



**COUNCIL OF
THE EUROPEAN
UNION**

RUE DE LA LOI, 175
B - 1048 Brussels

Brussels, 22 June 2016

Mr. Jerzy BUZEK

Chairman, European Parliament Committee on Industry, Research and Energy,
BRUSSELS.

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on European statistics on natural gas and electricity prices and repealing Directive 2008/92/EC of the European Parliament and of the Council concerning a Community procedure to improve the transparency of gas and electricity prices charged to industrial end-users

- Confirmation of the final compromise text with a view to agreement

Dear Mr BUZEK,

Following the informal meeting between the representatives of the three institutions, a draft overall compromise package was agreed today by the Permanent Representatives' Committee.

I am therefore now in a position to confirm that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise package contained in the Annex to this letter (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

On behalf of the Council I also wish to thank you for your close cooperation which should enable us to reach agreement on this dossier at first reading.

Yours sincerely,

Wepke KINGMA
Chairman of the Permanent Representatives
Committee (Part 1)

Copy to: Marianne Thyssen, Commissioner
Barbara Kappel, European Parliament Rapporteur

2015/0239(COD)

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on European Statistics on Natural Gas and Electricity Prices and Repealing
Directive 2008/92/EC of the European Parliament and of the Council Concerning a
Community Procedure to Improve the Transparency of Gas and Electricity Prices Charged to
Industrial End-users**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,¹

Whereas:

- (1) Competitiveness, sustainability and energy security are the overarching goals of a resilient Energy Union with a forward-looking climate change policy.
- (2) High quality, comparable, up-to-date, reliable and harmonised information on natural gas and electricity prices charged to final customers *is* needed in order to draft Energy Union policy and monitor the Member States' energy markets.

¹ Opinion of the European Parliament of ... (not yet published in the Official Journal) and Council Decision of ...

- (3) This Regulation aims to provide European statistics to underpin energy policies in particular towards the creation of a fully integrated internal energy market for customers. Greater transparency on energy costs and prices, as well as on the level of public support, should be made available to improve market integration. *The content of this Regulation does not imply any harmonisation of the structure of prices and charges across Member States.*
- (4) Up to the present date, Directive 2008/92/EC of the European Parliament and of the Council² has provided a common framework for producing, transmitting and disseminating comparable statistics on the natural gas and electricity prices charged to industrial customers in the Union.
- (5) The collection of data on natural gas and electricity prices charged to final customers in the household sector has so far been carried out on the basis of a voluntary agreement.
- (6) The growing complexity of the internal energy market make it increasingly difficult to obtain reliable and up-to-date price data for natural gas and electricity in the absence of legally binding obligations to provide such data, in particular for the household sector.
- (7) In order to guarantee the reporting of high quality price data for the household sector and for the non-household sector, the collection of both types of data should be covered by a legal act.
- (8) In most countries, data on transmission systems are available from energy regulators. However, a much larger number of data compilers are involved for distribution costs and the reporting of data is considered more challenging in some Member States. Given the significance of distribution costs and the need for transparency on this matter, the collection of data *should follow the established practices within the European Statistical System.*
- (9) The system of consumption bands used by the Commission (Eurostat) in its price publications should ensure the transparency of the market and the broad dissemination of non-confidential price data and should enable the calculation of European aggregates.

² Directive 2008/92/EC of the European Parliament and of the Council of 22 October 2008 concerning a Community procedure to improve the transparency of gas and electricity prices charged to industrial end-users (OJ L 298, 7.11.2008, p. 9).

- (10) Regulation (EC) No 223/2009 of the European Parliament and of the Council³ *is the reference framework for European statistics. That Regulation* provides that statistics are to be collected in accordance with the principles of impartiality, transparency, reliability, objectivity, professional independence and cost-effectiveness, while protecting statistical confidentiality.
- (11) The information on prices charged to final customers of natural gas and electricity should enable comparisons with the prices of other energy commodities.
- (12) Information on the collection of data on prices and on quality should be provided as part of standard reporting procedure.
- (13) Detailed data on the breakdown of consumption bands and their respective market shares are an essential part of natural gas and electricity price statistics.
- (14) Price analysis can only be carried out if high quality official statistics are available from Member States regarding the different components and sub-components of natural gas and electricity prices. A revised methodology for generating a detailed breakdown of the various components and sub-components of the prices of natural gas and electricity charged to final customers will make it possible to analyse the impact of different aspects on the final prices.
- (15) The data provided to the Commission (Eurostat) on prices and conditions of sale to final customers, and the breakdown of the number of final customers by consumption in each consumption band, should *contain all the necessary information to enable* the Commission to decide on appropriate measures or proposals in relation to energy policy.
- (16) A good understanding of the taxes, charges, *levies and fees* in each Member State is essential for ensuring price transparency. The importance of a breakdown of the data on network costs, charges, taxes, levies, and fees has been identified.

³ Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics and repealing Regulation (EC, Euratom) No 1101/2008 of the European Parliament and of the Council on the transmission of data subject to statistical confidentiality to the Statistical Office of the European Communities, Council Regulation (EC) No 322/97 on Community Statistics, and Council Decision 89/382/EEC, Euratom establishing a Committee on the Statistical Programmes of the European Communities (OJ L 87, 31.3.2009, p. 164).

- (17) Member States in which the consumption of natural gas as a proportion of the final energy consumption of households is low should be exempted from the obligation to provide data on natural gas prices for final household customers.
- (18) To improve data reliability, the Commission (Eurostat), together with the Member States, should assess and, if required, improve the methodology for collecting and processing the data in a precise manner, aligned with governance framework for statistics. Therefore, quality reports should be prepared regularly and assessments of the quality of the price data should be carried out regularly.
- (19) Based on a justified request from a Member State, the Commission may grant derogations to Member States in relation to those specific obligations for which the application of this Regulation to the national statistical system of a Member State requires major adaptations *or* is likely to lead to a significant additional burden on respondents.
- (20)
- (21)
- (22) In order to ensure uniform conditions for the implementation of *this* Regulation, implementing powers should be conferred on the Commission as regards the format of and arrangements for the transmission of the data, requirements for the quality reports and their structure and comparability, and the granting of derogations. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁴.

⁴ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(22a) The Member States should compile the data by using the most appropriate sources and methods to provide the required information. The Union may therefore take action to this end in accordance with the principle of subsidiarity. Since the objective of this Regulation, namely the establishment of a common legal framework for the systematic production of European statistics on natural gas and electricity prices, cannot be sufficiently achieved by the Member States but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve that objective.

(23) Directive 2008/92/EC *should therefore be* repealed.

(24) The European Statistical System Committee has been consulted.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter

This Regulation establishes a common framework for the development, production and dissemination of comparable European statistics on natural gas and electricity prices for household and final non-household customers in the *Union*.

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply:

- (1) *'autoproducers'*, *'final energy consumption'* and *'household'* shall have the same meaning as those referred to in Annex A to Regulation (EC) No 1099/2008 of the European Parliament and of the Council⁵;

⁵ Regulation (EC) No 1099/2008 of the European Parliament and of the Council of 22 October 2008 on energy statistics (OJ L 304, 14.11.2008, p. 1).

- (2) *'transmission', 'distribution', 'customer', 'final customer', 'household customer', 'non-household customer' and 'supply'* related to electricity shall have the same meaning as those referred to in Directive 2009/72/EC of the European Parliament and of the Council⁶, when used in relation to electricity;
- (3) *'transmission', 'distribution', 'supply', 'customer', 'household customer', 'non-household customer' and 'final customer'* related to natural gas shall have the same meaning as those referred to in Directive 2009/73/EC of the European Parliament and of the Council⁷, when used in relation to natural gas;
- (4) 'network component' means the combination of *transmission and* distribution network costs as stated in point 6 of Annex I and in point 5 of Annex II.

Article 3

Data sources

Member States shall compile data on natural gas and electricity prices, and their *components and* sub-components *of* network costs, taxes, levies, fees and charges, and on consumption volumes, *in accordance with Annexes I and II. One or more of* the following sources *shall be used, having taken into account the principles of reducing burden on respondents and of administrative simplification:*

- (a) statistical surveys;
- (c) administrative sources;
- (d) other sources applying statistical estimation *methods*.

⁶ Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (OJ L 211, 14.8.2009, p. 55).

⁷ Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009, p. 94).

Article 4

Coverage

1. Member States shall ensure that the data collection and compilation *as set out in Annexes I and II provide comprehensible and comparable high quality data that are representative of their respective natural gas and electricity prices and consumption.*
2. Member States shall not be obliged to transmit data on natural gas prices for household consumers if the consumption of natural gas in the household sector *accounts for less than 1.5 % of national total energy consumption in the household sector. At least every three years, the Commission (Eurostat) shall review which Member States are not obliged to transmit such data.*

Article 5

Data transmission

1. Member States shall provide to the Commission (Eurostat) the data as set out in Annexes I and II.
2. The Commission shall establish and adopt, by means of implementing acts, the format and arrangements for the transmission of the data as set out in the Annexes. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 11(2).
 - 2a. *Member States shall provide statistics to the Commission (Eurostat) within three months of the end of the reference period.*

Article 6

Reference period and transmission frequency

1. ***The first reference periods for data specified in the Annexes of this Regulation shall be January to December and January to June respectively of ... [the calendar year following the adoption of this Regulation].***
2. The transmission frequency shall be:
 - (a) annual (*for the period from* January to December) for data referred to in points 6(a) and 7 of Annex I and *points* 5(a) and 6 of Annex II;
 - (b) twice-yearly (*for the periods from* January to June and *from* July to December) for data referred to in point 6(b) of Annex I and point 5(b) of Annex II.

Article 7

Quality assurance

1. Member States shall ensure the quality of the data *provided. For the purposes of this Regulation, the standard* quality criteria *set out* in Article 12(1) of Regulation (EC) No 223/2009 *shall apply.*
2. Member States shall inform the Commission (Eurostat), without delay, of any methodological or other changes that might have a significant impact on natural gas and electricity price statistics, and in any event no later than one month after that change occurs.
3. ***Every three years,*** Member States shall *provide* the Commission (Eurostat) *with a standard* quality report on the data *covering the quality criteria referred to in Article 12(1) of Regulation (EC) No 223/2009.* This report shall include information on the scope and collection of the data, the calculation criteria, *the* methodology and data sources used, and any changes *therein.*
4. The Commission (Eurostat) shall assess the quality of the *data* transmitted, and shall *use this* assessment *and an analysis of the quality reports referred to in paragraph 3 to prepare and publish a report on the quality of European statistics covered by this Regulation.*

6. The Commission shall *adopt* implementing acts *establishing technical quality assurance* requirements *regarding the content of the three-yearly standard* quality reports referred to in paragraph 3. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 11(2).

Article 8

Dissemination

The Commission (Eurostat) shall disseminate natural gas and electricity price statistics no later than five months after the end of each reference period.

Article 9

Derogations

1. Derogations may be granted *by the Commission* by means of implementing acts in relation to those specific obligations for which the application of this Regulation to the national statistical system of a Member State requires major adaptations *or* is likely to lead to a significant additional burden on respondents. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 11(2).
2. For the purposes of paragraph 1, the Member State concerned shall present a duly justified request to the Commission no later than ... [nine months after the entry into force of this Regulation].
3. The derogations shall remain in force for the shortest period of time possible and shall in any case not exceed three years.
4. A Member State having been granted derogation in accordance with paragraph 1 shall continue to apply the relevant provisions of Directive 2008/92/EC for the duration of the derogation period.

Article 11

Committee procedure

1. The Commission shall be assisted by the European Statistical System Committee established by Regulation (EC) No 223/2009. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 12

Repeal of Directive 2008/92/EC

1. Directive 2008/92/EC is repealed *with effect from [xxxx]*.
 - 1a. Notwithstanding paragraph 1 of this Article, Directive 2008/92/EC shall continue to apply under the conditions provided for in Article 9 of this Regulation.*
2. References to the repealed Directive shall be construed as references to this Regulation.

Article 13

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in the Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President

ANNEX I
NATURAL GAS PRICES

This Annex sets out the methodology for the collection and compilation of statistical data on natural gas prices for household and final non-household customers.

1. Prices

Prices to be reported *shall be* prices charged to household and final non-household customers buying natural gas for their own use that is distributed through mains.

2. Natural gas

Natural gas *shall include* natural gas and other gaseous fuels blended with natural gas in the transmission and distribution network, such as biogas. Other gaseous fuels that are distributed through dedicated networks without being blended with natural gas (e.g. gas works gas, coke oven gas, blast furnace gas and biogas) *shall be* excluded.

3. Reporting units

The data *shall* include all household and final non-household customers of natural gas, but *shall* exclude customers who use gas only for:

- electricity generation in power plants or in combined heat and power (CHP) plants; or
- non-energy purposes (e.g. for use in the chemicals industry).

4. Units of measurement

The prices to be reported *shall be* the national average prices charged to household and final non-household customers.

Prices *shall* be expressed in national currency per gigajoule (GJ). The unit of energy used *shall* be measured on the basis of the gross calorific value (GCV).

Prices *shall* be weighted according to the market share of natural gas supply undertakings in each consumption band. If it is not possible to calculate weighted average prices, arithmetic average prices may be provided. In either case, the data *shall* cover a representative share of the national market.

5. Consumption bands

The prices to be reported *shall* be based on a system of standard annual natural gas consumption bands.

(a) For household customers, the following bands *shall* be applied:

Consumption band	Annual natural gas consumption (GJ)	
	Minimum	Maximum
Band D1		< 20
Band D2	≥20	<200
Band D3	≥ 200	

(b) For final non-household customers, the following bands *shall* be applied:

Consumption band	Annual natural gas consumption (GJ)	
	Minimum	Maximum
Band I1		< 1 000
Band I2	≥1 000	<10 000
Band I3	≥10 000	<100 000
Band I4	≥100 000	<1 000 000
Band I5	≥1 000 000	<4 000 000
Band I6	≥ 4 000 000	

6. Level of detail

The prices in question *shall* include all charges payable: network charges plus energy consumed, minus any rebates or premiums, plus any other charges (e.g. meter rental fees, standing charges). Initial connection charges *shall* be excluded.

Detailed data must be provided as specified below.

(a) Level of detail required for components and sub-components

The prices provided *shall* be subdivided into three main components and into separate sub-components.

The final customer price for natural gas by consumption band is the sum of the three main components: the energy and supply component, the network component (transmission and distribution) and the component comprising taxes, levies, fees and charges.

Component & Sub-component	Description
energy and supply	This component <i>shall</i> include the commodity price for natural gas paid by the supplier or the price of natural gas at the point of entry into the transmission system, including, if applicable, <i>the following end-user costs</i> : storage costs plus costs relating to the sale of natural gas to final customers.
network	The network price <i>shall</i> include the following <i>end-user</i> costs: transmission and distribution tariffs, transmission and distribution losses, network costs, after-sale service costs, system service costs and meter rental and metering costs.
Sub-component	The network component <i>shall</i> be subdivided into <i>end-user</i> transmission costs and distribution network costs, as follows: <ol style="list-style-type: none"> 1. <i>Average relative share of transmission costs for household consumers and average relative share of transmission costs for non-household consumers</i> expressed as a percentage of total network costs. 2. <i>Average relative share of distribution costs for household consumers and average relative share of distribution costs for non-household consumers</i> expressed as a percentage of total network costs.
taxes, fees, levies and charges	This component is the sum of all the sub-components (taxes, fees, levies and charges) listed below.
Sub-components	The following sub-components <i>shall</i> be reported as individual items for each consumption band defined in point 5. <ol style="list-style-type: none"> 1. Value added tax as described in Council Directive 2006/112/EC⁸ on the common system of value added tax. 2. Taxes, fees, levies or charges related to the promotion of renewable energy sources, energy efficiency and CHP generation.

⁸ Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

	3. Taxes, fees, levies or charges relating to strategic stockpiles, capacity payments and energy security; taxes on gas distribution; stranded costs and levies on financing energy regulatory authorities or market <i>and system</i> operators.
	4. Taxes, fees, levies or charges relating to air quality and the environment; taxes on emissions of CO ₂ or other greenhouse gases.
	5. All other taxes, fees, levies or charges not covered by any of the previous four categories: support for district heating; local or regional fiscal charges; island compensation; concession fees relating to licences and fees for the occupation of land and public or private property by networks or other devices.

(b) Level of detail based on taxation

The price data *shall* be broken down into the following three levels:

Level	Description
Prices excluding all taxes, fees, levies and charges	This price level includes only the energy and supply component and the network component.
Prices excluding value added tax (VAT) and other recoverable taxes	This price level includes the energy and supply component, the network component and taxes, fees, levies and charges considered as non-recoverable for final non-household customers. For household customers this price level includes the energy and network components and taxes, fees, levies and charges but excludes VAT.
Prices including all taxes	This price level includes the energy and supply component, the network component, and all recoverable and non-recoverable taxes, fees, levies and charges, <i>including VAT</i> .

7. Consumption volumes

Member States *shall* transmit information on the relative share of natural gas in each consumption band based on the total volume to which the prices refer.

The annual consumption volumes for each consumption band *shall* be reported once per year at the same time as the price data for the second semester are reported.

The data *shall* not be older than two years.

ANNEX II ELECTRICITY PRICES

This Annex sets out the methodology for the collection and compilation of statistical data on electricity prices for household and final non-household customers.

1. Prices

Prices to be reported *shall be* those charged to household and final non-household customers buying electricity for their own use.

2. Reporting units

The data *shall* include all household and final non-household customers of electricity, but electricity generated and *subsequently* consumed by autoproducers *shall* be excluded from the reporting obligation.

3. Unit of measurement

The prices to be reported *shall be* the national average prices charged to household and final non-household customers.

Prices *shall* be expressed in national currency per kilowatt-hour (kWh).

Prices *shall* be weighted according to the market share of electricity supply undertakings in each consumption band. If it is not possible to calculate weighted average prices, arithmetic average prices may be provided. In either case, the data *shall* cover a representative share of the national market.

4. Consumption bands

The prices to be reported *shall* be based on a system of standard annual electricity consumption bands.

(a) For household customers, the following bands *shall* be applied:

Consumption band	Annual electricity consumption (kWh)	
	Minimum	Maximum
Band DA		<1 000
Band DB	≥1 000	<2 500
Band DC	≥2 500	<5 000
Band DD	≥5 000	<15 000
Band DE	≥15 000	

(b) For final non-household customers, the following bands *shall* be applied:

Consumption band	Annual electricity consumption (MWh)	
	Minimum	Maximum
Band IA		<20
Band IB	≥20	<500
Band IC	≥500	<2 000
Band ID	≥2 000	<20 000
Band IE	≥20 000	<70 000
Band IF	≥70 000	<150 000
Band IG	≥150 000	

5. Level of detail

The prices in question *shall* include all charges payable: network charges plus energy consumed, minus any rebates or premiums, plus other charges (e.g. meter rental, standing charges). Initial connection charges *shall* be excluded.

Detailed data are to be provided as specified below:

(a) Level of detail required for components and sub-components

The prices provided *shall* be subdivided into three main components and into separate sub-components.

The final customer price for electricity by consumption band is the sum of the three main components: the energy and supply component, the network component (transmission and distribution) and the component comprising taxes, levies, fees and charges.

Component & Sub-component	Description
energy and supply	This component <i>shall</i> include the following <i>end-user</i> costs: generation, aggregation, balancing energy, supplied energy costs, customer services, after-sales management and other supply costs.
network	The network price <i>shall</i> include the following <i>end-user</i> costs: transmission and distribution tariffs, transmission and distribution losses, network costs after-sale service costs, system service costs, and meter rental and metering costs.

Sub-component	The network component <i>shall</i> be subdivided into transmission and distribution network <i>end-user</i> costs, as follows:
	1. <i>Average relative share of transmission costs for household consumers and</i> average relative share of transmission costs <i>for non-household consumers</i> expressed as a percentage of total network costs.
	2. <i>Average relative share of distribution costs for household consumers and</i> average relative share of distribution costs <i>for non-household consumers</i> expressed as a percentage of total network costs.
taxes, fees, levies and charges	This component is the sum of all the taxes, fees, levies and charges listed below.
Sub-component	The following sub-components <i>shall</i> be reported as individual items for each consumption band defined in point 4.
	1. Value added tax as defined by Council Directive 2006/112/EC on the common system of value added tax.
	2. Taxes, fees, levies or charges related to the promotion of renewable energy sources, energy efficiency and CHP generation.
	3. Taxes, fees, levies or charges related to capacity payments, energy security and generation adequacy; taxes on coal industry restructuring; taxes on electricity distribution. Stranded costs and levies on financing energy regulatory authorities or market <i>and system</i> operators.
	4. Taxes, fees, levies or charges related to air quality and environmental purposes, to CO ₂ or other greenhouse gas emissions taxes.
	5. Taxes, fees, levies or charges relating to the nuclear sector, including nuclear decommissioning, inspections and fees for nuclear installations.
	6. All other taxes, fees, levies or charges not covered by any of the previous five categories: support for district heating; local or regional fiscal charges; island compensation; concession fees relating to licences and fees for the occupation of land and public or private property by networks or other devices.

(b) Level of detail based on taxation

The price data *shall* be broken down into the following three levels:

Level	Description
prices excluding all taxes, fees, levies and charges	This price level includes only the energy and supply component and the network component.
prices excluding value added tax (VAT) and other recoverable taxes	This price level includes the energy and supply component, the network component and taxes, fees, levies and charges considered as non-recoverable for final non-household customers. For household customers this price level includes the energy and the network components and taxes, fees, levies and charges but excludes VAT.
prices including all taxes	This price level includes the energy and supply component, the network component, and all recoverable and non-recoverable taxes, fees, levies and charges, <i>including VAT</i> .

6. Consumption volumes

Member States *shall* transmit information on the relative share of electricity in each consumption band based on the total volume to which the prices refer.

The annual consumption volumes for each consumption band *shall* be reported once per year at the same time as the price data for the second semester are reported.

The data *shall* not be older than two years.

