

Building Commodity and Energy Balances

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Energy balances

ENERGY BALANCES OF OECD COUNTRIES, 1997-1998 - EBP

OECD Total / OCDE Total : 1998

Energy Balance Component	Units: TeraJoules (10 ¹² Joules) or Million Tonnes Oil Equivalent (MTOE)										
	Total	Coal	Oil	Gas	Nuclear	Hydro	Geothermal	Solar	Wind	Other	Loss
ENERGY SUPPLY											
Crude oil	100000	100000	0	0	0	0	0	0	0	0	
Coal	20000	20000	0	0	0	0	0	0	0	0	
Gas	30000	0	30000	0	0	0	0	0	0	0	
Hydro	10000	0	0	10000	0	0	0	0	0	0	
Geothermal	1000	0	0	0	1000	0	0	0	0	0	
Solar	1000	0	0	0	0	1000	0	0	0	0	
Wind	1000	0	0	0	0	0	1000	0	0	0	
Other	1000	0	0	0	0	0	0	1000	0	0	
ENERGY DEMAND											
Industry	10000	10000	0	0	0	0	0	0	0	0	
Transport	20000	20000	0	0	0	0	0	0	0	0	
Buildings	30000	0	30000	0	0	0	0	0	0	0	
Electricity	10000	0	0	10000	0	0	0	0	0	0	
Other	10000	0	0	0	10000	0	0	0	0	0	
NET ENERGY USE											
Industry	10000	10000	0	0	0	0	0	0	0	0	
Transport	20000	20000	0	0	0	0	0	0	0	0	
Buildings	30000	0	30000	0	0	0	0	0	0	0	
Electricity	10000	0	0	10000	0	0	0	0	0	0	
Other	10000	0	0	0	10000	0	0	0	0	0	

- Why calculate an energy balance?
- Energy balance principles
- IEA energy balance layout
- Using the energy balance with economic indicators
- Harmonisation
- Balance builder



Why calculate an energy balance?

The energy balance is a way of reporting energy data in a common unit and with products aggregated by category: coal, crude oil, oil products, gas, biofuels, hydro etc.

Advantages:

- **It allows comparison of the shares of each source in the energy supply of a country and in each sector of economic activity**
- **With an energy balance it is possible to analyse energy efficiency**
- **A country can determine its dependence on energy imports or exports**
- **Different countries can be compared when they are calculated with the same methodology**
- **Good for quality control: can check inputs/outputs in the transformation sector, and discrepancies can be queried**

Messages can differ

Which data to use/trust when assessing
legally binding commitments?

- **What is the importance of renewables in the energy mix?**
- **What is happening with CO₂ emissions (Kyoto targets)?**
- **General confusion by users**
 - this could pave the way to speculation

What is the importance of renewables in the energy mix?

Answer will depend on:

- **Principles:**
calculation of the **primary energy equivalent** of electricity from non-combustion processes (physical energy content vs. substitution)
- **Classification / definitions:**
what is renewable? peat is sometimes included with fossil and sometimes with renewables
- **Presentation:**
how is **supply** calculated? (e.g. bunkers in or out, statistical difference above or below)

IEA non-member country energy balance system

5 IEA/Eurostat/UNECE
Annual Questionnaires

OR National publications, websites



Coal



Oil



Gas



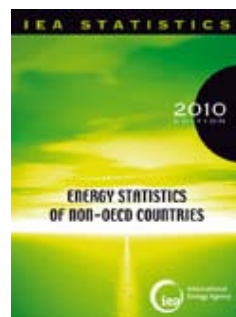
Renewables
+ Waste



Electricity
+ Heat



Original
Units



Mtoe



Mt of CO₂



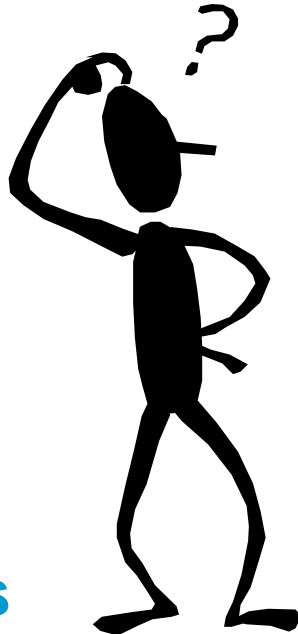
Energy balance principles

- **choice of unit**
- **net vs. gross calorific values**
- **choice of conversion factors**
- **choice of primary energy form for energy that is not combusted**
- **physical energy content vs. substitution method**
- **temperature adjustments**
- **fiscal year vs. calendar year**

What units?

MBtu

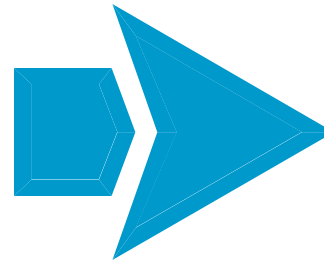
kilowatt-hours



Mtoe

Mtce

terajoules



ENERGY BALANCES OF OECD COUNTRIES, 1997-1998 - **EUR**

OECD Total / OCDE Total : 1998

Category	Coal	Oil	Gas	Nuclear	Hydro	Geothermal	Wind	Solar	Electricity	Loss	Total
SUPPLY AND CONSUMPTION											
Crude Oil Products											
Gas											
Electricity											
Losses											
INDUSTRY SECTOR											
Manufacturing											
Construction											
Transport											
Buildings											
Other											
RESIDENTIAL SECTOR											
Manufacturing											
Construction											
Transport											
Buildings											
Other											

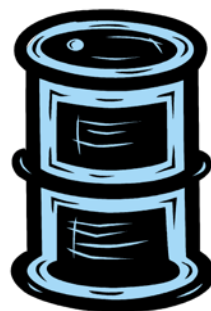
IEA opted for Mtoe and TJ
Eurostat and UNSD opted for TJ

Net vs. Gross Calorific Values?

Difference between NCV and GCV is the latent heat of vaporisation of the water produced during combustion



5%



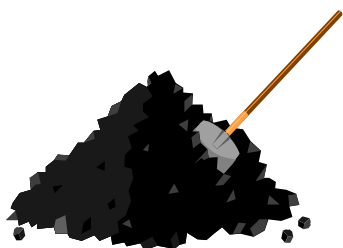
5%



10%

IEA/Eurostat/UNSD uses Net Calorific Values

Conversion to energy units (1)



COAL

Physical units (tonnes) are converted to energy units using NCV [kJ/kg], reported in the questionnaires (varies over time)

Specific NCV for Production, Imports, Exports, Inputs to Public Power Plants, Coal used in Coke Ovens, Blast Furnaces and Industry

Average NCV for all other flows

CRUDE OIL AND OIL PRODUCTS

Using NCV [kJ/kg]

Primary oil - Specific NCV for Production, Imports and Exports, reported in the questionnaires (varies over time)

Oil products - region specific default values



Conversion to energy units (2)



NATURAL GAS

Figures collected in Mm^3 and gross TJ (energy unit). They are converted to net TJ ($0.9 \cdot \text{gross TJ}$) and then to Mtoe ($1 \text{ PJ} = 0.02388 \text{ Mtoe}$)

OTHER GASES

Data collected in gross TJ, then converted to net TJ ($0.9 \cdot \text{gross TJ}$) and then to Mtoe ($1 \text{ PJ} = 0.02388 \text{ Mtoe}$)

ELECTRICITY

Figures collected in TWh, then electricity production is converted to Mtoe ($1 \text{ TWh} = 0.086 \text{ Mtoe}$)

Gross electricity production is shown and the own use and losses are shown separately



Latest developments concerning NCVs

- **The IPCC analysed country submissions to the UNFCCC and suggested new default NCVs for the 2006 IPCC Guidelines.**
- **The IEA decided to remove double rounding errors by keeping NCVs in kJ/kg instead of toe/tonne (affects all the fuels).**
- **The IEA and Eurostat were using different NCVs for oil products – we have agreed to use the same values for Europe**
- **For the last 3 years, the IEA has used region-specific values for the oil products in OECD countries (also revised NCVs for some non-OECD countries)**

Choice of primary energy form

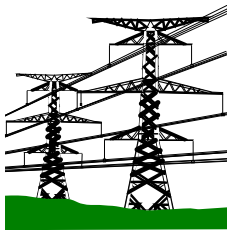
First energy form downstream for which
multiple energy uses are practical

Heat



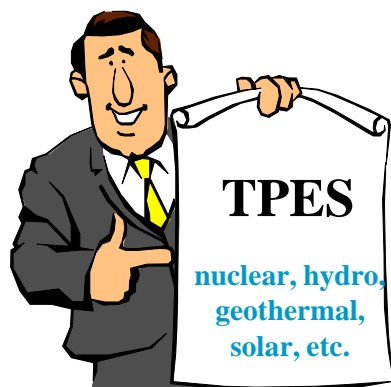
- nuclear heat and electricity production
- geothermal heat and electricity production
- solar heat production

Electricity



- hydro
- wind
- wave/ocean
- photovoltaic solar electricity production

Choice of method for calculating primary energy equivalent



Partial substitution method

- represents the amount of energy necessary in conventional thermal plants
- difficult to choose efficiency
- not relevant for countries with a high share of hydro

IEA/Eurostat/UNSD
opted for



Physical energy content method

- uses physical energy content of the primary energy source
- nuclear 33%
- geothermal 10%
- solar, wind, etc. 100%

Physical energy content vs. partial substitution

2008 Energy Balance of Sweden

Using physical energy content method

Million tonnes of oil equivalent / <i>Million de tonnes d'équivalent pétrole</i>											
SUPPLY	Coal & peat	Crude oil	Petroleum products	Gas	Nuclear	Hydro	Geotherm. solar etc.	Combust. renew. & waste	Electricity	Heat	Total
Production	0.21	-	-	-	16.63	5.92	0.18	10.12	-	0.27	33.33
Imports	2.32	21.73	7.42	0.83	-	-	-	-	1.10	-	33.39
Exports	-0.03	-0.47	-12.07	-	-	-	-	-	-1.27	-	-13.84
Intl. marine bunkers	-	-	-2.01	-	-	-	-	-	-	-	-2.01
Intl. aviation bunkers	-	-	-0.68	-	-	-	-	-	-	-	-0.68
Stock changes	0.04	-0.44	-0.07	-	-	-	-	-	-	-	-0.47
TPES	2.54	20.82	-7.41	0.83	16.63	5.92	0.18	10.12	-0.17	0.27	49.73
Electricity and Heat Output											
Elec. generated - TWh	3.01	-	1.07	0.78	63.82	68.80	1.97	10.03	-	-	149.49
Heat generated - PJ	16.09	-	4.77	6.00	-	-	-	140.36	0.76	19.98	187.95

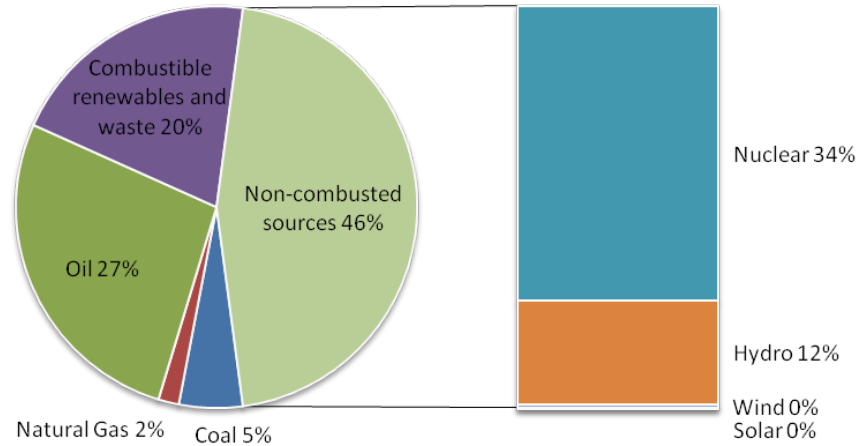
Using partial substitution method

Million tonnes of oil equivalent / <i>Million de tonnes d'équivalent pétrole</i>											
SUPPLY	Coal & peat	Crude oil	Petroleum products	Gas	Nuclear	Hydro	Geotherm. solar etc.	Combust. renew. & waste	Electricity	Heat	Total
Production	0.21	-	-	-	14.26	15.37	0.44	10.12	-	0.27	40.67
Imports	2.32	21.73	7.42	0.83	-	-	-	-	1.10	-	33.39
Exports	-0.03	-0.47	-12.07	-	-	-	-	-	-1.27	-	-13.84
Intl. marine bunkers	-	-	-2.01	-	-	-	-	-	-	-	-2.01
Intl. aviation bunkers	-	-	-0.68	-	-	-	-	-	-	-	-0.68
Stock changes	0.04	-0.44	-0.07	-	-	-	-	-	-	-	-0.47
TPES	2.54	20.82	-7.41	0.83	14.26	15.37	0.44	10.12	-0.17	0.27	57.07
Electricity and Heat Output											
Elec. generated - TWh	3.01	-	1.07	0.78	63.82	68.80	1.97	10.03	-	-	149.49
Heat generated - PJ	16.09	-	4.77	6.00	-	-	-	140.36	0.76	19.98	187.95

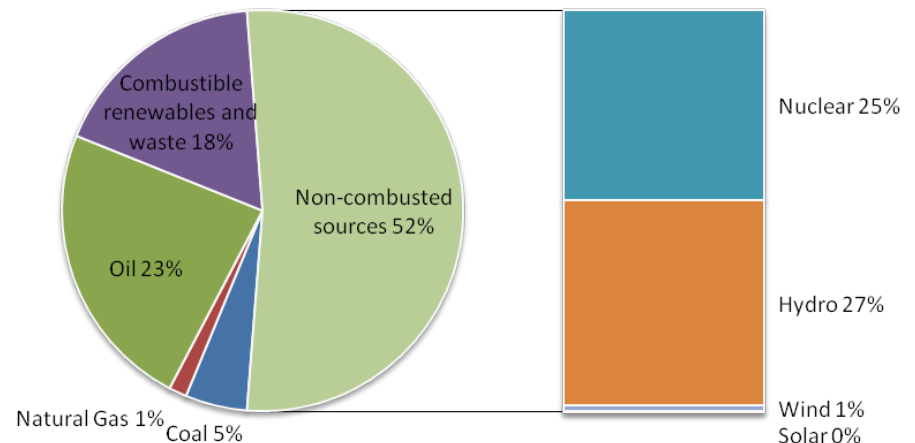
Physical energy content vs. partial substitution

2008 Supply of Sweden

Using physical energy content method



Using partial substitution method



Non-combusted sources can have very different shares!

Physical energy content vs. partial substitution

2008 Energy Balance of Georgia

Using physical energy content method

Hydro = 20.6%

SUPPLY AND CONSUMPTION	Coal & peat	Crude oil	Oil products	Gas	Nuclear	Hydro	Geotherm. solar etc.	Combust. renew. & waste	Electricity	Heat	Total
Production	5	53	-	11	-	616	14	378	-	-	1077
Imports	48	43	839	1063	-	-	-	-	48	-	2042
Exports	-	-35	-	-	-	-	-	-	-58	-	-93
Intl. marine bunkers	-	-	-	-	-	-	-	-	-	-	-
Intl. aviation bunkers	-	-	-41	-	-	-	-	-	-	-	-41
	-	-3	-	7	-	-	-	-	-	-	4
TPES	53	58	798	1081	-	616	14	378	-10	-	2988
Electricity and Heat Output											
Electricity generated - GWh	-	-	-	1279	-	7162	-	-	-	-	8441
Heat generated - TJ	-	-	-	2052	-	-	-	-	-	-	2052

Using partial substitution method

Hydro = 40.3%

SUPPLY AND CONSUMPTION	Coal & peat	Crude oil	Oil products	Gas	Nuclear	Hydro	Geotherm. solar etc.	Combust. renew. & waste	Electricity	Heat	Total
Production	5	53	-	11	-	1600	14	378	-	-	2061
Imports	48	43	839	1063	-	-	-	-	48	-	2042
Exports	-	-35	-	-	-	-	-	-	-58	-	-93
Intl. marine bunkers	-	-	-	-	-	-	-	-	-	-	-
Intl. aviation bunkers	-	-	-41	-	-	-	-	-	-	-	-41
	-	-3	-	7	-	-	-	-	-	-	4
TPES	53	58	798	1081	-	1600	14	378	-10	-	3972
Electricity and Heat Output											
Electricity generated - GWh	-	-	-	1279	-	7162	-	-	-	-	8441
Heat generated - TJ	-	-	-	2052	-	-	-	-	-	-	2052

IEA energy balance layout: compact source of information

Turkey : 2008

		Million tonnes of oil equivalent										Totals
Flows		Coal	Crude oil	Oil products	Gas	Nuclear	Hydro	Geotherm. solar etc.	Combust. renew. & waste	Electricity	Heat	Total
SUPPLY AND CONSUMPTION												
Supply	Production	16.87	2.13	-	0.84	-	2.88	1.54	4.83	-	-	28.98
	Imports	12.86	21.57	14.41	30.60	-	-	-	-	0.07	-	79.50
	Exports	-	-	-6.53	-0.36	-	-	-	-	-0.10	-	-6.98
	Intl. marine bunkers	-	-	-0.65	-	-	-	-	-	-	-	-0.65
	Intl. aviation bunkers	-	-	-1.30	-	-	-	-	-	-	-	-1.30
	Stock changes	-0.07	-0.14	0.07	-0.90	-	-	-	-	-	-	-1.04
TPES		29.43	22.86	6.99	20.38	-	2.88	1.54	4.83	0.03	-	98.50
Transformation and energy industries own use	Transfers	-	-	-	-	-	-	-	-	-	-	-
	Statistical differences	0.20	0.70	-0.02	-	-	-	-	-	-	-	0.88
	Electricity plants	-14.18	-	-1.58	-14.51	-	-2.86	-0.21	-0.05	16.35	-	-17.05
	CHP plants	-0.16	-	-0.13	-	-	-	-	-	0.01	0.72	-0.50
	Heat plants	-	-	-	-	-	-	-	-	-	1.02	-
	Blast furnaces	-12.4	-	-	-	-	-	-	-	-	-	-12.4
	Gas works	-	-	-	-	-	-	-	-	-	-	-
	Coke/peat, fuel/BKB plants	-0.65	-	-	-	-	-	-	-	-	-	-0.65
	Oil refineries	-	-24.42	24.60	-	-	-	-	-	-	-	0.19
	Petrochemical plants	-	0.15	-0.16	-	-	-	-	-	-	-	-0.01
Final consumption	Liquefaction plants	-	-	-	-	-	-	-	-	-	-	-
	Other transformation	-	-	-	-	-	-	-	-	-	-	-
	Energy ind. own use	-0.60	-	-1.26	-0.10	-	-	-	-	-0.96	-	-3.26
	Losses	-0.05	-	-	-0.06	-	-	-	-	-2.36	-	-2.47
	TFC	12.73	-	27.45	1.91	-	-	0.13	4.77	13.71	1.02	74.38
Industry	INDUSTRY	6.12	-	1.33	3.19	-	-	0.13	-	6.22	1.02	18.01
	Iron and steel	1.21	-	0.00	0.65	-	-	-	-	1.36	-	3.33
	Chemical and petrochem.	0.01	-	0.13	0.61	-	-	-	-	0.32	-	1.07
	Non-ferrous metals	-	-	0.05	0.10	-	-	-	-	0.21	-	0.36
	Non-metallic minerals	-	-	0.50	0.82	-	-	-	-	0.77	-	2.10
	Transport equipment	-	-	-	0.04	-	-	-	-	-	-	0.04
	Machinery	0.00	-	-	0.13	-	-	-	-	0.31	-	0.44
	Mining and quarrying	-	-	-	-	-	-	-	-	0.12	-	0.12
	Food and tobacco	-	-	-	-	-	-	-	-	-	-	1.02
	Paper, pulp and printing	0	-	0.05	0.11	-	-	-	-	0.17	-	0.36
	Wood and wood products	0	-	-	-	-	-	-	-	-	-	0.14
	Construction	2	-	-	-	-	-	-	-	-	-	3.04
	Textile and leather	0	-	-	0.09	-	-	-	-	0.35	-	1.17
	Non-specified	1	-	0.16	-	-	-	-	-	1.20	1.02	4.81
	Transport	TRANSPORT	-	-	-	-	-	-	-	-	0.08	-
Domestic aviation		-	-	-	-	-	-	-	-	-	-	0.79
Road		-	-	-	-	-	-	-	-	-	-	13.40
Rail		-	-	0.15	-	-	-	-	-	0.02	-	0.17
Pipeline transport		-	-	-	0.16	-	-	-	-	0.01	-	0.17
Other final consumption	Domestic navigation	-	-	0.50	-	-	-	-	-	-	-	0.50
	Non-specified	-	-	-	-	-	-	-	0.05	-	-	0.05
	OTHER	6.66	-	6.22	9.59	-	-	1.30	4.75	7.41	-	35.93
	Residential	4.93	-	1.69	6.52	-	-	1.30	4.75	3.40	-	22.60
	Comm. and public service	1.06	-	-	3.07	-	-	-	-	3.50	-	7.63
Non-energy use	Agriculture/forestry	-	-	4.53	-	-	-	-	0.49	-	-	5.02
	Fishing	-	-	-	-	-	-	-	0.01	-	-	0.01
	Non-specified	0.66	-	-	-	-	-	-	-	-	-	0.66
	NON-ENERGY USE	-	-	5.11	0.26	-	-	-	-	-	-	5.37
	in industry/transport	-	-	4.53	0.26	-	-	-	-	-	-	4.79
of which: feedstocks	-	-	1.17	0.26	-	-	-	-	-	-	1.43	
in transport	-	-	0.58	-	-	-	-	-	-	-	0.58	
in other	-	-	-	-	-	-	-	-	-	-	-	
Electricity and Heat Output												
Electricity and heat output	Elec. generated - TWh	57.72	-	7.52	98.69	-	33.27	1.01	0.22	-	-	198.42
	Electricity plants	57.15	-	6.90	91.55	-	33.27	1.01	0.20	-	-	190.08
	CHP plants	0.57	-	0.62	7.14	-	-	-	0.02	-	-	8.34
	Heat generated - PJ	0.58	-	0.56	41.40	-	-	-	-	-	-	42.54
CHP plants	0.58	-	0.56	41.40	-	-	-	-	-	-	42.54	
Heat plants	-	-	-	-	-	-	-	-	-	-	-	

Comparable information for all products

Comparable energy units (Mtoe)

Global picture of energy situation in a country

Energy balance of Serbia 2008

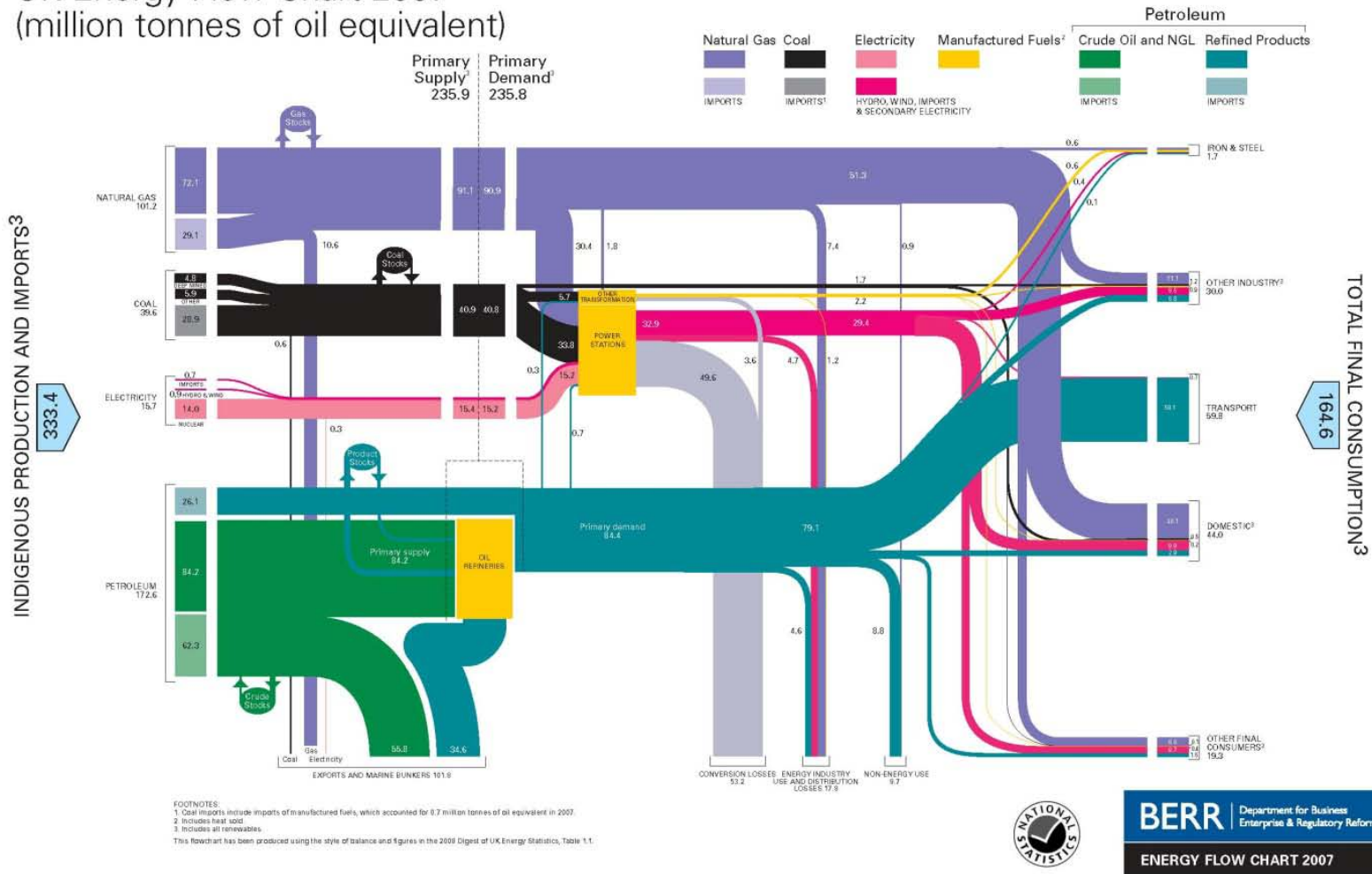
SUPPLY AND CONSUMPTION	Coal & peat	Crude oil	Oil products	Supply				Heat	Total
				Refined products and electricity are secondary energy: production = 0	Renewable	Electricity	etc.		
Production	7371			823	48	806	-	-	9922
Imports	945			-	-	1	763	-	7440
Exports	-57			-	-	-4	-757	-	-1056
Intl. marine bunkers	-			-	-	-	-	-	-
Intl. aviation bunkers	-			-	-	-	-	-	-48
Stock changes	-136			-	-	1	-	-	-227
TPES	8122			823	48	804	6	-	16032
Transfers	-	51	-47	-	-	-	-	-	4
Statistical differences	303	59	-48	-	-	-	5	10	329
Electricity plants	-6785	-	-17	-17	-823	-	3127	-	-4515
CHP plants	-	-	-33	-99	-	-	36	39	-58
Heat plants	-104	-	-349	-389	-	-42	-1	778	-106
Blast furnaces	-247	-	-	-	-	-	-	-	-247
Gas works	-	-	-	-	-	-	-	-	-
Coke/pat.fuel/BKB plants	-99	-	-	-	-	-	-	-	-99
Oil refineries	-	-3457	3160	-	-	-	-	-	-297
Petrochemical plants	-	99	-103	-	-	-	-	-	-4
Liquefaction plants	-	-	-	-	-	-	-	-	-
Other transformation	-	-	-	-	-	-	-	-	-
Energy industry own use	-	-	-	-45	-	-	-322	-20	-387
Losses	-76	-	-	-31	-	-	-508	-81	-696
TFC	1115	-	3541	1420	-	804	2344	727	9956
INDUSTRY	582	-	498	1002	-	22	608	296	3007
TRANSPORT	1	-	2178	4	-	-	23	-	2206
OTHER	511	-	176	281	-	6	781	431	3901
NON-ENERGY USE	21	-	689	132	-	-	-	-	842

Coal-to-coal transformation
Value represents transformation losses; further detail available in BIGBAL

Transformation
- Negative value represents an input, positive value represents an output

- Transformation losses appear in the **Total** column as negative figures

UK Energy Flow Chart 2007
(million tonnes of oil equivalent)



Some countries use “flow” charts to visualise their energy balances - no confusion as long as similar principles have been used

Using the energy balance with economic indicators

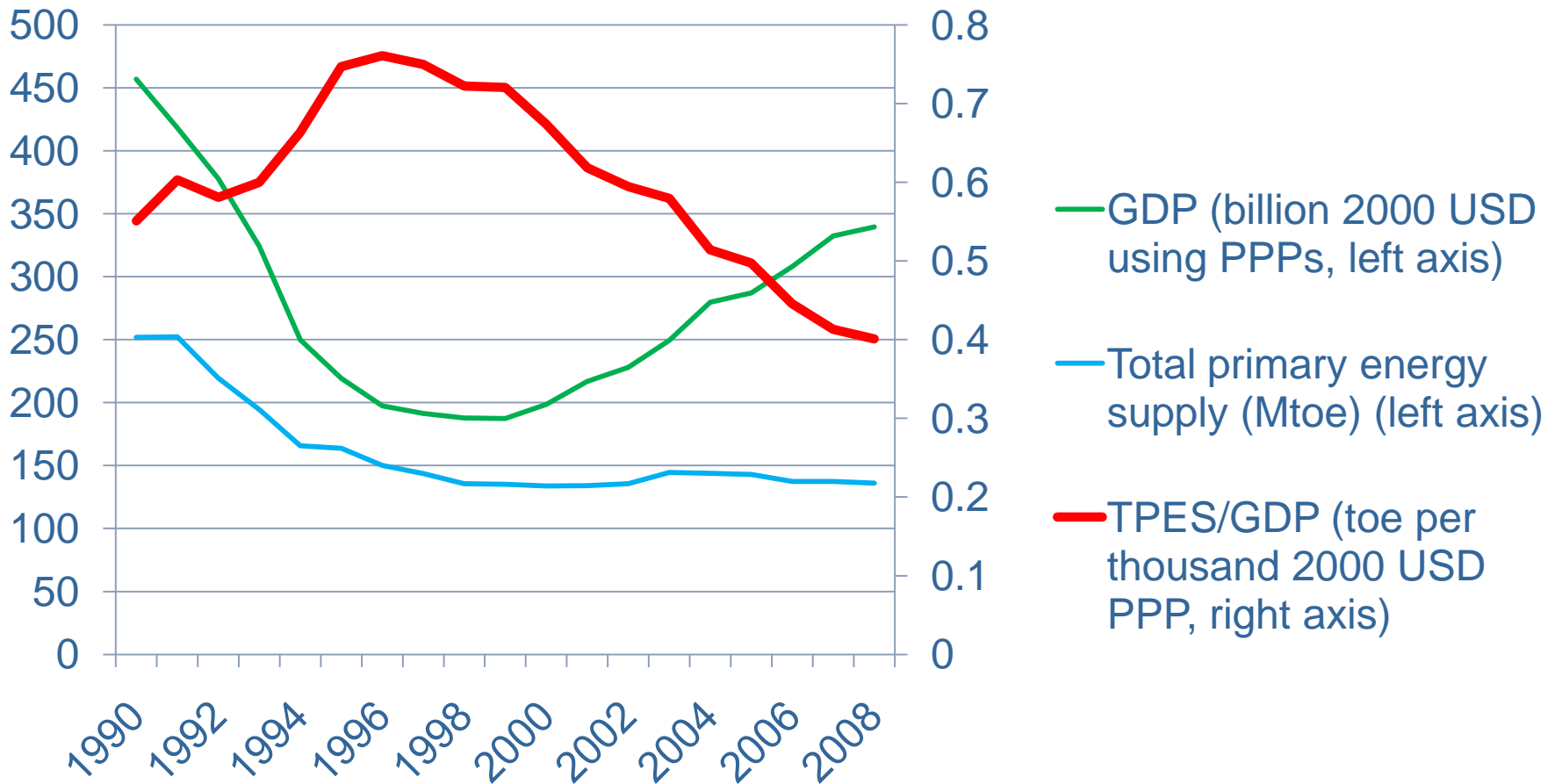
Using:

- **Population**
- **GDP (using 2000 exchange rates to US dollars)**
- **GDP-PPP (using 2000 PPPs to US dollars)**



- | | |
|---------------------------------|---|
| • Energy Production/TPES | • Oil Supply/GDP |
| • Net Oil Imports/GDP | • Oil Supply/Population |
| • TPES/GDP | • Electricity Consumption/GDP |
| • TPES/Population | • Electricity Consumption/Population |

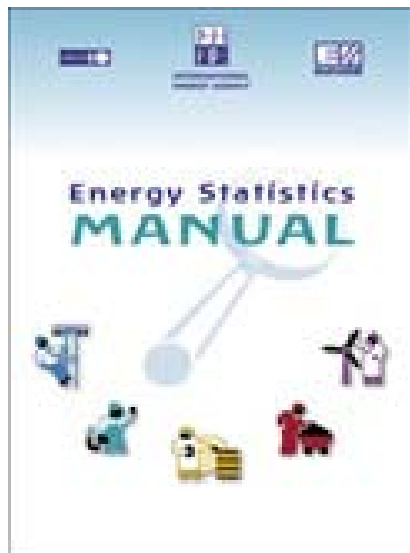
TPES & GDP in the Ukraine



Need for additional harmonisation

- There are at least 3 levels for harmonisation:
- **country - organisation**
- **organisation – organisation (InterEnerStat)**
- **energy – economic – environmental (Oslo City Group, London City Group)**

Joint manuals allow countries to see what international organisations are doing



- In 2004/2005 the IEA and Eurostat have prepared a joint manual to help countries collect and submit energy data
- The UN is currently working on International Recommendations on Energy Statistics (IRES) to update the previous UN manuals from the 1980s/1990s

InterEnerStat has harmonised definitions across organisations

- **APEC and Eurostat/IEA:** Crude oil is a mineral oil of natural origin comprising a mixture of hydrocarbons and associated impurities, such as sulphur. It exists in the liquid phase under normal surface temperature and pressure and its physical characteristics (density, viscosity, etc.) are highly variable. This category includes field or lease condensate recovered from associated and non-associated gas where it is commingled with the commercial crude oil stream.
- **OLADE:** This is a complex mixture of hydrocarbons of different molecular weights, with a fraction (generally small) of compounds containing sulphur and nitrogen. The composition of petroleum is variable and may be divided into three classes according to the residues that are formed during distillation: paraffins, asphalts or a mixture of the two. Crude oil is used as a raw material for refineries where it is processed to obtain products.
- **OPEC:** Crude oil is technically defined as a mixture of hydrocarbons that exists in the liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. Production volumes reported as crude oil include:
 - 1. Liquids technically defined as crude oil
 - 2. Small amounts of hydrocarbons that exist in the gaseous phase in natural underground reservoirs but are liquid at atmospheric pressure after being recovered from oil well (casing head gas in lease separators).
 - 3. Small amounts of non-hydrocarbons produced and remaining with oil.
- **UNSD: Crude Oil/Petroleum:** A mixture of pentanes and heavy hydrocarbons that may be contaminated with sulphur compounds which is recovered at a well from an underground reservoir and is liquid when its volume is measured. Excludes raw gas and condensate.

Benefits of harmonisation is felt at all levels

In general, harmonisation :

- **helps policy makers take informed decisions**
- **reduces the workload on administrations collecting and supplying data**
- **reduces the need for organisations to explain differences between different data sets to inexperienced users**
- **helps the general public understand the energy situation of their own country as well as other countries**
- **Statistics for the Caspian region are published by several organisations (UNSD, IEA, Eurostat etc.) Harmonisation in the definitions helps comparability and reduce reporting burdens**

Although harmonisation is the way to go, we all know that it is a lengthy process.

IEA Balance Builder

- Available at
<http://www.iea.org/stats/questionnaire/balancebuildertemplate.xls>
- Two options:
 - 1) Shows links from basic energy statistics (“commodity balances”) to the energy balance
 - 2) shows links from the five annual questionnaires to the energy balance (via the basic energy statistics)

IEA balance builder (2)

What is it for?

- **Shows a country what their data will look like in the IEA format (so no surprises on publication day)**
- **Shows the country's statisticians how to construct an energy balance (and what data they need to do so)**
- **Highlights the importance of accurate NCVs**

In conclusion, good (hopefully harmonised) energy balances:

- **Require good quality statistics (data, calorific values)**
- **Are a compact source of energy information (convenient!)**
- **Enable accurate checks of energy statistics (efficiencies...)**
- **Are the foundation for basic energy indicators, energy accounts and for CO₂ emissions estimates**
- **...Are not essential, but highly recommended!**

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Thank you