

European statistics on natural gas and electricity prices

SUMMARY

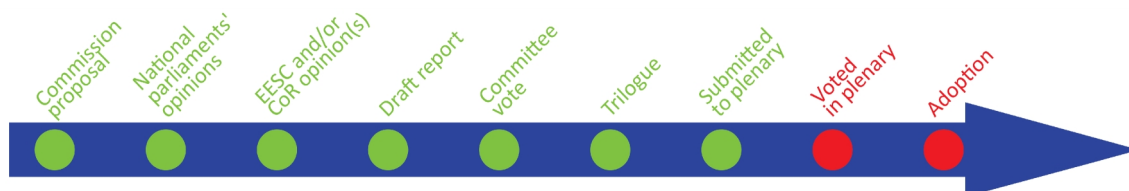
Member States would have to collect statistics on the prices charged to industrial consumers and households for natural gas and electricity. Price data would be reported every six months for different consumption volumes, and cover energy prices, network charges, taxes and levies, and their sub-components. The proposed regulation would replace Directive 2008/92/EC that requires Member States to collect such statistics for industrial consumers. Data on gas and electricity prices for households are currently collected on a voluntary basis.

Statistical data on gas and electricity prices are needed for monitoring the internal market for energy, and the impacts of various policies in the field of energy, such as support for renewable energy sources. In the context of the Energy Union strategy, the Commission has committed to preparing reports about energy costs and prices every two years, starting in 2016.

The agreement reached in trilogue in June 2016 has now to be approved in plenary.

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

<i>Committee responsible:</i>	Industry, Research and Energy (ITRE)	COM(2015) 496 of 18.11.2015
<i>Rapporteur:</i>	Barbara Kappel (ENF, Austria)	<i>procedure ref.:</i> 2015/0239(COD)
<i>Next steps expected:</i>	Vote in plenary	Ordinary legislative procedure



This briefing updates an earlier edition, of February 2016: [PE 577.981](#).

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Introduction

Policies in the field of energy generally have an influence on energy prices for households and industrial consumers. Examples include the liberalisation of gas and electricity markets, which lets the consumer choose among suppliers, and policies that support renewable energy sources, whose costs are often paid by energy consumers. Accurate and up-to-date statistical data about energy prices are an essential tool for analysing and assessing such impacts. Ongoing and planned investments in the energy system, such as smart grids or interconnections, will also influence energy prices for consumers, with effects on household budgets and industrial competitiveness.

Context

In recent years, EU policy-makers have requested analyses of energy prices in Europe, which rely on accurate statistical data. In May 2013, the [European Council](#) requested an in-depth analysis of the composition and drivers of energy prices and costs, which the European Commission delivered in January 2014. In June 2014, the Transport, Telecommunication and Energy Council called for a follow-up review by 2016. In the context of the Energy Union strategy, the European Commission committed to producing an analysis of energy costs and prices every two years, starting in 2016.

Existing situation

Statistics for gas and electricity prices form part of the [European energy statistics system](#) managed by Eurostat. [Directive 2008/92/EC](#) (recast) sets out the rules and methodology for collecting statistical data about gas and electricity prices charged to industrial consumers. Member States collect statistics about gas and electricity prices paid by households on a voluntary basis, and transmit them to Eurostat.

The [methodology](#) for collecting the data was changed in 2007 ([Commission Decision 2007/394/EC](#)) to take account of energy market liberalisation, based on the following principles:

- consumption bands instead of typical consumers
- half-yearly real average prices instead of prices at fixed dates
- national instead of regional prices
- separate reporting of price components for electricity (energy and supply; network; taxes and levies)

As a result of these methodological changes, data collected before and after 2007 are not directly comparable, and there is a break in the statistical time series.

The changes the proposal would bring

The [proposed regulation](#) would introduce a legal requirement for the collection of gas and electricity prices for households in Member States, which currently takes place on a voluntary basis. It would revise the methodology for detailed breakdown of components and sub-components of energy prices charged to final consumers. The

relative shares of transmission costs and distribution costs would be introduced as sub-components of the network component. For the taxes and levies component, the following sub-components would be introduced:

- VAT
- taxes and levies related to promotion of renewable energy sources, energy efficiency and combined heat and power
- taxes and levies related to air quality, climate and environmental purposes
- taxes and levies related to capacity payments, energy security and generation adequacy, coal industry restructuring, etc.
- taxes and levies related to the nuclear sector (electricity only)
- other taxes and levies (concession fees etc.)

An additional consumption band for very large industrial consumers would be introduced.

However, the overall methodology, which the Commission considers as effective, would remain, so that there would be no break in the statistical time series.

The deadline for the reporting of data would be extended from two to three months after the reporting period. Member States would have to produce a report on the quality of the data every three years instead of annually.

If the consumption of natural gas in the household sector in a Member State is less than 1% of national final energy consumption in the household sector, there would be no obligation to provide price data for natural gas.

The proposed regulation takes over the reporting requirements for prices charged to industrial consumers arising from Directive 2008/92/EC, which would be repealed.

Preparation of the proposal

In 2013, several Member States reported to the Energy Statistics Working Group meetings that data providers (electricity and gas companies) were seeking to cut data reporting activities not required by legislation, due to financial and human resource constraints. To avert the resulting risk of reduced market coverage and lower quality of the price data, the Commission initiated the [preparation](#) of a legislative proposal in March 2014.

The stakeholders consulted in the preparation of the proposal were

- Energy Statistics Working Group (ESWG)
- Directors of Sectoral and Environmental Statistics and Accounts (DIMESA)
- Eurogas (gas sector association)
- Eurelectric (electricity sector association)

As the proposed legislation does not cause additional burdens for stakeholders and does not substantially change the existing reporting activities, the Commission decided not to carry out an impact assessment.

The Commission opted for the legal instrument of a regulation in order to ensure quick and uniform implementation.

Stakeholders' views

In 2014, Eurelectric published an [analysis](#) on electricity price drivers, which noted that the price data reported by Member States to Eurostat lack comparability because policy

support elements can be included in any of the three components (energy and supply; network; taxes and levies).

National parliaments

Some ten [national parliaments](#) have examined the proposal. None had delivered a reasoned opinion prior to the subsidiarity deadline of 14 January 2016.

Parliamentary analysis

The electricity and gas price data have been used in analyses for the ITRE Committee ([Recent Trends in EU Energy Prices](#), 2014 and [Recent Trends in Energy Prices](#), 2015).

Legislative process

On 24 May 2016, the ITRE Committee adopted its [report](#) (rapporteur Barbara Kappel, ENF, Austria). A Council position was agreed in the working party on statistics, which gave the Council presidency a mandate to negotiate with Parliament. An agreement was reached in the first trilogue meeting on 15 June 2016. The [agreed text](#) sets the threshold above which a Member State would have to transmit price data for gas in the household sector to a 1.5% share of final energy consumption in the household sector of that Member State (instead of 1% in the Commission proposal), and deletes provisions that would have allowed the Commission to adjust the threshold by means of delegated acts.

References

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[Energy prices and costs report](#), Commission Staff Working Document SWD(2014) 20 final/2, March 2014.

[Energy price statistics - background](#), Eurostat, last modified March 2015.

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