first line of the middle block, is essentially a statistical device to move energy between columns to overcome practical classification and presentation issues resulting from changes in use or identity of an energy product. Transfers cover, for example, the renaming of petroleum products which is necessary when finished petroleum products are imported as feedstock in refineries and the renaming of products which no longer meet their original specifications.

8.27. *Transformation.* The energy transformation describes the processes that convert an energy product into another energy product which, in general, is more suitable for specific uses. .

8.28. The transformation of energy is normally performed by energy industries. However, many economic units which are not part of energy industries (e.g., manufacturing plants) produce electricity and heat to satisfy their own needs and/or to sell to third parties (autoproduction). When the autoproduction involves the transformation of primary energy products, it is recorded in the balances in the middle block.

8.29. *Number of rows in the transformation.* Each row in the transformation specifies the kind of plant performing the energy transformation. A reference list of transformation plants and, therefore, rows to be reflected in the transformation part of the balance is provided in Chapter 5. **It is recommended** that countries show in their balances, to the extent possible and as applicable, energy transformation by the categories of plants presented in Chapter 5.

8.30. *Recording of inputs and outputs.* **It is recommended that:** (a) energy entering transformation activities (e.g., fuels into electricity generation and heat generation, crude oil into oil refineries for the production of petroleum products, or coal into coke ovens gas for the production of coke and coke oven gas) are shown with a negative sign to represent the input and (b) energy which is an output of transformation activities is shown as a positive number. The sum of cells in each row appearing in the column “Total” should therefore be negative as transformation always results in certain loss of energy when expressed in energy units. A positive figure would suggest a gain of energy and, as such, is an indication of incorrect data.

8.31. *Recording of energy industry own use.* Energy industry own use is defined as the consumption of fuels, electricity and heat for the direct support of the production, and preparation for use of fuels and energy (see para. 5.21). Typical examples are the consumption of electricity in power plants for lighting, compressors and cooling systems or the fuels used to maintain the refinery process. A separate row is used to show the own consumption of energy for the purposes of energy production. For analytical purposes, the energy industry own use can be further disaggregated by energy industry.

8.32. *Losses.* As defined in para. 5.20, losses are those that occur during the transmission, distribution and transport of fuels, electricity and heat. Losses also include venting and flaring of manufactured gases, losses of geothermal heat after production and pilferage of fuels or electricity.

### **3. The bottom block - Final consumption**

8.33. The bottom block of an energy balance, *final consumption*, covers flows reflecting energy consumption by energy consumers as well as non-energy use of energy products as measured by the deliveries of energy products to all consumers. It excludes deliveries for fuel transformation (which are covered in the middle block) and the use of energy products for energy needs of the energy industries. The use of energy for non-energy purposes consists of the use of energy

products for chemical feedstock and non-energy products, such as lubricants, paraffin waxes, and bitumen.

8.34. As the energy balance follows the territory principle, final consumption covers all the consumption on the national territory independently of the residence of the consuming units. Thus the energy consumption by residents abroad is excluded, and the energy consumed by non-residents (foreigners) on the national territory is included.

8.35. **It is recommended** that energy consumers are grouped into three main categories: *Industry*, *Transport* and *Other*, and further disaggregated (see Chapter 5 for more detail).

8.36. *Industry*. The final consumption for Industry covers the use of energy products for energy purposes. It however excludes the use of fuels for transport, which is recorded in the balances in a separate row. Taking into account the needs of energy policy makers and to ensure cross country comparability of energy balances, **it is recommended** that in their energy balance countries show final energy consumption disaggregated according to the following groups (see Chapter 5, Table 5.3)<sup>2</sup>:

- Iron and steel
- Chemical and petrochemical
- Non-ferrous metals
- Non-metallic minerals
- Transport equipment
- Machinery
- Mining and quarrying
- Food and tobacco
- Paper, pulp and print
- Wood and wood products (Other than pulp and paper)
- Textile and leather
- Construction
- Industries, not elsewhere specified

8.37. *Transport*. The purpose of this category is to provide information on energy products used for *transport purposes* by any economic entity. As described in Chapter 5, transport is disaggregated by mode of transport.

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<sup>2</sup> In addition, to ensure better harmonization of energy statistics with other economic statistics countries might wish to compile in their detailed energy balances energy consumption by applicable ISIC, Rev.4 classes.

8.38. By convention, transport fuels used in fishing, farming and defence (including fuels to military means of transport) are not part of transport in the energy balance, because the main purpose of the fuel use in these activities is not transport, but rather agriculture and defence. Similarly, energy used in lift trucks and construction machineries on the industry sites is considered as stationary consumption, not transport. The category “transport” is subdivided in the following modes of transport (see Chapter 5, para. 5.81).

- Domestic aviation
- Road
- Railway
- Domestic navigation
- Pipeline transport
- Transport non elsewhere specified

8.39. Energy used at compressor and/or pumping stations in *pipeline transport* (fuels and electricity) within the national territory is included in transport. However, it is recognized that some countries with a large production of oil and gas, find it difficult to split between energy for pipeline transport and other fuels consumed in the oil and gas extraction industries.

8.40. *Other*. This group consists of other energy consumers. **It is recommended** that countries subdivide this group at least in the following subgroups (see Chapter 5).

- Commercial and public services
- Agriculture and Forestry
- Fishing
- Households
- Not elsewhere specified (includes military consumption)

8.41. Fuels used in tractors for the purpose of farming, transport modes for military means of transport and fishing are not considered, by convention, as fuels for transport purposes and are included here. Oil consumption for fishing should include all fishing vessels, including those engaged in deep-sea fishing. It is important to ensure that oils delivered to deep-sea fishing vessels are not included in quantities reported as international marine bunkers.

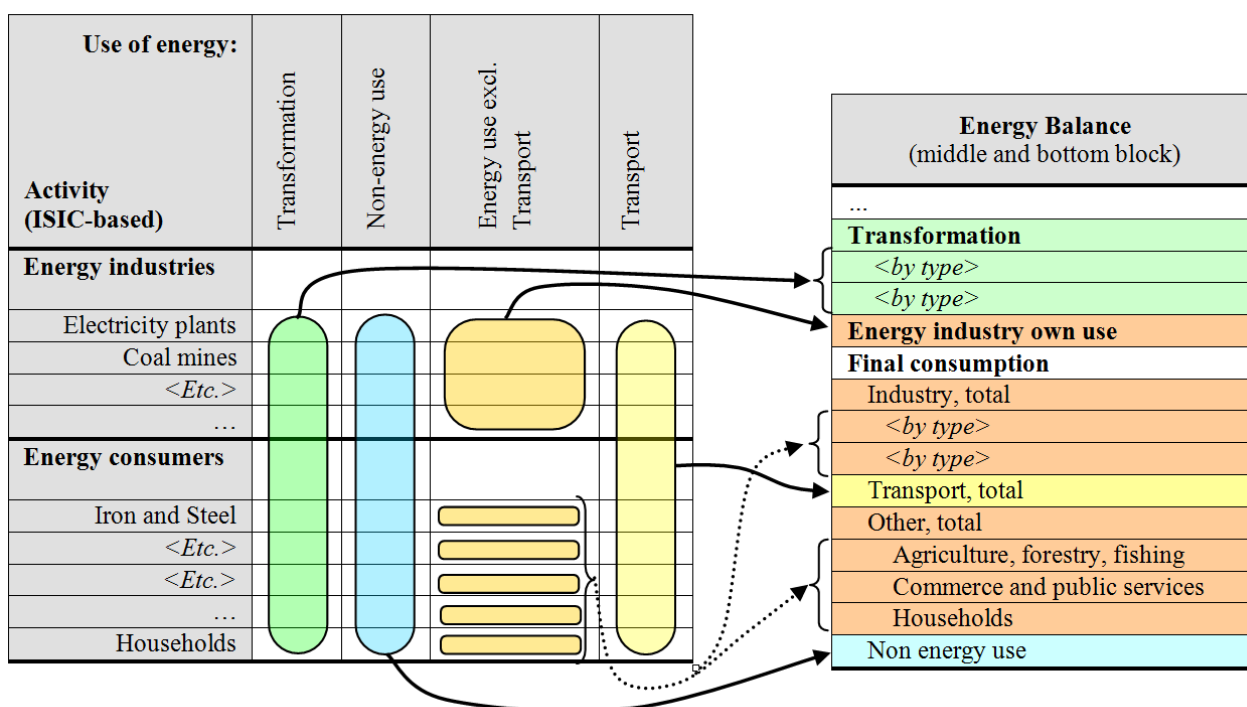
8.42. **It is recommended** that countries make further division of the major consumption sectors as described above, but the division on industry will depend on the country’s needs and the level of detail of the basic statistics.

8.43. *Use of energy products for non-energy purposes*. This use appears as a separate row in the energy balance. It can be further disaggregated by the compiling countries in accordance with their

needs and priorities. For example, countries may wish to show non-energy use of energy products by chemical and petrochemical industry, transport<sup>3</sup> and other.

8.44. In order to explain how the use of energy products in the different economic units are reflected in the energy balances, Figure 8.1 below illustrates this by expanding on Figure 5.2 presented in Chapter 5.

**Figure 8.1: Uses of energy by economic units and their recording in energy balance**



#### 4. Statistical difference

8.45. *Statistical difference.* In the energy balance, the statistical difference is calculated as the numerical difference between the total supply of a fuel/energy and the total use of it. It arises from various practical limitations and problems related to the collection of the data which make up supply and demand. The data may be subject to sampling or other collection errors, and/or be taken from different data sources which use different time periods, different spatial coverage, different fuel specifications or different conversions from volume to mass or from mass to energy content in the supply and demand sides of the balance. Large statistical difference should be pursued because this indicates that data are inaccurate or incomplete.

<sup>3</sup> In some balances, there is a separate item for transport. One example of non-energy use in transport is lubricants and greases used in engines.

8.46. The statistical difference in commodity balances can provide an explanation for large statistical differences in an energy balance. For example, if the commodity balances show small statistical differences, this may indicate that the conversion factors to energy units should be investigated as they may be the reason for the large statistical difference in the energy balance. Alternatively, if the statistical difference for a specific commodity balance is large, this may indicate that efforts should be made to investigate the data collection for that specific product.

#### D. The templates of a detailed and aggregated energy balance

8.47. **It is recommended** that countries compile and disseminate an official annual energy balance on a regular basis. **It is further recommended** that countries follow as much as possible the template of a detailed energy balance as presented in Table 8.1 below.

**Table 8.1: Template of a detailed energy balance**

| Item code | Flows                                     |   | Energy products |    |    |     |       |                                 |
|-----------|---|---|-----------------|----|----|-----|-------|---------------------------------|
|           |   |   | E1              | E2 | E3 | ... | Total | <i>of which:<br/>Renewables</i> |
| 1.1       | Primary production                        | + |                 |    |    |     |       |                                 |
| 1.2       | Imports                                   | + |                 |    |    |     |       |                                 |
| 1.3       | Exports                                   | - |                 |    |    |     |       |                                 |
| 1.4       | International Bunkers                     | - |                 |    |    |     |       |                                 |
|           | International Marine Bunkers              |   |                 |    |    |     |       |                                 |
|           | International Aviation Bunkers            |   |                 |    |    |     |       |                                 |
| 1.5       | Stock changes (closing-opening stocks)    | - |                 |    |    |     |       |                                 |
| <b>1</b>  | <b>Total energy supply</b>                |   |                 |    |    |     |       |                                 |
| <b>2</b>  | <i>Statistical difference</i>             |   |                 |    |    |     |       |                                 |
| <b>3</b>  | <i>Transfers</i>                          |   |                 |    |    |     |       |                                 |
| <b>4</b>  | <b>Transformation</b>                     |   |                 |    |    |     |       |                                 |
| 4.1       | Electricity plants                        |   |                 |    |    |     |       |                                 |
| 4.2       | CHP plants                                |   |                 |    |    |     |       |                                 |
| 4.3       | Heat plants                               |   |                 |    |    |     |       |                                 |
| 4.3       | Coke ovens                                |   |                 |    |    |     |       |                                 |
| 4.4       | Patent fuel plants                        |   |                 |    |    |     |       |                                 |
| 4.5       | Brown coal briquette plants               |   |                 |    |    |     |       |                                 |
| 4.6       | Coal liquefaction plants                  |   |                 |    |    |     |       |                                 |
| 4.7       | Gas works (and other conversion to gases) |   |                 |    |    |     |       |                                 |
| 4.8       | Blast furnaces                            |   |                 |    |    |     |       |                                 |
| 4.9       | Peat briquette plants                     |   |                 |    |    |     |       |                                 |
| 4.10      | Natural gas blending plants               |   |                 |    |    |     |       |                                 |
| 4.11      | Gas to liquid (GTL) plants                |   |                 |    |    |     |       |                                 |
| 4.12      | Oil refineries                            |   |                 |    |    |     |       |                                 |
| 4.13      | Petrochemical plants                      |   |                 |    |    |     |       |                                 |
| 4.14      | Charcoal plants                           |   |                 |    |    |     |       |                                 |
| 4.15      | Other transformation processes            |   |                 |    |    |     |       |                                 |
| <b>5</b>  | <b>Energy Industries own use</b>          |   |                 |    |    |     |       |                                 |
| <b>6</b>  | <b>Losses</b>                             |   |                 |    |    |     |       |                                 |
| <b>7</b>  | <b>Final consumption</b>                  |   |                 |    |    |     |       |                                 |
| 7.1       | INDUSTRY, total                           |   |                 |    |    |     |       |                                 |
| 7.1.2     | Iron and steel                            |   |                 |    |    |     |       |                                 |
| 7.1.3     | Chemical and petrochemical                |   |                 |    |    |     |       |                                 |
| 7.1.4     | Non-ferrous metal                         |   |                 |    |    |     |       |                                 |
| 7.1.5     | Non-metallic minerals                     |   |                 |    |    |     |       |                                 |
| 7.1.6     | Transport equipment                       |   |                 |    |    |     |       |                                 |

|        |  |  |  |  |  |  |  |  |
|--------|--|--|--|--|--|--|--|--|
| 7.1.7  | Machinery  |  |  |  |  |  |  |  |
| 7.1.8  | Mining and quarrying                               |  |  |  |  |  |  |  |
| 7.1.9  | Food and tobacco                                   |  |  |  |  |  |  |  |
| 7.1.10 | Paper, pulp and print                              |  |  |  |  |  |  |  |
| 7.1.11 | Wood and wood products (Other than pulp and paper) |  |  |  |  |  |  |  |
| 7.1.12 | Textile and leather                                |  |  |  |  |  |  |  |
| 7.1.13 | Construction                                       |  |  |  |  |  |  |  |
| 7.1.14 | Industries not elsewhere specified                 |  |  |  |  |  |  |  |
| 7.2    | TRANSPORT, total                                   |  |  |  |  |  |  |  |
| 7.2.1  | Road   |  |  |  |  |  |  |  |
| 7.2.2  | Rail   |  |  |  |  |  |  |  |
| 7.2.3  | Domestic aviation                                  |  |  |  |  |  |  |  |
| 7.2.4  | Domestic navigation                                |  |  |  |  |  |  |  |
| 7.2.5  | Pipeline transport                                 |  |  |  |  |  |  |  |
| 7.2.6  | Transport not elsewhere specified                  |  |  |  |  |  |  |  |
| 7.3    | OTHER, total                                       |  |  |  |  |  |  |  |
| 7.3.1  | Agriculture and Forestry                           |  |  |  |  |  |  |  |
|        | Fishing  |  |  |  |  |  |  |  |
| 7.3.2  | Commerce and public services                       |  |  |  |  |  |  |  |
| 7.3.4  | Households   |  |  |  |  |  |  |  |
| 7.3.5  | Not elsewhere –specified                           |  |  |  |  |  |  |  |
| 7.4    | Non energy use                                     |  |  |  |  |  |  |  |

8.48. It is recognized that countries may compile balances using different format/structure. In many cases an aggregated format is sufficient and countries may adopt the aggregations which best suite their national purposes. However, to ensure international comparability and to assist in monitoring the implementation of various international agreements and conventions, **it is recommended that** the template presented in Table 8.2 is used, as applicable, when only main aggregates have to be shown.

**Table 8.2: Template of an aggregated energy balance**

| Item code | Flows                            |   | Energy products |    |    |     |       |                                 |
|-----------|----------------------------------|---|-----------------|----|----|-----|-------|---------------------------------|
|           |                                  |   | E1              | E2 | E3 | ... | Total | <i>of which:<br/>Renewables</i> |
| 1.1       | Primary production               | + |                 |    |    |     |       |                                 |
| 1.2       | Imports                          | + |                 |    |    |     |       |                                 |
| 1.3       | Exports                          | - |                 |    |    |     |       |                                 |
| 1.4       | International Bunkers            | - |                 |    |    |     |       |                                 |
| 1.5       | Stock change (closing-opening)   | - |                 |    |    |     |       |                                 |
| 1         | <b>Total energy supply</b>       |   |                 |    |    |     |       |                                 |
| 2         | <i>Statistical difference</i>    |   |                 |    |    |     |       |                                 |
| 3         | <i>Transfers</i>                 |   |                 |    |    |     |       |                                 |
| 4         | <b>Transformation</b>            |   |                 |    |    |     |       |                                 |
| 5         | <b>Energy Industries own use</b> |   |                 |    |    |     |       |                                 |
| 6         | <b>Losses</b>                    |   |                 |    |    |     |       |                                 |
| 7         | <b>Final consumption</b>         |   |                 |    |    |     |       |                                 |
| 7.1       | INDUSTRY, total                  |   |                 |    |    |     |       |                                 |
|           | Iron and steel                   |   |                 |    |    |     |       |                                 |
|           | Chemical and petrochemical       |   |                 |    |    |     |       |                                 |
|           | Other Industry                   |   |                 |    |    |     |       |                                 |
| 7.2       | TRANSPORT, total                 |   |                 |    |    |     |       |                                 |
|           | Road                             |   |                 |    |    |     |       |                                 |
|           | Rail                             |   |                 |    |    |     |       |                                 |
|           | Domestic aviation                |   |                 |    |    |     |       |                                 |

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|-----|---|--|--|--|--|--|--|--|
|     | Domestic navigation                         |  |  |  |  |  |  |  |
|     | Other Transport                             |  |  |  |  |  |  |  |
| 7.3 | OTHER, total                                |  |  |  |  |  |  |  |
|     | Of which: Agriculture, forestry and fishing |  |  |  |  |  |  |  |
|     | Households                                  |  |  |  |  |  |  |  |
| 7.4 | Non energy use                              |  |  |  |  |  |  |  |

## nciliation and estimation of missing data

8.49. It is recognized that compilation of an energy balance will require the use of various sources of data, including those collected by energy statisticians as well as those collected by compilers of other statistical domains. This implies assessment of data accuracy, data reconciliation, estimation of missing data and imputation. While detailed information on good practices will be provided in the ESCM, some general recommendations can be formulated and are presented below.

### *Accuracy requirements*

8.50. An energy balance includes interdependent elements of significantly differing levels of reliability and it may become very difficult to assess the accuracy of the aggregated data. Such difficulties should not, however, be regarded as insurmountable barriers to progress, but as challenges to be addressed as experience is gained and good practices are identified. **It is recommended that** accuracy requirements applicable for basic energy data, which are used in the balance, are clearly described in country energy statistics metadata.

### *Estimation of missing data*

8.51. **It is recommended** that countries estimate missing data in order to maintain the integrity of the balance and follow in the estimate generation, general principles established in other areas of economic statistics<sup>4</sup> as well as good practices applicable to energy statistics which will be elaborated in the forthcoming ESCM.

### *Reconciliation*

8.52. As compilation of energy balances require use of data based on various data sources, the reconciliation is needed in order to ensure the coherence of data and absence of double counting. Examples of data which need special attention include foreign merchandise trade statistics and enterprise surveys while compiling imports/exports of energy products and international bunkers. **It is recommended that** countries provide a summary of the reconciliation in the energy balance metadata to ensure the transparency of the energy balance preparation and to assist users in proper interpretation of the information contained in it.

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<sup>4</sup> See, for example UN 2009a and 2009b

8.53. *Reconciliation of data on imports and exports of energy products.* Compilation of import and export data to be shown in energy balances should be done with special care, as official foreign merchandise trade statistics may not always satisfy needs of balance compilers and data obtained from enterprise surveys might be needed to complement it. However, **it is recommended that** the suitability of foreign merchandise trade statistics is always reviewed and available data are used to the maximum extent possible to avoid duplication of efforts and publishing of different figures. If, however, use of enterprise surveys becomes a necessity and differed figures on exports and imports of energy products will be published in energy balance and trade statistics, an appropriate explanation of the differences are to be published as a part of energy balance metadata. **It is further recommended that** energy and trade statisticians regularly review data collection procedures to ensure that needs of energy statistics are met as much as possible. The correspondence table between the HS and SIEC should be developed and used to present external trade flows in the energy categories adopted for energy balance purposes.

## Chapter 9. Data quality assurance and metadata

### A. Quality and its dimensions

9.1. *Quality.* Ensuring data quality is a core challenge of all statistical offices. Energy data made available to users are the end product of a complex process comprising many stages, including the collection of data from various sources, data processing, data formatting to meet user needs and finally, data dissemination. Achieving overall data quality is dependent upon ensuring quality in all stages of the process.

9.2. *Quality assurance.* Quality assurance comprises all planned activities that provide confidence that the product or service is adequate for its intended use by clients and stakeholders. In other words, the quality is judged by its “fitness for use”. Good quality also means addressing the concerns of respondents regarding reporting burden and confidentiality, and ensuring that the institutional environment is impartial, professional and comprises sound methodology and cost-effective procedures. All the measures that responsible agencies take to assure data quality constitute quality assurance. **Countries are encouraged** to: develop their own national energy data quality assurance programmes; document these programmes; develop measures of data quality; and make these available to users.

9.3. *Data quality assurance frameworks.* Most international organizations and countries have developed general definitions of data quality, outlining the various dimensions (aspects) of quality and quality measurement, and integrating them into quality assurance frameworks. Although these quality assurance frameworks may differ to some extent in their approaches to quality and in the number, name and scope of quality dimensions, they complement each other and provide comprehensive and flexible structures for the qualitative assessment of a broad range of statistics, including energy statistics

9.4. *Objectives and uses of quality assurance frameworks.* The overall objective of these frameworks is to standardize and systematize quality practices and measurement across countries. They allow the assessment of national practices in energy statistics in terms of internationally (or regionally) accepted approaches for data quality measurement. The quality assurance frameworks could be used in a number of contexts, including: (a) guiding countries’ efforts towards strengthening and maintaining their statistical systems by providing a self-assessment tool and a means of identifying areas for improvement; (b) technical assistance purposes; (c) reviews of a country’s energy statistics programme as performed by international organizations; and (d) assessments by other groups of data users.

9.5. *Prerequisites of quality.* Prerequisites of quality refer to all institutional and organizational conditions that have an impact on the quality of energy statistics. The elements within this dimension include: the legal basis for the compilation of data; adequacy of data-sharing and coordination among data-producing agencies; assurance of confidentiality and security of information; adequacy of human, financial, and technical resources for the professional operation of energy statistics programmes and the implementation of measures to ensure their efficient use; and quality awareness.

9.6. *Dimensions of quality.* National statistical offices, the energy ministries and/or agencies responsible for energy statistics can decide to implement one of the existing frameworks for quality assurance for any type of statistics, including energy statistics, either directly or by developing, on the basis of those frameworks, a national quality assessment framework that best fits their country's practices and circumstances. The following dimensions of quality reflect a broad perspective and in consequence have been incorporated in most of the existing frameworks. These should be taken into account when measuring and reporting the quality of statistics in general and energy statistics in particular. These dimensions can be divided into *static* and *dynamic* elements of quality.

9.7. *Static elements of quality.* Some dimensions of quality can be characterized as *static* in the sense that they tend to change relatively slowly and are always a consideration when managing quality. Static elements of quality include: relevance, credibility, accuracy, timeliness, coherence and accessibility.

(a) *Relevance.* The relevance of energy statistics reflects the degree to which the data are able to meet the needs of key users in government, business and the community, within available resources. Therefore, measuring relevance requires the identification of user groups and their data needs. The responsible agencies should balance the different needs of current and potential users by delivering a programme that goes as far as possible towards satisfying the most important needs of key users in terms of the content of energy data, coverage, timeliness, etc., given resource constraints. Strategies for measuring relevance include tracking requests from users and the ability of the energy statistics programme to respond, conducting users' satisfaction surveys and studying their results, and consulting directly with key users about their interests, needs and priorities, and their views of the gaps and deficiencies in the energy statistics programme. Also, since needs evolve over time, all ongoing statistical programmes should be regularly reviewed to ensure their relevance.

(b) *Credibility.* The credibility or integrity of energy statistics is built over time and refers to the confidence that users place in those data based on the reputation of the responsible agencies producing the data. One important aspect of credibility is trust in the objectivity of the data, which implies that the data are perceived to be produced professionally in accordance with accepted statistical standards, and that policies and practices are transparent. For example, data should not be manipulated, withheld or

delayed, nor should their release be influenced by political pressure. Data must be kept confidential and secure. Decisions surrounding the prioritization of statistical needs should be transparent.

(c) *Accuracy*. The accuracy of energy statistics refers to the degree to which the data correctly estimate or describe the quantities or characteristics that they have been designed to measure. It has many facets and there is no single overall measure of accuracy. In general, it is characterized in terms of errors in statistical estimates and is traditionally decomposed into bias (systematic error) and variance (random error) components. However, it also encompasses the description of any processes undertaken by responsible agencies to reduce measurement errors. In the case of energy estimates based on data from sample surveys, the accuracy can be measured using the following indicators: coverage rates, sampling errors, non-response errors, response errors, processing errors, and measuring and model errors. Regular monitoring of the nature and extent of revisions to energy statistics are considered a gauge of reliability. Management of accuracy requires particular attention during design, implementation and assessment stages of a survey.

- i) As regards *design*, measures taken to promote accuracy include: ensuring that the project team includes the participation of staff with the necessary expertise in energy subject matter, methodology, operations and systems; ensuring specialized support for developing concepts and definitions, questionnaire design, survey frames, sampling and estimation; securing response and dealing with non-response; seasonal adjustment; dissemination; and evaluation.
- ii) Mechanisms for monitoring *implementation* are built into the survey processes at the design stage. Two types of information are required: first, to monitor and correct, in real time, any problems arising during survey implementation; and second, to assess whether the design was implemented as planned, whether some aspects were problematic, and what lessons were learned from the operational standpoint.
- iii) *Assessment* of accuracy is also an important consideration at the design stage since much of the information required must be recorded while the survey is taking place. As accuracy is multidimensional, choices have to be made regarding the most important indicators for each individual survey. Also, as each survey produces thousands of different estimates, either a generic method of indicating the accuracy of large numbers of estimates is used, or the indicators are confined to certain key estimates.

As many design issues are highly technical, independent review is vital. Options include the referral of technical issues to internal advisory committees, consulting with other statistical agencies, participation in working groups of international organizations, the presentation of technical issues and proposed solutions at professional meetings, etc.

(d) *Timeliness*. Timeliness of information refers to the length of time between the end of the reference period to which the information relates and its availability to users. Timeliness

targets are derived from relevance considerations, in particular the period for which the information remains useful for its main purposes. This varies with the rate of change of the phenomena being measured, with the frequency of measurement, and with the immediacy of user response to the latest data. Timeliness is a design decision, often involving trade-offs with accuracy and cost. Thus, improved timeliness is not an unconditional objective. Rather, timeliness is an important characteristic that is monitored over time to provide a warning of deterioration. Furthermore, timeliness expectations are likely to heighten as users become accustomed to immediacy in all forms of service delivery, thanks to the pervasive impact of technology. Mechanisms for managing timeliness include announcing release dates well in advance, issuing preliminary estimates, adhering to release schedules and making best use of modern technology. Measures of timeliness would be the elapsed time between the identified release date and the effective dissemination date, or the extent to which the programme meets its target dates.

- (e) *Coherence*. The coherence of energy statistics reflects the degree to which the data are logically connected and mutually consistent, that is to say, the degree to which they can be successfully brought together with other statistical information within a broad analytical framework and over time. The use of standard concepts, definitions, classifications and target populations promotes coherence, as does the use of a common methodology across surveys. Coherence, which does not necessarily imply full numerical consistency, has four important sub-dimensions:
  - i) *Coherence within a data set*. This implies that the elementary data items are based on compatible concepts, definitions and classifications and can be meaningfully combined. For energy statistics, this sub-dimension governs the need for all data items to be compiled in conformity with the methodological basis of the recommendations presented in IRES. Automated processes and methods, such as coding tools, can be used to identify issues and promote consistency;
  - ii) *Coherence across data sets*. The coherence between energy statistics and other statistics (e.g., economic, environmental) will be ensured if all data sets are based on common concepts, definitions, valuation principles, classifications, etc., and as long as any differences are explained and can be allowed for;
  - iii) *Coherence over time*. This implies that the data are based on common concepts, definitions and methodology over time and is compiled on the basis of the recommendations in IRES. If this is not the case, it is advisable that countries clearly note the divergences from the recommendations;
  - iv) *Coherence across countries*. This implies that the data are based on common concepts, definitions, classifications and methods across countries. This coherence can be promoted through the adoption of the recommendations in IRES, through multi-lateral collaboration between statistical agencies, by sharing knowledge through participation

at conferences and workshops, by provision of technical assistance and support to developing statistical agencies, etc.

- v) *Accessibility.* Accessibility of information refers to the ease with which users can learn of its existence, locate it, and import it into their own working environment. It includes the suitability of the form or medium through which the information can be accessed and its cost. Aspects of accessibility also include the availability of metadata and the existence of user support services. Accessibility requires development of an advance release calendar so that the users will be informed well in advance about when and where the data will be available and how to access them.

9.8. *Dynamic elements of quality.* Certain aspects of quality are more dynamic, being intimately linked to the external environment in which statistical agencies operate, and are subject to quick changes as the environment evolves. As such, the statistical agency must have the capacity, flexibility, knowledge and expertise to respond accordingly. These elements include: non-response, coverage and sampling.

- (a) *Non-response.* One of the biggest challenges in maintaining quality is ensuring good response rates. In order to maintain the cooperation of data suppliers, statistical agencies must be responsive to their needs and issues, such as growing response burden, concerns over data confidentiality and security, the availability of other data reporting options, etc. In the longer term, decreasing response rates and increasing costs of traditional data collection methods will require statistical agencies to develop more cost-effective methods for collection and follow-up. Strategies could include moving to electronic reporting, making greater use of administrative data sources, tapping into the increasing availability of operational metadata (paradata) to improve frames, support imputation or to adjust for non-response bias errors at the aggregate level.
- (b) *Coverage.* Coverage is determined by the quality of survey frames. The use of administrative data sources to establish frames can place surveys at risk, should the administrative programs be cancelled or changed, or if they do not adhere to classification standards. Businesses are constantly forming and disappearing, merging and divesting, entering and exiting industries, and adding and dropping products and services. There is often a time lag in detecting these changes from administrative data. Thus the agency must be prepared to supplement administrative data by investing in its own maintenance mechanisms.
- (c) *Sampling.* Over time a survey design deteriorates in the sense that the data used to stratify and select units become out of date and the sample becomes less efficient. Furthermore, demand for data on specific subpopulations may emerge that the sample was not designed to support. Thus, ongoing surveys require periodic redesign. Redesigns of business surveys are more frequent, to keep up with changes in the business universe. Sample redesign is an opportunity to introduce new techniques, for example, multiple frames and adaptive sampling and to spread respondent burden more evenly. One challenge could be how to

fund these redesigns, which often include a parallel run of the old and new samples in order to ensure that the redesign itself does not introduce breaks in the statistical series.

9.9. *Interconnectedness and trade-offs.* The dimensions of quality described above are overlapping and interconnected and as such, are involved in a complex relationship. Action taken to address or modify one aspect of quality may affect other aspects. For example, there may be a trade-off between aiming for the most accurate estimation of the total annual energy production or consumption by all potential producers and consumers, and providing this information in a timely manner when it is still of interest to users. **It is recommended that** if, while compiling a particular energy statistics data set, countries are not in a position to meet the accuracy and timeliness requirements simultaneously, they should produce a provisional estimate, which would be available soon after the end of the reference period but would be based on less comprehensive data content. This estimate would be supplemented at a later date with information based on more comprehensive data content but would be less timely than its provisional version. If there is no conflict between these two quality dimensions, there will of course be no need to produce such estimates.

9.10. *Other trade-offs.* At times, other conflicting situations may emerge that require difficult trade-offs. For example, ensuring the efficiency or cost-effectiveness of the statistical program may create challenges for ensuring relevance by limiting the flexibility of the program to address important gaps and deficiencies. A national governance structure will be required to make the necessary decisions relating to these types of difficult trade-offs.

9.11. *Measurement of quality.* The measurement of the quality of any statistical data, including energy statistics, is not a simple task. Problems arise from the difficulties involved in quantifying the levels of individual dimensions and in aggregating the levels of all dimensions. Under these circumstances, deriving a single quantitative measure of quality is not possible. In the absence of such a single measure, countries **are encouraged** to use a system of quality measures/indicators (see section B below), to develop their own quality assurance frameworks based on the above-mentioned approaches, taking into consideration the specific circumstances of their economies, and to regularly issue quality reports as part of their metadata. The quality framework offers responsible agencies a practical approach to providing data that meet different users' needs, while the provision of quality information allows users to judge for themselves whether a data set meets their particular quality requirements. **It is recommended that** a quality review of energy statistics be undertaken periodically, for example every four to five years, or more frequently if significant methodological or other changes in the data sources occur. An example of a template for a generic quality assurance framework is presented in Table 9.1.

**Table 9.1 Generic National Quality Assurance Framework (QAF)**

|   |   |
|---|---|
| <p><b><i>Introduction</i></b></p>                                       | <ul style="list-style-type: none"> <li>➤ Current environment and key issues driving need for quality management.</li> <li>➤ Benefits of developing a QAF.</li> <li>➤ Relationship to other statistical office policies, strategies and frameworks.</li> <li>➤ Overview of content of QAF</li> </ul>   |
| <p><b><i>Quality Concepts and Instruments</i></b></p>                   | <ul style="list-style-type: none"> <li>➤ Existing quality policies, models, objectives and procedures.</li> <li>➤ Role of QAF - where the QAF fits in the quality toolkit.</li> </ul>   |
| <p><b><i>Quality Assurance Procedures</i></b></p>                       | <ul style="list-style-type: none"> <li>➤ Fostering good relationships and communication with users and stakeholders, through user satisfaction surveys, consultations, other feedback mechanisms such as councils, meetings</li> <li>➤ Ensuring relevance, through periodic program review, feedback on needs, issues and priorities from key stakeholders, data analysis</li> <li>➤ Promoting accuracy, through expert design, ongoing assessment and quality control, the development and application of a revision policy.</li> <li>➤ Enhancing timeliness and punctuality, by providing advanced release dates, adhering to preliminary and final release schedules</li> <li>➤ Enabling access, through product definition, promoting awareness, dissemination practices and tools</li> <li>➤ Supporting interpretability and clarity, by providing information on concepts, sources, methods, quality.</li> <li>➤ Enhancing coherence and comparability, through the use of standards, harmonized concepts and methods</li> <li>➤ Managing quality tradeoffs, in regards to relevance, accuracy, timeliness, cost-effectiveness</li> <li>➤ Nurturing provider relationships, by addressing issues such as response burden, response rates, reporting practices</li> <li>➤ Building statistical infrastructure, such as standards, registers, policies on confidentiality, security, transparency</li> <li>➤ Managing metadata, by providing necessary documentation</li> </ul> |
| <p><b><i>Quality Assessment/ Program Review</i></b></p>                 | <ul style="list-style-type: none"> <li>➤ Quality indicators: defining key measures of quality, collecting, analysing, synthesizing data</li> <li>➤ Quality targets: setting targets and monitoring progress towards achievement</li> <li>➤ Quality assessment program, by self-assessment, peer review, labeling/certification</li> </ul>   |
| <p><b><i>Quality and Performance Management and Improvement</i></b></p> | <ul style="list-style-type: none"> <li>➤ Performance management: planning, cost-effectiveness and efficiency, sharing good practices</li> <li>➤ Continuous improvement program: establishing a culture of quality, self-assessment, ongoing enhancements</li> <li>➤ Governance structure: for decision-making on issues such as quality trade-offs, investments, new initiatives, responding to findings from quality assessments</li> </ul>  |
| <p><b><i>Conclusion</i></b></p>   | <ul style="list-style-type: none"> <li>➤ Summary of benefits</li> </ul>   |

## **B. Quality measures and indicators**

9.12. *Quality measures.* Quality measures are defined as those items that directly measure a particular aspect of quality. For example, the time lag from the reference date to the release of particular energy statistics is a direct quality measure of timeliness. However, in practice, many

quality measures can be difficult or costly to calculate. In these cases, quality indicators can be used to supplement or act as substitutes for the desired quality measurement.

9.13. *Quality indicators.* Quality indicators can be described as quantitative data that provide evidence about the quality or standard of the data collected by statistical agencies. They are linked to the achievement of particular goals or objectives. Unlike ordinary raw statistics, quality indicators are generally conceptualized in terms of having some reference point and, so structured, can assist in making a range of different types of comparisons.

9.14. *Quality indicators as indirect measures.* Quality indicators usually consist of information that is a by-product of the statistical process. They do not measure quality directly but can provide enough information for the assessment of a quality. For example, in respect to accuracy, it is very challenging to measure non-response bias as the characteristics of non-respondents can be difficult and costly to ascertain. In this instance, the response rate is often utilized as a proxy to provide a quality indicator of the possible extent of non-response bias. Other data sources can also serve as a quality indicator to validate or confront the data. For example, in the energy balances, energy consumption data can be compared with production figures to flag potential problem areas.

9.15. *Selection of quality measures and indicators.* It is not intended that all quality dimensions should be addressed for all data. Instead, countries **are encouraged** to select those quality measures/indicators that together provide an assessment of the overall strengths, limitations and appropriate uses of a given data set. Certain types of quality measures and indicators can be produced for each data item. For example, response rates for total energy production can be calculated and disseminated with each new estimate. Alternatively, other measures could be produced once for all data items and would be rewritten only if there were changes.

9.16. *Defining quality indicators.* When countries define the quality indicators for energy statistics, **it is recommended that** they ensure that the indicators satisfy the following criteria: (a) they cover part or all of the dimensions of quality as defined previously; (b) the methodology for their compilation is well established; and (c) the indicators are easy to interpret.

9.17. *Types of quality indicators.* Quality indicators can be classified according to their importance as follows:

- (a) *Key indicators.* Two examples of key quality indicators are: the coefficient of variation which measures the accuracy of energy statistics obtained through sample surveys, and the elapsed time between the end of the reference period and the date of the first release of data, which measures the timeliness of energy statistics;
- (b) *Supportive indicators* are considered important as indirect measures of the data quality. Such an indicator, for example, is the average size of revisions undertaken between the

provisional and final estimates of a particular data set, which is an indicator of the accuracy of energy statistics;

- (c) *Indicators for further analysis*, which are subject to further examination and discussion on the part of responsible agencies. After a careful analysis of the responsible agencies capabilities and available resources, for example, some countries may decide to conduct a user satisfaction survey and calculate a user satisfaction index for measuring the relevance of energy statistics.

9.18. *Balance of indicators*. **It is recommended** that careful attention be paid by countries to maintaining an appropriate balance between different dimensions of quality and the number of indicators. The objective of quality measurement is to have a practical set (limited number) of indicators which can be used to monitor over time the quality of the energy data produced by the responsible agencies and to ensure that users are provided with a useful summary of overall quality, while not overburdening respondents with demands for unrealistic amounts of metadata.

9.19. *Minimum set of quality measures/indicators*. Table 9.2 below presents a limited set of key indicators which countries **are encouraged** to use on a regular basis for measuring the quality of energy statistics. Their utilization is easy to implement and they provide users with a clear and up-to-date overview of the overall quality of energy statistics.

**Table 9.2: Key indicators for measuring the quality of energy statistics**

| <i>Quality dimension</i> | <i>Quality measure/indicator</i>  |
|--------------------------|---|
| Relevance                | <ul style="list-style-type: none"> <li>• Identification of gaps between key user needs and compiled energy statistics in terms of concepts, coverage and detail. Compile through structured consultations and regular feedback</li> <li>• Perception from user feedback surveys</li> <li>• Monitor requests for information and the capacity to respond</li> </ul>                                |
| Credibility              | <ul style="list-style-type: none"> <li>• Perceptions from user feedback survey</li> </ul>   |
| Accuracy                 | <ul style="list-style-type: none"> <li>• Sampling errors <ul style="list-style-type: none"> <li>- Standard errors</li> </ul> </li> <li>• Non-sampling errors <ul style="list-style-type: none"> <li>- Overall response rate</li> <li>- Item response rate</li> </ul> </li> <li>• Quantity response rate (e.g., percentage of total energy production reported, weighted response rate)</li> </ul> |
| Timeliness               | <ul style="list-style-type: none"> <li>• Number, frequency and size of revisions to energy data</li> <li>• Time lag between the end of the reference period and the date of the first release (or the release of final results) of energy data</li> </ul>   |
| Coherence                | <ul style="list-style-type: none"> <li>• Comparison and joint use of related energy data from different sources</li> <li>• Number and rates of divergences from the relevant international statistical standards in concepts and measurement procedures used in the collection/compilation of energy statistics</li> </ul>  |
| Accessibility            | <ul style="list-style-type: none"> <li>• Number of announcements of release of energy data</li> <li>• Number and types of methods used for dissemination of energy</li> </ul>   |

|              |   |
|--------------|---|
|              | statistics  |
|              | <ul style="list-style-type: none"> <li>• Number of energy statistics data sets made available, by mode of dissemination, as a percentage of total energy statistics data sets produced</li> </ul> |
| Non-response | <ul style="list-style-type: none"> <li>• The number of requests for information</li> <li>• Non-response rate</li> <li>• Imputation rate</li> </ul>  |
| Coverage     | <ul style="list-style-type: none"> <li>• Proportion of population covered by data collected</li> </ul>  |
| Sampling     | <ul style="list-style-type: none"> <li>• Deterioration of sample</li> </ul>   |

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## C. Metadata on energy statistics

9.20. *Content of statistical data.* Generally, statistical data consist of the following:

- (a) *Microdata:* data on the characteristics of all or a subset of units of a population, such as establishments and enterprises, collected by a census, a survey or from administrative records;
- (b) *Macrodata:* data derived from microdata by grouping or aggregating them, such as total number of establishments or total value added;
- (c) *Metadata:* data that describe the microdata, macrodata or other information.

9.21. *Metadata.* The term metadata defines all information used to describe other data. A very short definition of metadata is “data about data.” Metadata descriptions go beyond the pure form and content of data to encompass administrative facts about the data (e.g., who has created them and when?), and how data were collected and processed before they were disseminated or stored in a database. In addition, metadata facilitate the efficient search for and location of data. Documentation on data quality and methodology is an integral component of statistical data and analytical results based on these data. Such documentation provides the means of assessing fitness for use and contributes directly to their interpretability.

9.22. *Statistical metadata.* Statistical metadata describe or document microdata, macrodata or other metadata and facilitate the sharing, querying and understanding of data. Statistical metadata also refer to any methodological descriptions on how data are collected and manipulated. For energy statistics, for example, metadata include the name of the data item, the unit from which the information has been collected, data sources, information about classifications used and series breaks, and definitions and methodologies used in their compilation. Metadata are essential for the interpretation of statistical data. Without appropriate metadata, it would not be possible to fully understand energy statistics or to conduct international comparisons.

9.23. *Metadata and quality.* There is a bidirectional relationship between metadata and quality. On the one hand, metadata describe the quality of statistics. On the other hand,

metadata are a quality component which improves the availability and accessibility of statistical data.

9.24. *Users and uses of metadata.* There are many types of users and uses for any given set of data. The wide range of possible users and uses means that a broad spectrum of metadata requirements has to be addressed. In particular, the responsible agencies as data suppliers must make sufficient metadata available to enable both the least and the most sophisticated users to readily assess the data and their quality. **It is recommended** that segmentation of users into groups and a layered approach to metadata presentation, in which each successive layer provides more detail, be accepted by countries. As a minimum segmentation, metadata at the following two levels **are recommended**:

- (a) *Structural metadata* presented as an integral part of the data tables;
- (b) *Reference metadata* providing details on the content and quality of data which may accompany the tables or be presented separately via the Internet or in occasional publications.

9.25. *Use of metadata to promote international comparability.* Metadata provide a mechanism for comparing national practices in the compilation of statistics. This may help and encourage countries to implement international standards and to adopt best practices in the collection of data in particular areas. Better harmonization of approaches adopted by different countries will improve the general quality and coverage of key statistical indicators.

9.26. *Purposes of energy statistics metadata.* The most fundamental purpose of metadata is to help the users of energy statistics to interpret, understand and analyse the data, even if they have not themselves participated in the production of those data. In other words, energy statistics metadata should help users transform statistical data into information. Energy statistics metadata also help producers of statistics. The new knowledge gained from interpreting the data may also lead to enhancements to both production (through lowering the costs and improving the data quality) and dissemination (through the dissemination of comprehensive, timely, accessible and reliable data).

9.27. *Components of metadata.* When disseminating comprehensive energy statistics, the corresponding metadata should encompass a set of recommended components. A template for the types of metadata that should accompany statistical products is presented in Table 9.3.

**Table 9.3: Information that should accompany statistical releases (Metadata)**

|   |
|---|
| <ul style="list-style-type: none"> <li>• Survey/Product name</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Objectives of survey <ul style="list-style-type: none"> <li>○ Why are the data collected?</li> <li>○ Who are the intended users?</li> </ul> </li> </ul>  |
| <ul style="list-style-type: none"> <li>• Timeframe <ul style="list-style-type: none"> <li>○ Frequency of collection (e.g., monthly)</li> <li>○ Reference period (e.g., month)</li> <li>○ Collection period (e.g., 1-15 days following end of reference period)</li> </ul> </li> </ul>         |
| <ul style="list-style-type: none"> <li>• Concepts and definitions <ul style="list-style-type: none"> <li>○ Definitions of key variables and concepts</li> </ul> </li> </ul>   |
| <ul style="list-style-type: none"> <li>• Target population <ul style="list-style-type: none"> <li>○ Survey universe/sampling frame</li> <li>○ Classifications used (e.g., NAICS)</li> </ul> </li> </ul>   |
| <ul style="list-style-type: none"> <li>• Collection method <ul style="list-style-type: none"> <li>○ Direct survey of respondents (sample or census; paper survey or electronic; mandatory or voluntary)</li> <li>○ Administrative data sources</li> </ul> </li> </ul>                         |
| <ul style="list-style-type: none"> <li>• For sample surveys: <ul style="list-style-type: none"> <li>○ Sample size</li> <li>○ Desired/achieved sample error</li> <li>○ Response rates</li> <li>○ Imputation rates</li> </ul> </li> </ul>   |
| <ul style="list-style-type: none"> <li>• Error detection <ul style="list-style-type: none"> <li>○ Processes to identify errors (e.g., missing data, data entry errors, assessing validity of reported data, macro level edits, reconciliation with other data sources)</li> </ul> </li> </ul> |
| <ul style="list-style-type: none"> <li>• Imputation of missing data <ul style="list-style-type: none"> <li>○ Methods used</li> </ul> </li> </ul>  |
| <ul style="list-style-type: none"> <li>• Disclosure control <ul style="list-style-type: none"> <li>○ Explanation of rules of confidentiality and confidentiality analysis</li> </ul> </li> </ul>  |
| <ul style="list-style-type: none"> <li>• Revisions <ul style="list-style-type: none"> <li>○ Description of revisions policy</li> <li>○ Explanation of revisions, if any</li> </ul> </li> </ul>  |
| <ul style="list-style-type: none"> <li>• Description of analytical methods used <ul style="list-style-type: none"> <li>○ Seasonal adjustment</li> <li>○ Rounding</li> <li>○ Multi-variate analysis</li> </ul> </li> </ul>   |
| <ul style="list-style-type: none"> <li>• Other explanatory notes <ul style="list-style-type: none"> <li>○ Breaks in times series due to changes in concepts, coverage, collection, methodology, frame refreshment</li> </ul> </li> </ul>  |
| <ul style="list-style-type: none"> <li>• Links to other information or documents <ul style="list-style-type: none"> <li>○ Questionnaire and reporting guide</li> <li>○ Quality control and editing procedures</li> </ul> </li> </ul>  |

9.28. *Metadata are high priority.* Countries **are encouraged** to accord a high priority to the development of metadata and to consider the dissemination of metadata to be an integral part of the dissemination of energy statistics. Moreover, **it is recommended that**, in consideration of

the integrated approach to the compilation of economic statistics, a coherent system and a structured approach to metadata across all areas of statistics be developed and adopted, focusing on improving their quantity and coverage.

9.29. *Metadata standards.* Various international organizations such as the International Monetary Fund (IMF), Statistical Office of the European Communities (Eurostat) and the Organization for Economic Cooperation and Development (OECD) have developed metadata standards and collected metadata for different areas of statistics. Further guidance on metadata for purposes related to energy statistics will be elaborated and presented in the future *Energy Statistics: Compilers Manual*. Statistical Data and Metadata Exchange (SDMX) technical standards and content-oriented guidelines provide common formats and nomenclatures for exchange and sharing of statistical data and metadata using modern technology. The dissemination of national data and metadata using web technology and SDMX standards **is recommended** as a means to reduce the international reporting burden.

9.30. *Quality reports.* Quality reports are of great help to the users of any energy statistics. Countries **are encouraged** to assemble and to release such quality reports periodically. These reports should summarise all information available on data quality and metadata available and include a description of all assumptions and models used to compile energy statistics, energy balances and energy accounts. **It is recommended** that these reports should be updated periodically. The updating frequency depends on actual changes but should not exceed five years.

## Chapter 10. Dissemination

### A. Importance of energy statistics dissemination

10.1. *Energy data dissemination.* The first fundamental principle of official statistics states, inter alia, that “official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information”<sup>1</sup>. Dissemination is an activity to fulfil this responsibility and refers to the provision to the public of the statistical outputs containing data and related metadata. Energy data are usually disseminated by agencies responsible for energy statistics, in the form of various statistical tables or by provision of access to the relevant databases, however, country practices differ significantly in their effectiveness and further improvements in this area are necessary.

10.2. *Dissemination policy.* The dissemination policy should cover a number of issues including (a) scope of the data for public dissemination, (b) reference period and data dissemination timetable, (c) data revision policy, (d) dissemination formats, and (e) dissemination of metadata and data quality reports. The dissemination policy should be user oriented, reaching and serving all user groups (central government, public organizations and territorial authorities, research institutions and universities, private sector, media, general public, international users), and provide quality information. Each user group has different needs and preferred data formats. The goal should be to reach all kinds of users rather than targeting specific audiences. Therefore, both publications and web sites should be designed, as clearly as possible, for the general public as well as for researchers and the media.

10.3. *Users and their needs.* With the rapid developments in communication technologies, information has become a strategic resource for public and private sectors. Improving dissemination and accessibility of the energy statistics is the core point on users' satisfaction. Effective energy data dissemination is not possible without a good understanding of the user needs (see Chapter 1 Introduction) as this, in many ways, predetermines what data should be considered for dissemination and in what formats. In this context, countries **are encouraged** to work closely with the user community by conducting vigorous outreach campaigns that include building stable and productive relationships with users and key stakeholders, for example, inviting interested users to become standing customers, actively helping users to find the statistical information they need and assisting them in the understanding of the role of energy statistics in sound decision making. In addition, the understanding of the user needs and data requirements will assist in maintaining the relevance of the statistics produced.

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<sup>1</sup> Available from: <http://unstats.un.org/unsd/dnss/gp/fundprinciples.aspx>.

10.4. *Users Satisfaction Surveys.* The user satisfaction survey is an important tool to detect user needs and profiles. User feedback should be integrated into the planning process of official energy statistics in order to improve its effectiveness. It is recommended that countries conduct such surveys with the periodicity established by the responsible country agency.

## **B. Data dissemination and statistical confidentiality**

10.5. One of the important issues all compilers of official statistics face is the definition of the scope of data which can be publicly disseminated. The following elements should be taken into account when disseminating data.

10.6. *Statistical confidentiality.* The protection of data that relate to single statistical units and are obtained directly for statistical purposes or indirectly from administrative or other sources against any breach of the right to confidentiality. It implies the prevention of unlawful disclosure. Statistical confidentiality is necessary in order to gain and keep the trust of both those required to provide data and those using the statistical information. Statistical confidentiality has to be differentiated from other forms of confidentiality under which information is not provided to the public due to other considerations, such as, for example, national security concerns.

10.7. *Fundamental principle of confidentiality in Official Statistics.* Principle 6 of the United Nations Fundamental Principles of Official Statistics provides the basis for managing statistical confidentiality. It states that “Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes”<sup>2</sup>.

10.8. Legal provisions governing statistical confidentiality at the national level are set forth in countries’ statistical laws or other supplementary governmental regulations. National definitions of confidentiality and rules for microdata access may differ, but they should be consistent with the fundamental principle of confidentiality.

10.9. *Protection of statistical confidentiality.* Statistical confidentiality is protected if the disseminated data do not allow statistical units to be identified either directly or indirectly, thereby disclosing individual information. Direct identification is possible if data of only one statistical unit are reported in a cell, while indirect identification or residual disclosure may take place if individual data can be derived from disseminated data (e.g., because there are too few units in a cell, or because of the dominance of one or two units in a cell). To determine whether a statistical unit is identifiable, account shall be taken of all means that might reasonably be used by a third party to identify it. The Energy Statistics: Compilers Manual will contain a separate section on the best country practices in this respect.

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<sup>2</sup> See <http://unstats.un.org/unsd/methods/statorg/FP-English.htm>

10.10. *General rules for protecting confidentiality.* These rules normally require that the following two factors should be taken into account when deciding on the confidentiality of data: (a) number of units in a tabulation cell; and (b) dominance of a unit's or units' contribution over the total value of a tabulation cell. The application of these general rules in each statistical domain is the responsibility of national statistical authorities.

10.11. *Methods of protecting confidentiality.* As the first step in statistical disclosure control of tabular data, the sensitive cells need to be identified. The sensitive cells are those that tend to reveal directly or indirectly information about individual statistical units. Once sensitive cells have been identified, the most common practices carried out to protect against the disclosure of confidential data include:

- (a) *Aggregation.* A confidential cell in a table is aggregated with another cell and the information is then disseminated for the aggregate and not for the two individual cells. This may result, for example, in grouping (and disseminating) data on energy production at the levels of SIEC that adequately ensures confidentiality;
- (b) *Suppression.* Suppression means removing records from a database or a table that contains confidential data. This is a method that allows statisticians not to publish the values in sensitive cells while publishing the original values in other cells (called primary suppression). Suppressing only one cell in a table means, however, that the calculation of totals for the higher levels to which that cell belongs cannot be performed. In this case, some other cells must also be suppressed in order to guarantee the protection of the values in the primary cells, leading to secondary suppression. If suppression is used to protect confidentiality, then it is important to indicate which cells have been suppressed because of confidentiality in the metadata;
- (c) *Other methods.* Controlled rounding and perturbation are more sophisticated techniques for protecting confidentiality of data. Controlled rounding allows statisticians to modify the original value of each cell by rounding it up or down to a near multiple of a base number. Perturbation represents a linear programming variant of the controlled rounding technique.

10.12. *Statistical disclosure.* Statistical disclosure control techniques are defined as the set of methods used to reduce the risk of disclosing information on individual units. While application of such methods occurs at the dissemination stage, they are pertinent to all stages of the process of statistical production. Statistical disclosure control techniques related to the dissemination step are usually based on restricting the amount of data or modifying the data release. Disclosure control methods attempt to achieve an optimal balance between confidentiality protection and the reduction of information. On the basis of available international guidelines<sup>3</sup> and national

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<sup>3</sup> See Principles and Guidelines for Managing Statistical Confidentiality and Microdata Access, background document prepared for the Statistical Commission at its thirty-eighth session, held in New York from 27 February to 2 March 2007 (<http://unstats.un.org/unsd/statcom/sc2007.htm>). [other references to be added, e.g., ECE/Eurostat]

requirements, countries **are encouraged** to develop their own statistical disclosure methods which best suit their specific circumstances.

10.13. An issue of balance between the application of statistical confidentiality and the need for public information exists. Balancing the respect for confidentiality and the need to preserve and increase the relevance of statistics is a difficult issue. It is recognized, that the legislation on statistical confidentiality has to be carefully considered in the cases where their formal application would make it impossible to provide sufficient or meaningful information to the public. In official energy statistics, this issue is of particular importance as in many countries production and distribution of energy is dominated by a very limited number of economic units.

10.14. An illustration of the challenge for official energy statistics comes with the setup of energy balances. If, for instance, the transformation block of an energy balance cannot be published due to confidentiality, the quality of such a balance significantly deteriorates. It will no longer be achievable to have the internal logical energy balance showing the energy flows from production and imports/exports through transformation to final consumption. If an acceptable solution is not found, it will not be possible to publish a meaningful energy balance. The question is how to make it possible to publish energy balances if there are few units in one part of the balance and, hence, the confidentiality issues must be addressed.

10.15. *Application of confidentiality rules in energy statistics.* While recognizing the importance of the general rules on statistical confidentiality, countries should implement those rules in a way to promote access to data while ensuring confidentiality and, thus, ensure the highest possible relevance of energy statistics taking into account their legal circumstances. In this regard, **it is recommended** that:

- (a) Any information deemed confidential (suppressed) be reported in full detail at the next higher level of energy product (or energy flow) aggregation that adequately protects confidentiality;
- (b) Data which are publicly available (e.g., from company reports, publicly available administrative sources) are fully incorporated and disseminated;
- (c) Permission to disseminate certain current data, with or without a certain time delay, is requested from the concerned data reporters;
- (d) Passive confidentiality be considered an option. Passive confidentiality is when the data are made confidential only when the concerned economic entity requests so and the statistical authority finds the request justified based on the adopted confidentiality rules;
- (e) Proposals are formulated to include in the confidentiality rules the provision that data can be disseminated if this does not entail excessive damage to the concerned entity. This implies, consequently, that the rules to determine whether or not “excessive damage” might take place are clearly defined and made publicly available.

### C. Reference period and dissemination timetable

10.16. *Reference period.* **It is recommended** that countries make their energy data on a calendar period basis available, according to the Gregorian calendar and consistent with the recommendations set out in the present publication. For international comparability and international reporting, countries which use the fiscal year should make efforts to make the necessary adjustments.

10.17. *Data dissemination timetable.* In producing statistical information, there is usually a trade-off between the timeliness with which the information is prepared, and the accuracy and level of detail of the published data. A crucial factor, therefore, in maintaining good relations between producers of energy statistics and the user community, is developing and adhering to an appropriate release schedule. **It is recommended** that countries announce in advance the precise dates at which various series of energy statistics will be released. This advance release schedule should be posted at the beginning of each year on the website of the national agency responsible for the dissemination of the official energy statistics.

10.18. The most important elements that should be taken into account in determining the compilation and release schedule of energy statistics include:

- (a) timing of the collection of initial data by various source agencies;
- (b) the extent to which data derived from the major data sources is subject to revisions;
- (c) timing of preparation of important national economic policy documents that need energy statistics as inputs; and
- (d) modes of data dissemination (press release, on-line access, or hard copy).

10.19. Timeliness is the amount of time between the end of the reference period to which the data pertain, and the date on which the data are released. The timeliness of the release of monthly, quarterly and annual energy statistics varies greatly from country to country, mainly reflecting different perspectives on the timeliness, reliability, accuracy and tradeoffs, but also due to differences in available resources and in the efficiency and effectiveness of the statistical production process. Taking into account both the policy needs and prevailing data compilation practices, **countries are encouraged** to:

- (a) release their provisional monthly data (e.g., on totals of energy production, stocks and stock changes), within 2 calendar months after the end of the reference month, at least at the most aggregated level;
- (b) release their provisional quarterly data within 3 calendar months after the end of the reference quarter; and
- (c) release their annual data within 15 calendar months after the end of the reference year.

10.20. The release within 1 calendar month for provisional monthly data on specific flows and products and within 9 to 12 calendar months for provisional annual data is encouraged provided that countries are capable of doing this.

10.21. If countries use additional information for compilation of annual energy statistics, the data for the fourth quarter (or for the twelfth calendar month) need to be compiled and disseminated in their own right and should not be derived as the difference between the annual totals and the sum for the first three quarters (or 11 calendar months) in order to provide undistorted data for all months and quarters.

#### **D. Data revision**

10.22. *Data revisions.* Revisions are an important part of the compilation of energy statistics as the compilation and dissemination of the provisional data often increase the timeliness of energy statistics and its relevance. The provisional data should be revised when new and more accurate information becomes available. Such practice **is recommended** if countries can ensure consistency between provisional and final data. Although, in general, repeated revisions may be perceived as reflecting negatively on the reliability of official energy data, the attempt to avoid them by producing accurate but untimely data will ultimately fail to satisfy users' needs. Revisions affect both annual and short-term energy statistics but they are often more significant for the short-term data.

10.23. *Two main types of revisions.* In general, two types of revisions are differentiated: (a) routine, normal or concurrent revisions which are part of the regular statistical production process and which aim to incorporate new or updated data or to correct data or compilation errors; and (b) major or special revisions which are not part of the regular revision schedule and which are conducted in order to incorporate major changes in concepts, definitions, classifications and changes in data sources.

10.24. With respect to routine revisions, **it is recommended** that countries develop a revision policy which is synchronized with the release calendar. The description of such a policy should be made publicly available. Agencies responsible for official energy statistics may decide to carry out a special revision, in addition to the normal statistical data revisions, for the purpose of reassessing the data or investigating in depth some new economic structures. Such revisions are carried out at longer, irregular intervals of time. Often, they may require changes in the time series going as far back as the beginning of the series to retain the methodological consistency. **It is recommended** that these revisions should be subject to prior notification to users to explain why revisions are necessary and to provide information on the possible impact of the revisions on the released outputs.

10.25. *Revision policy.* Countries **are encouraged** to develop a revision policy for energy statistics that is carefully managed and well coordinated with other areas of statistics. The development of a revision policy should be aimed at providing users with the information necessary for coping with

revisions in a systematic manner. The absence of coordination and planning of revisions is considered a quality problem by users. Essential features of a well-established revision policy are a predetermined release and revision schedules, reasonable stability from year to year, openness, advance notice of reasons and effects, and easy access to sufficiently long time series of revised data, as well as adequate documentation of revisions included in statistical publications and databases. A sound revision policy is recognized as an important aspect of good governance in statistics, as it will not only help the national users of the data but will also promote international consistency.<sup>4</sup> The future Energy Statistics: Compilers Manual will provide detailed information on good practices in revision policy.

## **E. Dissemination formats**

10.26. *Dissemination formats.* A key to the usefulness of energy statistics is the availability of data and hence its broad dissemination. Data can be disseminated both electronically and in paper publications. **It is recommended** that countries choose the dissemination format that best suits their users' needs. For example, press releases of energy statistics have to be disseminated in ways that facilitate re-dissemination by mass media; more comprehensive or detailed statistics need to be disseminated in electronic and/or paper formats. **It is further recommended** that energy statistics be made available electronically and maintained by the responsible agency. Regular data dissemination should satisfy most if not all user needs and customized data sets would be provided only in exceptional cases. It is advisable that countries ensure that users are clearly made aware of the procedures and options for obtaining the required data.

10.27. *Dissemination of metadata.* Provision of adequate metadata and quality assessment of energy statistics are as important to users as the provision of data itself. **Countries are encouraged** to harmonize their data with international standards and follow the recommendations provided in Chapter 9 on data quality assurance and metadata for energy statistics and to develop and disseminate metadata in accordance with the recommendations provided. Countries might consider developing different levels of detail of metadata so as to facilitate access and use.<sup>5</sup>

## **F. International reporting**

10.28. *International reporting.* **It is recommended** that countries disseminate their energy statistics internationally as soon as they become available to national users and without any additional restrictions. In order to ensure a speedy and accurate data transfer to the international

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<sup>4</sup> For examples of good practices, see Organization for Economic Cooperation and Development Data and Metadata Reporting and Presentation Handbook (Paris, 2007), chap.7, "Guidelines on key reporting practices."

<sup>5</sup> For further details on data and metadata reporting, see Organization for Economic Cooperation and Development, *Data and Metadata Reporting and Presentation Handbook* (Paris, 2007).

and regional organizations, **it is recommended** that countries use the Statistical Data and Metadata Exchange (SDMX)<sup>6</sup> format, for possible use in the exchange and sharing of their data.

10.29. *International reporting and confidentiality.* Data collected and disseminated by international organizations depend to a large degree on the quality and completeness of the data supplied by the countries concerned. Therefore, not only does the issue of confidentiality have a national dimension, but it is also becoming international in scope, and for the following reasons: (a) high degree of interest in cross-country comparisons; (b) globalization of energy markets; (c) internationalization of users (including international organizations) of statistical data; and (d) increase of data dissemination over the Internet. As a result, there is a growing demand for countries' data at a very detailed level and in some cases, even a demand for countries' microdata.

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<sup>6</sup> The SDMX technical standards and content oriented guidelines can provide common formats and nomenclatures for exchange and sharing of statistical data and metadata using modern technology. The dissemination of national data and metadata using web technology and SDMX standards is encouraged as a means to reduce the international reporting burden and to increase the efficiency of the international data exchange. For additional information on SDMX, see: <http://www.sdmx.org/>.

## **Chapter 11. Use of Energy Statistics and Balances in the Compilation of Energy Accounts and other Statistics**

### **A. Introduction**

11.1 This chapter reviews different uses of the data items presented in Chapter 6 and the energy balances presented in Chapter 8 for the compilation of energy accounts based on the residence principle, energy indicators and the calculation of greenhouse gas emissions. It also provides a description of the additional data items that need to be collected and/or estimated for such compilations.

11.2 Given the development of the international statistical standard for the System of Environmental and Economic Accounting and its module on energy, the term “energy accounts” is used in IRES to denote the System of Environmental and Economic Accounting for Energy commonly referred to as SEEA-E. Section B presents a brief description of the SEEA-E, it reviews the main differences in concepts and definitions between energy balances and energy accounts; and describes how to compile bridge tables between the two systems. This section also presents the list of additional data items that allows the compilation of energy accounts from the energy balances.

11.3 Energy indicators are an important tool for the monitoring of policies. Section C describes some of the indicators that are commonly used in energy and can be derived from the data items presented in Chapter 6. It should be noted that the list of indicators presented in this chapter is not exhaustive. Countries **are encouraged** to develop the list of relevant indicators according to their policy concerns and data availability.

11.4 Energy statistics and balances are the foundation for the calculation of energy-related greenhouse gas emissions. While the detailed methods for the calculation of such emissions are provided in the IPCC guidelines (and not repeated here), section D provides some reference for the use of energy statistics and balances for the calculation of greenhouse gas emissions.

### **B. The System of Environmental and Economic Accounting for Energy**

11.5 The System of Environmental and Economic Accounting for Energy (SEEA-E) provides a conceptual framework for organizing information on energy and on the economy in a coherent manner consistently with the concepts, definitions and classification of the System of National Accounts (SNA). The SEEA-E consists of the following four modules of accounts.

- (a) Asset accounts in physical and monetary units

(b) Flow accounts in physical and monetary units

(c) Hybrid accounts

11.6 Asset accounts in physical and monetary units describe the stocks at the beginning and end of the accounting year and the changes therein. These accounts are compiled for subsoil deposits of energy resources as well as for energy products.

11.7 Flow accounts describe energy flows, in physical and monetary units, from the extraction from the environment, thru to supply and use within the economy. In particular, the supply table shows the extraction, the production and imports of energy products. The use table shows the total intermediate use of energy by industries, private consumption of households, exports and inventory changes. The format of the supply and use tables is consistent with that of the conventional supply and use tables of the national accounts.

11.8 Hybrid accounts consist of juxtaposed supply and use tables in physical and monetary units. The upper parts of the tables present the monetary flows. This part of the table, in addition to information specific for energy products, presents information on the total supply and use of all other products within the economy. This allows, for example, to see how much the output of energy accounts for in relation to the total output of products in the economy and to see the role that energy plays in relation to other products by analyzing the intermediate consumption by industries, private consumption and exports, etc.

11.9 The lower part of the hybrid tables presents the physical energy supply and use. First, the supply and use corresponding to the monetary flows are entered. These are the physical flows which are subject to economic transactions, and therefore own use of energy and losses (including re-injection, flaring and venting of natural gas) are not included. The latter flows of energy are instead entered in a separate row of the tables.

## **1. Main differences between energy balances and energy accounts**

11.10 The main differences between energy balances and the energy accounts are presented in three different groups: conceptual differences; terminology and presentational differences. These are discussed in the next sections.

### ***Conceptual differences***

11.11 The main conceptual difference between energy balances and accounts is the geographical coverage. The reference territory for the energy balances is the *national territory* and statistics are compiled for all the units physically located on the territory. Units physically located outside the territory are considered as part of the rest of the world. This coverage is referred to as the *territory principle*.

11.12 The energy accounts, on the other hand, use (consistent with the national accounts) the concept of the *economic territory* with statistics compiled for all the units *resident* of that economy (independently on where they are physically located). Units resident outside the

territory are considered as part of the rest of the world. This coverage is referred to as the *residence principle*.

11.13 An *economic territory* is the land area including islands, airspace, territorial waters and territorial enclaves in the rest of the world (such as embassies, consulates, etc., that have immunity from the laws of the host territory). Economic territory has the dimensions of physical location as well as legal jurisdiction, so that corporations created under the law of that jurisdiction are part of that economy. The economic territory also includes special zones, such as free trade zones and offshore financial centres. These are under the control of the government so are part of the economy, even though different regulatory and tax regimes may apply. (However, it may also be useful to show separate data for such zones.) The territory excludes international organizations and enclaves of other governments that are physically located in the territory. (2008 SNA, para. 26.26).

11.14 The total economy, as defined in the 2008 SNA and in energy accounts, is defined in terms of institutional units<sup>1</sup>. It consists of all the institutional units which are resident in the economic territory of a country. The concept of *residence* in the SNA is not based on nationality or legal criteria. An institutional unit is said to be a resident unit of a country when it has a centre of predominant economic interest in the economic territory of that country; that is, when it engages for an extended period (one year or more being taken as a practical guideline) in economic activities on this territory. (2008 SNA, para. 2.19).

11.15 The use of the territory or residence principle leads to differences in the way certain statistics are recorded (e.g., imports/exports/use, international bunkers, etc.). Figure 11.1 below describes in a simplified way the difference in coverage between the energy balances and energy accounts.

11.16 The use of the territory principle implies that imports and exports cover all transactions between units physically present in the territory and units physically located outside the territory independently of the residence of the units involved (thus trade follows the physical movement of the goods). In addition, transactions between units physically located within the territory are never recorded as imports/exports even if the residence of the units involved differs. In the energy accounts, instead, imports/exports cover transactions between resident and non resident units independently of the location where the transaction occurs (whether it is abroad - in the case, for example, of national tourist abroad - or in the national territory - in the case of foreign companies refueling inland).

11.17 Similar is the case for recording the uses of products. While in the energy balance the use of energy in the territory covers the use by all the units physically located on the territory, in energy accounts, it covers only the use of units resident in the national economy: the use by

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<sup>1</sup> An institutional unit is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities. (2008 SNA, para 4.2)

non-resident units is recorded as an export (provided that the supplying unit is considered resident). In addition, in the energy accounts the use of energy products would also include the use by resident units abroad. This is the case, for example, of resident units who refuel their own vehicles abroad and of ships, operated by residents, which are refueled abroad.

**Figure 11.1: Difference between energy balances and energy accounts**

|                    | Residents  | Non-residents  |                                |
|--------------------|--|--|--------------------------------|
| National territory | Sold on territory to resident units                                      | Sold on territory to non-residents (foreign, tourists, transport companies, embassies) | Energy statistics and balances |
| Rest of the World  | Sold to residents operating abroad (tourists, transport companies, etc.) |  |                                |
|                    | SEEA-E   |  |                                |

### **Terminology**

11.18 The second group of differences between energy balances and energy accounts refers to the terminology. Terms such as “supply”, “final consumption” and “use” are well defined in both balances and accounts, but their definitions differs. **It is recommended** that every effort should be made to avoid possible confusion due to the terminology and thus, to the extent possible, a glossary of terms should always accompany the disseminated tabulations of energy statistics.

11.19 The common terms with different meaning in energy balances and energy accounts include the following: supply (and as a consequence, use), final consumption, and stocks.

11.20 In the energy balances, the term *supply* represents energy entering the national territory for the first time, energy removed from the national territory and stock changes. Thus

Total energy supply =

- + Primary energy production
- + Import of primary and secondary energy

- Export of primary and secondary energy
- International (aviation and marine) bunkers
- Stock Changes

11.21 In the energy accounts, the term *supply* denotes the output<sup>2</sup> of products by economic activities and imports. Thus exports, international bunkers and stock changes, together with the intermediate consumption and capital formation are all considered *uses*. In addition, international bunkering is recorded in the energy accounts as intermediate consumption if the bunkering is undertaken by a ship operated by a resident unit, or as exports if the ship is owned by a non-resident unit.

11.22 *Final consumption* in energy balances refers to the use of fuel, electricity and heat delivered to final consumers of energy for both their energy and non-energy uses. It essentially excludes the use of energy products in the energy industries and other energy producers as input into transformation and energy industry own-use. In the energy accounts, the term “final consumption” is used to denote the use of goods and services by individual households or the community to satisfy their individual or collective needs or wants (2008 SNA, para. 1.52). However, when the goods and services are used as inputs to the production process by economic units, this is referred to as “intermediate consumption<sup>3</sup>” (2008 SNA, para. 1.52) consists of goods and services used up in the course of production within the accounting period.

11.23 The concepts of *stocks* and *stock changes* as defined in the energy balances correspond to inventories and changes in inventories in the SEEA-E (and 2008 SNA).

### ***Presentational differences***

11.24 In the standard tables of energy accounts, the presentation of statistics for economic activities and households strictly follows the principles of classification and the structure of the International Standard Industrial Classification of All Economic Activities (ISIC Rev. 4). Thus, information on any specific enterprise/establishment (be it on the production or on the consumption side) is presented under the ISIC division/class of the principal activity of the unit involved. The energy balances, however, do not follow the same principle as information on a specific enterprise/establishment is not explicitly linked to the relevant ISIC division/class of

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<sup>2</sup> *Output* is defined as the goods and services produced by an establishment, excluding the value of any goods and services used in an activity for which the establishment does not assume the risk of using the products in production, and excluding the value of goods and services consumed by the same establishment except for goods and services used for capital formation (fixed capital or changes in inventories) or own final consumption. (2008 SNA, para. 6.89).

<sup>3</sup> *Intermediate consumption* consists of goods and services used up in the course of production within the accounting period. (2008 SNA, para. 1.52).

the unit involved, rather it is presented in different section of the balances depending on the type of use and the ISIC division/class of the unit involved.

11.25 A typical example is “transport”: in the energy balances the final consumption of energy in transportation refers to the use of energy for transportation independently on the economic activity in which transport takes place. In the energy accounts, however, the use of energy products for transport by an economic unit is allocated to the ISIC division/class of the unit (based on the predominant activity of the unit). This is the case, for example, of a company engaged in the activity of manufacture of beverages (ISIC Rev. 4, Division 11) which uses its own trucks for the deliveries of the beverages: in the energy accounts, the use of fuels of the trucks is reported under the ISIC Division 11. In addition, in the energy accounts, under the heading “transportation” (ISIC 49 - Land transport and transport via pipelines; ISIC 50 - Water transport, and ISIC 51 - Air transport), statistics are reported on all the uses of energy products (e.g., for electricity for heating, for transport etc.) in the economic units whose principal activity is transportation.

## 2. Adjustments for the compilation of energy accounts

11.26 Energy balances can be used as a data source for the compilation of the physical supply and use tables of the SEEA-E. However, because of the differences in concepts and definitions adjustments are needed in order to compile the energy accounts.

11.27 *Adjustments on imports/exports.* In order to include imports and exports from the energy balances into the energy accounts, adjustments are needed to relate them to transactions between resident and non resident unit independently of the location where the transaction takes place. These adjustments are presented in Box 11.1 below.

### Box 11.1: The link between imports and exports of SEEA-E and energy balances

| Imports (SEEA-E)  | Exports (SEEA-E)  |
|---|---|
| = Imports (energy balances)   | = Exports (energy balances)   |
| + Energy products purchased by residents abroad                                       | + Energy products sold to non-residents on domestic territory                                       |
| <i>Of which:</i>  | <i>Of which:</i>  |
| Bunkering of oil abroad for sea transport and fishing vessels                         | Foreign ships' and fishing vessels' bunkering of oil on territory                                   |
| Bunkering of jet fuel and kerosene abroad for air transport                           | Foreign planes bunkering of fuel and kerosene on territory  |
| Refuelling of gasoline and diesel for land transport                                  | Foreign vehicles' refuelling of gasoline and diesel on territory                                    |
| Tourists' and businessmen's purchase of energy abroad including fuel for private cars | Foreign tourists' and businessmen's purchase of energy on territory including fuel for private cars |
| Energy purchased by military bases on foreign territories                             | Energy sold to foreign military bases on national territory   |
| Energy purchased by national embassies abroad   | Energy sold to foreign embassies on national territory  |

11.28 *Adjustments for the residence of the units.* In order to compile energy accounts, a number of items in the energy balances need to be adjusted for the residence of the units involved. This is the case of the items in the bottom block of the balances: the different uses of energy products need to be disaggregated so that they can be recorded as intermediate/final consumption when the unit is resident or export when the unit is non-resident and need to be complemented with the use by resident units abroad. This is similar to the case of international bunkering.

11.29 *Reallocation/regrouping of data to the relevant ISIC division/class.* In order to compile the energy accounts, information has to be regrouped according to the different ISIC division/classes. Information on “transport”, “non-energy use” “energy industry own use” and “primary production” are example of items that need to be reallocated in order to present information on an ISIC-based tabulation such as that used in the SEEA-E.

11.30 *Adjustment for geographical coverage.* The economic territory coincides for the most part with the national territory, however, it includes territorial enclaves in the rest of the world. These are clearly demarcated land areas (such as embassies, consulates, military bases, scientific stations, information or immigration offices, aid agencies, central bank representative offices with diplomatic immunity, etc.) located in other territories and used by governments that own or rent them for diplomatic, military, scientific, or other purposes with the formal agreement of governments of the territories where the land areas are physically located. (2008 SNA, para. 4.11).

11.31 Countries **are encouraged** to clearly document and make available the methods used for the reallocation of statistics from the balance format to the energy accounts. Details on countries’ practices are provided in the Energy Statistics Compilers Manual.

### ***Additional data items necessary for the compilation of energy accounts***

11.32 In order to compile energy accounts, it is important to have information that allows for the adjustments presented in the previous sections. Such information includes, for example, the breakdown of the deliveries for international bunkering of resident and non resident units; deliveries to resident and non-resident final consumers; and use of energy products by resident units abroad. The additional data items depend to some extent on the methods used to make adjustments to the energy balances. Further details and examples on the countries’ practices are provided in the ESCM.

## **3. SEEA-E standard tables**

*This section is expected to present the sequence of standard tables of the SEEA-E. The tables will be provided here for reference and further detail is provided in the forthcoming publication SEEA-E.*

## C. Energy indicators

11.33 Energy indicators are a useful tool to summarize information and monitor trend over time. A number of indicators can be compiled from the basic energy statistics, energy balances and energy accounts.

11.34 The choice of the set of indicators compiled by a country depends on the national circumstances, energy situation and priorities, sustainability and development criteria and objectives as well as data availability.

**Examples of indicators are provided in IAEA *et al.* (2005) where core indicators for sustainable development are described. These indicators are organized in three dimensions: social, economic, and environment; as well as according to theme and sub-theme. Table 11.1,**

11.35 Table 11.2 and Table 11.3 present energy indicators organized according to the three dimensions. Most of them can be derived from the data items presented in Chapter 5. However, for some of them additional information needs to be collected/compiled (e.g., distance travelled per capita, floor area per capita, etc.).

**Table 11.1: Energy Indicators linked to the social dimension**

| Theme  | Sub-theme     | Energy Indicator  | Components  |
|--------|---------------|---|---|
| Equity | Accessibility | SOC1<br>Share of households (or population) without electricity or commercial energy, or heavily dependent on non-commercial energy | – Households (or population) without electricity or commercial energy, or heavily dependent on noncommercial energy<br>– Total number of households or population               |
|        | Affordability | SOC2<br>Share of household income spent on fuel and electricity   | – Household income spent on fuel and electricity<br>– Household income (total and poorest 20% of population)  |
|        | Disparities   | SOC3<br>Household energy use for each income group and corresponding fuel mix   | – Energy use per household for each income group (quintiles)<br>– Household income for each income group (quintiles) – Corresponding fuel mix for each income group (quintiles) |
| Health | Safety        | SOC4<br>Accident fatalities per energy produced by fuel chain   | – Annual fatalities by fuel chain<br>– Annual energy produced   |

**Table 11.2: Energy Indicators linked to the economic dimension**

| Theme                       | Sub-theme                  | Energy Indicator                                      | Components   |
|-----------------------------|----------------------------|---|--|
| Use and Production Patterns | Overall Use                | ECO1 Energy use per capita                            | – Energy use (total primary energy supply, total final consumption and electricity use)<br>– Total population  |
|                             | Overall Productivity       | ECO2 Energy use per unit of GDP                       | – Energy use (total primary energy supply, total final consumption and electricity use)<br>– GDP   |
|                             | Supply Efficiency          | ECO3 Efficiency of energy conversion and distribution | – Losses in transformation systems including losses in electricity generation, transmission and distribution   |
|                             | Production                 | ECO4 Reserves-to-production ratio                     | – Proven recoverable reserves – Total energy production  |
|                             |                            | ECO5 Resources-to-production ratio                    | – Total estimated resources – Total energy production  |
|                             | End Use                    | ECO6 Industrial energy intensities                    | – Energy use in industrial sector and by manufacturing branch<br>– Corresponding value added   |
|                             |                            | ECO7 Agricultural energy intensities                  | – Energy use in agricultural sector<br>– Corresponding value added   |
|                             |                            | ECO8 Service/ commercial energy intensities           | – Energy use in service/ commercial sector – Corresponding value added   |
|                             |                            | ECO9 Household energy intensities                     | – Energy use in households and by key end use<br>– Number of households, floor area, persons per household, appliance ownership  |
|                             |                            | ECO10 Transport energy intensities                    | – Energy use in passenger travel and freight sectors and by mode<br>– Passenger-km travel and tonne-km freight and by mode   |
|                             | Diversification (Fuel Mix) | ECO11 Fuel shares in energy and electricity           | – Primary energy supply and final consumption, electricity generation and generating capacity by fuel type<br>– Total primary energy supply, total final consumption, total electricity generation and total |

|          |                       |       |   |  |
|----------|-----------------------|-------|---|--|
|          |                       |       |   | generating capacity  |
|          |                       | ECO12 | Non-carbon energy share in energy and electricity           | <ul style="list-style-type: none"><li>– Primary supply, electricity generation and generating capacity by non-carbon energy</li><li>– Total primary energy supply, total electricity generation and total generating capacity</li></ul>  |
|          |                       | ECO13 | Renewable energy share in energy and electricity            | <ul style="list-style-type: none"><li>– Primary energy supply, final consumption and electricity generation and generating capacity by renewable energy</li><li>– Total primary energy supply, total final consumption, total electricity generation and total generating capacity</li></ul> |
|          | Prices                | ECO14 | End-use energy prices by fuel and by sector                 | <ul style="list-style-type: none"><li>– Energy prices (with and without tax/subsidy)</li></ul>   |
| Security | Imports               | ECO15 | Net energy import dependency                                | <ul style="list-style-type: none"><li>– Energy imports – Total primary energy supply</li></ul>   |
|          | Strategic Fuel Stocks | ECO16 | Stocks of critical fuels per corresponding fuel consumption | <ul style="list-style-type: none"><li>– Stocks of critical fuel (e.g., oil, gas, etc.) – Critical fuel consumption</li></ul>   |

**Table 11.3: Energy Indicators linked to the environmental dimension**

| Theme      | Sub-theme                             | Energy Indicator | Components  |
|------------|---------------------------------------|------------------|---|
| Atmosphere | Climate Change                        | ENV1             | GHG emissions from energy production and use per capita and per unit of GDP             |
|            | Air Quality                           | ENV2             | Ambient concentrations of air pollutants in urban areas                                 |
|            |                                       | ENV3             | Air pollutant emissions from energy systems   |
| Water      | Water Quality                         | ENV4             | Contaminant discharges in liquid effluents from energy systems including oil discharges |
| Land       | Soil Quality                          | ENV5             | Soil area where acidification exceeds critical load                                     |
|            | Forest                                | ENV6             | Rate of deforestation attributed to energy use  |
|            | Solid Waste Generation and Management | ENV7             | Ratio of solid waste generation to units of energy produced                             |
|            |                                       | ENV8             | Ratio of solid waste properly disposed of to total generated solid waste                |

|  |       |   |  |
|--|-------|---|--|
|  | ENV9  | ENV9 Ratio of solid radioactive waste to units of energy produced                             | – Amount of radioactive waste (cumulative for a selected period of time) – Energy produced |
|  | ENV10 | Ratio of solid radioactive waste awaiting disposal to total generated solid radioactive waste | – Amount of radioactive waste awaiting disposal<br>– Total volume of radioactive waste     |

#### **D. Greenhouse gas Emission**

*This section is being developed and will be considered by the Expert Group on Energy Statistics during its meeting in November 2010.*

## Annex A.      Primary and Secondary products; Renewables and non-renewables

Energy statistics conventionally distinguishes between primary and secondary energy products, and between renewable and non-renewable products.

*Primary energy products* are those products which are captured or directly extracted from natural energy flows, the biosphere and natural reserves and for which no transformation has been made. Primary energy products are from renewable sources (e.g., hydro-electricity, wood, etc) and non-renewable resources (e.g., coal and uranium).

*Secondary energy products* are those products which "... have been transformed from another energy product (whether itself primary or secondary). For example, energy products such as motor gasoline and diesel have been transformed at an oil refinery from crude oil, the primary energy product".

|                       | Primary products  | Secondary products   |
|-----------------------|---|--|
| <b>Non-renewables</b> | 1.1.1 - Hard coal<br>1.1.2 - Brown coal<br>1.2.1 – Peat<br>1.3 - Oil shale<br>2,1 Natural gas<br>2.2.1 – Conventional crude oil<br>2.2.2 - Natural gas liquids (NGL)<br>2.2.4 - Additives and oxygenates<br>4.2.1 - Industrial waste<br>part of 4.2.2 - Municipal waste<br>Nuclear Heat | 1.1.3 – Derived coal products<br><br>1.2.3 – Peat Briquettes<br><br>2.2.3 - Refinery feedstocks<br>2.2.5 – Derived oil products<br><br>Electricity from combusted fuels and nuclear fuels<br>Any other product derived from primary/secondary products |
| <b>Renewables</b>     | 4 - Biofuels and waste (except charcoal, industrial waste, manufactured biogases and part of Municipal waste)<br><br>Electricity and heat from renewable sources  | 4.1.1.4 - Charcoal<br>4.1.3.2 - Manufactured biogases<br><br>Any other product derived from primary/secondary products   |

## List of primary/secondary and renewable/non-renewables

| SIEC HEADINGS  | Primary (P)<br>Secondary (S) | Renewables (R)<br>Non Renewable (NR) |
|--|------------------------------|--------------------------------------|
| <b>1 - Solid fossil fuels and derived products</b>                               |                              |                                      |
| <b>1.1 - Coal and coal products</b>  |                              |                                      |
| <b>1.1.1 - Hard coal</b>   | P                            | NR                                   |
| <b>1.1.1.1 – Anthracite</b>  | P                            | NR                                   |
| <i>1.1.1.1.0 - Anthracite</i>  | P                            | NR                                   |
| <b>1.1.1.2 - Bituminous coal</b>   | P                            | NR                                   |
| <i>1.1.1.2.1 - Coking coal</i>   | P                            | NR                                   |
| <i>1.1.1.2.2 - Other bituminous coal</i>   | P                            | NR                                   |
| <b>1.1.2 - Brown coal</b>  | P                            | NR                                   |
| <b>1.1.2.1 - Sub-bituminous coal</b>   | P                            | NR                                   |
| <i>1.1.2.1.0 - Sub-bituminous coal</i>   | P                            | NR                                   |
| <b>1.1.2.2 - Lignite</b>   | P                            | NR                                   |
| <i>1.1.2.2.0 - Lignite</i>   | P                            | NR                                   |
| <b>1.1.3 – Coal products</b>   | S                            | NR                                   |
| <b>1.1.3.1 - Coal coke</b>   | S                            | NR                                   |
| <i>1.1.3.1.1 - Coke oven coke</i>  | S                            | NR                                   |
| <i>1.1.3.1.2 - Gas coke</i>  | S                            | NR                                   |
| <i>1.1.3.1.3 - Coke breeze</i>   | S                            | NR                                   |
| <i>1.1.3.1.4 - Semi cokes</i>  | S                            | NR                                   |
| <b>1.1.3.2 - Patent fuel</b>   | S                            | NR                                   |
| <i>1.1.3.2.0 - Patent fuel</i>   | S                            | NR                                   |
| <b>1.1.3.3 - Brown coal briquettes (BKB)</b>                                     | S                            | NR                                   |
| <i>1.1.3.3.0 - Brown coal briquettes (BKB)</i>                                   | S                            | NR                                   |
| <b>1.1.3.4 - Coal tar</b>  | S                            | NR                                   |
| <i>1.1.3.4.0 - Coal tar</i>  | S                            | NR                                   |
| <b>1.1.3.5 - Coke oven gas</b>   | S                            | NR                                   |
| <i>1.1.3.5.0 - Coke oven gas</i>   | S                            | NR                                   |
| <b>1.1.3.6 - Gas works gas (and other manufactured gases for distribution)</b>   | S                            | NR                                   |
| <i>1.1.3.6.0 - Gas works gas (and other manufactured gases for distribution)</i> | S                            | NR                                   |
| <b>1.1.3.7 - Recovered gases</b>   | S                            | NR                                   |
| <i>1.1.3.7.1 - Blast furnace gas</i>   | S                            | NR                                   |
| <i>1.1.3.7.2 - Basic oxygen steel furnace gas</i>                                | S                            | NR                                   |
| <i>1.1.3.7.3 - Other recovered gases</i>   | S                            | NR                                   |
| <b>1.1.3.8 Other coal products n.e.s.</b>  | S                            | NR                                   |
| <b>1.2 – Peat and peat products</b>  |                              | NR                                   |
| <b>1.2.1 – Peat</b>  | P                            | NR                                   |
| <b>1.2.1.1 – Sod Peat</b>  | P                            | NR                                   |
| <b>1.2.1.2 – Milled Peat</b>   | P                            | NR                                   |
| <b>1.2.2 – Peat products</b>   | S                            | NR                                   |
| <b>1.2.2.0 – Peat Briquettes</b>   | S                            | NR                                   |

|  |   |    |
|--|---|----|
| <b>1.2.2.1 – Peat products n.e.s.</b>            | S | NR |
| <b>1.3 - Oil shale</b>                           | P | NR |
| <b>1.3.0 - Oil shale</b>                         | P | NR |
| <b>1.3.0.0 - Oil shale</b>                       | P | NR |
| <i>1.3.0.0.0 - Oil shale</i>                     | P | NR |
| <b>2 - Natural gas and Oil</b>                   |   |    |
| <b>2.1 - Natural gas</b>                         | P | NR |
| <b>2.1.0 - Natural gas</b>                       | P | NR |
| <b>2.1.0.0 - Natural gas</b>                     | P | NR |
| <i>2.1.0.0.0 - Natural gas</i>                   | P | NR |
| <b>2.2 Oil</b>                                   |   | NR |
| <b>2.2.1 - Conventional crude oil</b>            | P | NR |
| <b>2.2.1.0 - Conventional crude oil</b>          | P | NR |
| <i>2.2.1.0.0 - Conventional crude oil</i>        | P | NR |
| <b>2.2.2 - Natural gas liquids (NGL)</b>         | P | NR |
| <b>2.2.2.0 - Natural gas liquids (NGL)</b>       | P | NR |
| <i>2.2.2.0.0 - Natural gas liquids (NGL)</i>     | P | NR |
| <b>2.2.3 - Refinery feedstocks</b>               | S | NR |
| <b>2.2.3.0 - Refinery feedstocks</b>             | S | NR |
| <i>2.2.3.0.0 - Refinery feedstocks</i>           | S | NR |
| <b>2.2.4 – Additives and oxygenates</b>          | S | NR |
| <b>2.2.4.0 - Additives and oxygenates</b>        | S | NR |
| <i>2.2.4.0.0 - Additives and oxygenates</i>      | S | NR |
| <b>2.2.5 - Other hydrocarbons</b>                |   |    |
| <b>2.2.5.0 - Other hydrocarbons</b>              |   |    |
| <i>2.2.5.0.0 - Other hydrocarbons</i>            |   |    |
| <b>2.2.6 –Oil products</b>                       | S | NR |
| <b>2.2.6.1- Refinery gas</b>                     | S | NR |
| <i>2.2.6.1.0 - Refinery gas</i>                  | S | NR |
| <b>2.2.6.2 - Ethane</b>                          | S | NR |
| <i>2.2.6.2.0 - Ethane</i>                        | S | NR |
| <b>2.2.6.3 - Liquefied petroleum gas (LPG)</b>   | S | NR |
| <i>2.2.6.3.0 - Liquefied petroleum gas (LPG)</i> | S | NR |
| <b>2.2.6.4 - Naphtha</b>                         | S | NR |
| <i>2.2.6.4.0 - Naphtha</i>                       | S | NR |
| <b>2.2.6.5– Gasolines</b>                        | S | NR |
| <i>2.2.6.5.1- Aviation gasoline</i>              | S | NR |
| <i>2.2.6.5.2 - Motor gasoline</i>                | S | NR |
| <i>2.2.6.5.3 - Gasoline-type jet fuel</i>        | S | NR |
| <b>2.2.6.6- Kerosenes</b>                        | S | NR |
| <i>2.2.6.6.1 - Kerosene-type jet fuel</i>        | S | NR |
| <i>2.2.6.6.2 - Other kerosene</i>                | S | NR |
| <b>2.2.6.7 - Gas oil / diesel oil</b>            | S | NR |
| <i>2.2.6.7.1- Road diesel</i>                    | S | NR |

|   |   |    |
|---|---|----|
| 2.2.6.7.2 - Heating and other gas oil                               | S | NR |
| <b>2.2.6.8 - Heavy gas oil</b>                                      | S | NR |
| 2.2.6.8.0 - Heavy gas oil   | S | NR |
| <b>2.2.6.9 - Fuel oil</b>   | S | NR |
| 2.2.6.9.0 - Fuel oil  | S | NR |
| <b>2.2.6.10 - White spirit and special boiling point industrial</b> | S | NR |
| 2.2.6.10.0 - White spirit and special boiling point industrial      | S | NR |
| <b>2.2.6.11 - Lubricants</b>  | S | NR |
| 2.2.6.11.0 - Lubricants   | S | NR |
| <b>2.2.6.12 - Paraffin waxes</b>                                    | S | NR |
| 2.2.6.12.0 - Paraffin waxes   | S | NR |
| <b>2.2.6.13 - Petroleum coke</b>                                    | S | NR |
| 2.2.6.13.0 - Petroleum coke   | S | NR |
| <b>2.2.6.14 - Bitumen</b>   | S | NR |
| 2.2.6.14.0 - Bitumen  | S | NR |
| <b>2.2.6.15 - Other oil products n.e.s.</b>                         | S | NR |
| 2.2.6.15.0 - Other oil products n.e.s.                              | S | NR |
| <b>3 - Nuclear fuels</b>  |   |    |
| <b>3.1 - Uranium and plutonium</b>                                  |   |    |
| <b>3.1.0 - Uranium and plutonium</b>                                |   |    |
| <b>3.1.0.0 - Uranium and plutonium</b>                              |   |    |
| 3.1.0.0.0 - Uranium and plutonium                                   |   |    |
| <b>3.2 - Other nuclear fuels</b>                                    |   |    |
| <b>3.2.0 - Other nuclear fuels</b>                                  |   |    |
| <b>3.2.0.0 - Other nuclear fuels</b>                                |   |    |
| 3.2.0.0.0 - Other   |   |    |
| <b>4 - Biofuels and waste</b>                                       |   |    |
| <b>4.1 - Biofuels</b>   |   | R  |
| <b>4.1.1 - Solid biofuels</b>                                       |   | R  |
| <b>4.1.1.1 - Fuelwood, wood residues and by-products</b>            | P | R  |
| 4.1.1.1.0 - Fuelwood, wood residues and by-products                 | P | R  |
| <b>4.1.1.2 - Agrofuels</b>  | P | R  |
| 4.1.1.2.1 - Bagasse   | P | R  |
| 4.1.1.2.2 - Animal waste  | P | R  |
| 4.1.1.2.3 - Other vegetal material and residues                     | P | R  |
| <b>4.1.1.3 - Black liquor</b>                                       | P | R  |
| 4.1.1.3.0 - Black liquor  | P | R  |
| <b>4.1.1.4 - Charcoal</b>   | S | R  |
| 4.1.1.4.0 - Charcoal  | S | R  |
| <b>4.1.2 - Liquid biofuels</b>                                      |   | R  |
| <b>4.1.2.1 - Biogasoline</b>  | P | R  |
| 4.1.2.1.0 - Biogasoline   | P | R  |
| <b>4.1.2.2 - Biodiesels</b>   | P | R  |

|   |                                   |      |
|---|-----------------------------------|------|
| <i>4.1.2.2.0 - Biodiesels</i>             | P                                 | R    |
| <b>4.1.2.3 - Other liquid biofuels</b>    | P                                 | R    |
| <i>4.1.2.3.0 - Other liquid biofuels</i>  | P                                 | R    |
| <b>4.1.3 - Biogases</b>                   | P                                 | R    |
| <b>4.1.3.1 – Natural biogases</b>         | P                                 | R    |
| <i>4.1.3.1.1 - Landfill gas</i>           | P                                 | R    |
| <i>4.1.3.1.2 - Sewage sludge gas</i>      | P                                 | R    |
| <i>4.1.3.1.3 - Other primary biogases</i> | P                                 | R    |
| <b>4.1.3.2 - Manufactured biogases</b>    | S                                 | R    |
| <i>4.1.3.2.0 – Manufactured biogases</i>  | S                                 | R    |
| <b>4.2 – Waste</b>                        |                                   |      |
| <b>4.2.1 - Industrial waste</b>           | P                                 | NR   |
| <b>4.2.1.0 - Industrial waste</b>         | P                                 |      |
| <i>4.2.1.0.0 - Industrial waste</i>       | P                                 |      |
| <b>4.2.2 - Municipal waste</b>            | P                                 |      |
| <b>4.2.2.0 - Municipal waste</b>          | P                                 |      |
| <i>4.2.2.0.0 - Municipal waste</i>        | P                                 | R/NR |
| <b>5 - Electricity</b>                    | Depends on the production process |      |
| <b>6 - Heat</b>                           | Depends on the production process |      |

## Annex B. CPC SUBCLASSES LINKED WITH SIEC

### CPC Ver. 2 codes

|       |   |
|-------|---|
| 11010 | Coal, not agglomerated  |
| 11020 | Briquettes and similar solid fuels manufactured from coal   |
| 11030 | Lignite, not agglomerated   |
| 11040 | Lignite, agglomerated   |
| 11050 | Peat  |
| 12010 | Petroleum oils and oils obtained from bituminous minerals, crude  |
| 12020 | Natural gas, liquefied or in the gaseous state  |
| 12030 | Bituminous or oil shale and tar sands   |
| 17100 | Electrical energy   |
| 17200 | Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons  |
| 17300 | Steam and hot water   |
| 33100 | Coke and semi-coke of coal, of lignite or of peat; retort carbon  |
| 33200 | Tar distilled from coal, from lignite or from peat, and other mineral tars  |
| 33310 | Motor spirit (gasolene), including aviation spirit  |
| 33320 | Spirit type (gasolene type) jet fuel  |
| 33330 | Other light petroleum oils and light oils obtained from bituminous minerals (other than crude); light preparations n.e.c. containing not less than 70% by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations  |
| 33341 | Kerosene  |
| 33342 | Kerosene type jet fuel  |
| 33350 | Other medium petroleum oils and medium oils obtained from bituminous minerals (not kerosene), other than crude; medium preparations n.e.c. containing not less than 70% by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations   |
| 33360 | Gas oils  |
| 33370 | Fuel oils n.e.c.  |
| 33380 | Lubricating petroleum oils and oils obtained from bituminous minerals, other heavy petroleum oils and heavy oils obtained from bituminous minerals (other than crude), and heavy preparations n.e.c. containing not less than 70% by weight of petroleum oils or oils obtained from bituminous minerals (other than crude), these oils being the basic constituents of the preparations |
| 33410 | Propane and butanes, liquefied  |
| 33420 | Ethylene, propylene, butylene, butadiene and other petroleum gases or gaseous hydrocarbons, except natural gas  |
| 33500 | Petroleum jelly; paraffin wax, micro- crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products; petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous materials   |
| 33610 | Natural uranium and its compounds; alloys, dispersions, ceramic products and mixtures   |

|       |  |
|-------|--|
|       | containing natural uranium and its compounds   |
| 33620 | Uranium enriched in U235 and its compounds; plutonium and its compounds; alloys, dispersions, ceramic products and mixtures containing uranium enriched in U235, plutonium or compounds of these products  |
| 33630 | Uranium depleted in U235 and its compounds; thorium and its compounds; alloys, dispersions, ceramic products and mixtures containing uranium depleted in U235, thorium or compounds of these products  |
| 33690 | Other radioactive elements and isotopes and compounds; alloys, dispersions, ceramic products and mixtures containing these elements, isotopes or compounds; radioactive residues   |
| 33710 | Fuel elements (cartridges), non-irradiated, for nuclear reactors   |
| 34210 | Hydrogen, nitrogen, oxygen, carbon dioxide and rare gases; inorganic oxygen compounds of non-metals n.e.c.   |
| 34540 | Oils and other products of the distillation of high temperature coal tar, and similar products; pitch and pitch coke, obtained from mineral tars   |
| 35430 | Lubricating preparations and preparations of a kind used for the oil or grease treatment of materials, except of petroleum; prepared additives for mineral oils; prepared liquids for hydraulic transmission, except of petroleum; anti-freezing preparations and prepared de-icing fluids |

## Annex C. Additional tables on conversion factors, calorific values and measurement units.

**Table 1: Mass equivalents**

| FROM \ INTO | Kilograms   | Metric tons | Long tons | Short tons | Pounds |
|-------------|-------------|-------------|-----------|------------|--------|
|             | MULTIPLY BY |             |           |            |        |
| Kilograms   | 1.0         | 0.001       | 0.000984  | 0.001102   | 2.2046 |
| Metric tons | 1000.       | 1.0         | 0.984     | 1.1023     | 2204.6 |
| Long tons   | 1016.       | 1.016       | 1.0       | 1.120      | 2240.0 |
| Short tons  | 907.2       | 0.9072      | 0.893     | 1.0        | 2000.0 |
| Pounds      | 0.454       | 0.000454    | 0.000446  | 0.0005     | 1.0    |

Note: The units of the columns can be converted into the units of the rows by dividing by the conversion factors in the table.

Example: Convert from metric tons (ton) into long tons: 1 ton = 0.984 long ton.

**Table 2: Volume equivalents**

| FROM \ INTO  | U.S. gallons | Imperial gallons | Barrels | Cubic feet | Litres | Cubic metres |
|--------------|--------------|------------------|---------|------------|--------|--------------|
|              | MULTIPLY BY  |                  |         |            |        |              |
| U.S. gallons | 1.0          | 0.8327           | 0.02381 | 0.1337     | 3.785  | 0.0038       |
| Imp. gallons | 1.201        | 1.0              | 0.02859 | 0.1605     | 4.546  | 0.0045       |
| Barrels      | 42.0         | 34.97            | 1.0     | 5.615      | 159.0  | 0.159        |
| Cubic feet   | 7.48         | 6.229            | 0.1781  | 1.0        | 28.3   | 0.0283       |
| Litres       | 0.2642       | 0.220            | 0.0063  | 0.0353     | 1.0    | 0.001        |
| Cubic metres | 264.2        | 220.0            | 6.289   | 35.3147    | 1000.0 | 1.0          |

Note: The units of the columns can be converted into the units of the rows by dividing by the conversion factors in the table.

Example: Convert from barrels into cubic meters. 1 barrel = 0.159 cubic meter.

**Table 3: Conversion equivalents between energy units**

| FROM \ INTO         | TJ                      | Million Btu         | GCal                 | GWh                     | ktoe                   | ktce                   |
|---------------------|-------------------------|---------------------|----------------------|-------------------------|------------------------|------------------------|
|                     | MULTIPLY BY             |                     |                      |                         |                        |                        |
| Terajoule (TJ)      | 1                       | 947.8               | 238.84               | 0.2777                  | $2.388 \times 10^{-2}$ | $3.411 \times 10^{-2}$ |
| Million Btu         | $1.0551 \times 10^{-3}$ | 1                   | 0.252                | $2.9307 \times 10^{-4}$ | $2.52 \times 10^{-5}$  | $3.6 \times 10^{-5}$   |
| GigaCalorie (GCal)  | $4.1868 \times 10^{-3}$ | 3.968               | 1                    | $1.163 \times 10^{-3}$  | $10^{-4}$              | $1.429 \times 10^{-4}$ |
| Gigawatt hour (GWh) | 3.6                     | 3412                | 860                  | 1                       | $8.6 \times 10^{-2}$   | $1.229 \times 10^{-1}$ |
| ktoe                | 41.868                  | $3.968 \times 10^4$ | $10^4$               | 11.630                  | 1                      | 1.429                  |
| ktce                | 29.308                  | $2.778 \times 10^4$ | $0.7 \times 10^{-4}$ | 8.14                    | 0.7                    | 1                      |

Note: The units of the columns can be converted into the units of the rows by dividing by the conversion factors in the table.

Example: Convert from Gigawatt-hours (GWh) into Terajoules (TJ): 1 GWh = 3.6 TJ.

**Table 4: Difference between net and gross calorific values for selected fuels**

| Fuel                            | Percentage |
|---------------------------------|------------|
| Coke                            | 0          |
| Charcoal                        | 0 – 4      |
| Anthracite                      | 2 – 3      |
| Bituminous coals                | 3 – 5      |
| Sub-Bituminous coals            | 5 – 7      |
| Lignite                         | 9 – 10     |
| Crude oil                       | 5 – 8      |
| Petroleum products              | 3 – 9      |
| Natural gas                     | 9 – 10     |
| Liquefied natural gas           | 7 – 10     |
| Gasworks gas                    | 8 – 10     |
| Coke-oven gas                   | 10 – 11    |
| Bagasse (50% moisture content)  | 21 – 22    |
| Fuelwood (10% moisture content) | 11 – 12    |
| (20% moisture content)          | 22 – 23    |
| (30% moisture content)          | 34 – 35    |
| (40% moisture content)          | 45 – 46    |

Sources: This is taken from the UN Manual F. 44 and the original source was :[T. T. Baumeister and others, eds., Marks Standard Handbook for Mechanical Engineers (McGraw Hill, New York, 1978); United States of America, Federal Energy Administration, Energy Interrelationships (Springfield, Virginia, National Technical Information Service, 1977); United Nations, Economic Commission for Europe, Annual Bulletin of Gas Statistics for Europe, 1983 (United Nations Publication, Sales No. E.F.R.84.II.E.28)].

**Table 5: Influence of moisture on solid volume and weight of standard fuelwood**

|   | Percentage moisture content of fuelwood |      |      |      |      |      |      |      |      |
|---|---|------|------|------|------|------|------|------|------|
|   | 100                                     | 80   | 60   | 40   | 20   | 15   | 12   | 10   | 0    |
| Solid volume in m <sup>3</sup><br>per ton | 0.80                                    | 0.89 | 1.00 | 1.14 | 1.33 | 1.39 | 1.43 | 1.45 | 1.60 |
| Weight in tons<br>per m <sup>3</sup>      | 1.25                                    | 1.12 | 1.00 | 0.88 | 0.75 | 0.72 | 0.70 | 0.69 | 0.63 |

Source: from UN Manual F.44. The original source was: Food and Agriculture Organization, Wood Fuel Surveys, (Rome, 1983).

**Table 6: Fuelwood to charcoal conversion table**

| Influence of parent wood density on charcoal production<br>(Weight (kg) of charcoal produced per cubic metre fuelwood) |                 |  |                            |  |                              |  |                       |  |
|--|-----------------|--|----------------------------|--|------------------------------|--|-----------------------|--|
|  | Coniferous wood |  | Average tropical Hardwoods |  | Preferred Tropical hardwoods |  | Mangrove (rhizophora) |  |
| Charcoal   | 115             |  | 170                        |  | 180                          |  | 285                   |  |
| Influence of wood moisture content on charcoal production<br>(Quantity of wood required to produce 1 ton of charcoal)  |                 |  |                            |  |                              |  |                       |  |
| Moisture content (dry basis)   | 100             |  | 80                         |  | 60                           |  | 40                    |  |
| Volume of wood required (cubic metres)   | 17.6            |  | 16.2                       |  | 13.8                         |  | 10.5                  |  |
| Weight of wood required (tons)   | 12.6            |  | 11.6                       |  | 9.9                          |  | 7.5                   |  |

Sources: from UN Manual F.44. The original source was: Wood Fuel Surveys, (Rome, 1983). D. E. Earl, Forest Energy and Economic Development (London, Oxford University Press, 1975); and the Food and Agriculture Organization of the United Nations.

**Table 7: Fuelwood requirement for charcoal production by kiln type**

(Cubic metres of fuelwood per ton of charcoal)

| Kiln Type           | Percentage moisture content of fuelwood |     |    |    |    |     |
|---------------------|---|-----|----|----|----|-----|
|                     | 15                                      | 20  | 40 | 60 | 80 | 100 |
| Earth kiln          | 10                                      | 13  | 16 | 21 | 24 | 27  |
| Portable steel kiln | 6                                       | 7   | 9  | 13 | 15 | 16  |
| Brick kiln          | 6                                       | 6   | 7  | 10 | 11 | 12  |
| Retort              | 4.5                                     | 4.5 | 5  | 7  | 8  | 9   |

Source: from UN Manual F.44. The original source was: Food and Agriculture Organization, Wood Fuel Surveys, (Rome, 1983).

**Table 8: Energy values of selected animal and vegetal wastes**

| Wastes                | Average moisture content:<br>dry basis<br>(percentage) | Approximate<br>ash content<br>(percentage) | Net calorific value<br>(MJ/ka) |
|-----------------------|--|--|--------------------------------|
| Animal dung           | 15   | 23-27                                      | 13.6                           |
| Groundnut shells      | 3-10   | 4-14                                       | 16.7                           |
| Coffee husks          | 13   | 8-10                                       | 15.5-16.3                      |
| Bagasse               | 40-50  | 10-12                                      | 8.4-10.5                       |
| Cotton husks          | 5-10   | 3  | 16.7                           |
| Coconut husks         | 5-10   | 6  | 16.7                           |
| Rice hulls            | 9-11   | 15-20                                      | 13.8-15.1                      |
| Olives (pressed)      | 15-18  | 3  | 16.75                          |
| Oil-palm fibres       | 55   | 10   | 7.5-8.4                        |
| Oil-palm husks        | 55   | 5  | 7.5-8.4                        |
| Bagasse               | 30   | 10-12                                      | 12.6                           |
| Bagasse               | 50   | 10-12                                      | 8.4                            |
| Bark                  | 15   | 1  | 11.3                           |
| Coffee husk, cherries | 30   | 8-10                                       | 13.4                           |
| Coffee husk, cherries | 60   | 8-10                                       | 6.7                            |
| Corncoobs             | 15   | 1-2  | 19.3                           |
| Nut hulls             | 15   | 1-5  | 18.0                           |
| Rice straw & husk     | 15   | 15-20                                      | 13.4                           |
| Wheat straw & husk    | 15   | 8-9  | 19.1                           |
| Municipal garbage     | ..   | ..   | 19.7                           |
| Paper                 | 5  | 1  | 17.6                           |
| Sawdust               | 50   | 1  | 11.7                           |

Sources: from UN Manual F.44. The original source was: G. Barnard and L. Kristoferson, Agricultural Residues as Fuel in the Third World, (London, Earth Scan, 1985); Commonwealth Science Council, Common Accounting Procedures for Biomass Resources Assessment in Developing Countries (London, 1986); Food and Agriculture Organization of the United Nations, Energy for World Agriculture (Rome, 1979); United States of America, Federal Energy Administration, Energy Interrelationships (Springfield, Virginia, National Technical Information Service, 1977).

Note: Two dots (..) indicate that data are not available.

## Annex D. Commodity balance

*Commodity balance.* The purpose of commodity balance is to show the sources of supply and various uses of particular energy product with reference to national territory of the compiling country. The balance can be compiled for any energy commodity provided that that commodity remains homogeneous at each point in the balance. Countries may use various formats of commodity balance depending on their needs and circumstances, however, **it is recommended**, that the format of energy balance and all applicable concepts defined in IRES are consistently used in the compilation of a commodity balance to ensure data consistency.

*The unit of measurement.* The unit of measurement used in commodity balance is usually the original units appropriate to the energy product in question (e.g., metric tons), however, an energy unit (e.g., TOE or terajoule) can be used as well.

*Format (template) of commodity balance.* In general, commodity balance can be compiled using the following format:

### Supply

- Production

- +/- transfers between commodities

- Imports

- Exports

- International bunkers (as applicable)

- Stocks changes

*Statistical difference (Supply – Uses)*

### Uses

- Transformation input

- Energy industry own use

- Losses

- Final consumption

  - Final energy consumption

  - Non-energy use

The most commonly used format for the presentation of energy commodity data is the balance in which both the sources of supply for each commodity and its uses are shown in a single column.

**It is recommended that** commodity balances are constructed at national level for every energy commodity in use, however minor, and even if some commodities are aggregated for working purposes. They should be considered, as the basic framework for the national energy statistics and a valuable accounting tool used to construct energy balances, higher aggregates and indicating the data quality through the statistical difference row. Countries should pursue large statistical differences in order to establish which data are wrong or incomplete. If data correction is not possible, the statistical difference should not be changed but left to illustrate the size of the problem.

Deciding whether a statistical difference should be pursued with the reporting enterprise(s) is a matter of judgment. The percentage difference which one might consider acceptable will depend upon the magnitude of the supply of the commodity. For major supplies, like natural gas or electricity, efforts should be made to keep the statistical differences below one per cent. On the other hand, for a minor commodity like tars and oils from coke ovens, a 10 per cent error can be tolerated.

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## **Glossary**

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