

# Energy balances as a first tool for informing policies: Introduction to the energy balances

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IEA #energyefficientworld

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- The importance of energy balances
- How to read an energy balance?
- Aggregated indicators from the energy balances
- Example of applications of aggregated indicators
- Practical exercise

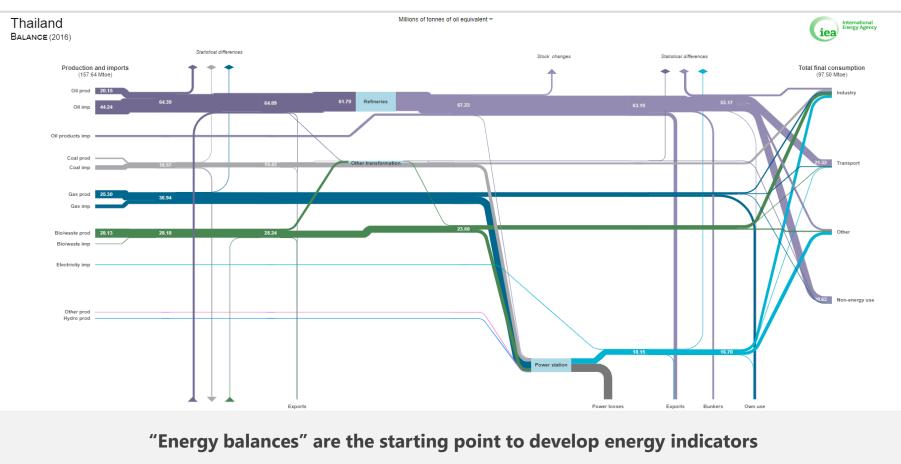
### The importance of energy balances: bringing all information together $G_{ini} \&$



"...An accounting **framework** for compilation of data on **all energy products entering**, **exiting**, **and used** within the national territory of a given **country** during a reference period."

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## The complete picture – Sankey diagram example of energy balance 🛛 🍛 🌢 🤶





> To understand overall energy use in country, from supply, to transformation and final consumption sectors.

# To estimate high-level indicators and CO<sub>2</sub> emissions from fuel combustion

To assess data completeness and check quality of the various energy commodity balances



# How to read an energy balance?

# The energy balance table

	Coal*	Crude oil*	Oil products	Natural gas	Nuclear	Hydro	Geothermal, solar, etc.	Biofuels and waste	Electricity	Heat	Total**
Production	574102	172933	0	267262	20839	27438	32414	384131	0	0	1479119
Imports	215884	394274	270806	61503	0	0	0	460	3116	0	946043
Exports	-231319	-53719	-205851	-81954	0	0	0	-776	-1171	0	-574790
International marine bunkers***	0	0	-48701	0	0	0	0	0	0	0	-48701
International aviation bunkers***	0	0	-26553	0	0	0	0	0	0	0	-26553
Stock changes	-6734	3830	-2092	-867	0	0	0	-106	0	0	-5968
TPES	551933	517319	-12391	245944	20839	27438	32414	383711	1945	0	1769151
Transfers	0	-1536	2375	0	0	0	0	0	0	0	839
Statistical differences	-2205	-5161	-3641	272	0	0	0	-3	604	0	-10134
Electricity plants	-355445	0	-31163	-119138	-20839	-27438	-31647	-21908	231911	0	-375667
CHP plants	-9940	0	-360	-178	0	0	0	0	3536	1068	-5875
Heat plants	0	0	0	0	0	0	0	0	0	0	(
Gas works	-30	0	0	0	0	0	0	0	0	0	-30
Oil refineries	0	-508585	501625	0	0	0	0	0	0	0	-6960
Coal transformation	-18358	0	0	0	0	0	0	0	0	0	-18358
Liquefication plants	0	465	0	-862	0	0	0	0	0	0	-397
Other transformation	0	0	0	-49	0	0	0	-16141	0	0	-16190
Energy industry own use	-2575	-628	-20444	-25030	0	0	0	-4	-13904	-65	-62651
Losses	-243	-200	0	-4945	0	0	0	0	-31469	-33	-36890
Total final consumption	163136	1674	436001	96013	0	0	767	345654	192623	971	1236838
Industry	145924	0	53750	39845	0	0	40	57411	84544	236	381748
Transport	17	0	228485	7755	0	0	0	3697	1820	0	241774
Other	16999	0	70468	13385	0	0	727	284546	106260	735	493119
Residential	4588	0	40544	10416	0	0	631	276141	52296	404	385020
Commercial and public services	5583	0	7637	2628	0	0	63	7610	29916	294	53731

Asia excluding China: Balances for 2015 in thousand tonnes of oil equivalent (ktoe) on a net calorific value basis

 Columns present the "commodity balances" for all products

 All data are comparable thanks to a common energy unit

• Total energy can be defined

Quiz



How to convert mass (energy commodities) to energy units (energy balances)?

**A.** Density

**B.** Calorific value

**C.** Carbon content







Answer



How to convert mass (energy commodities) to energy units (energy balances)?

**A.** Density

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#### C. Carbon content

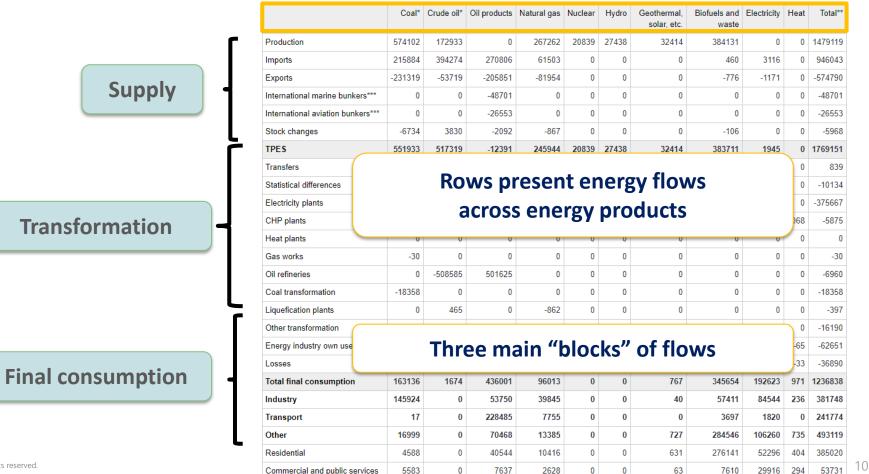




# Typically in units of energy per mass **(kJ/kg)**



#### Understanding the main energy flows

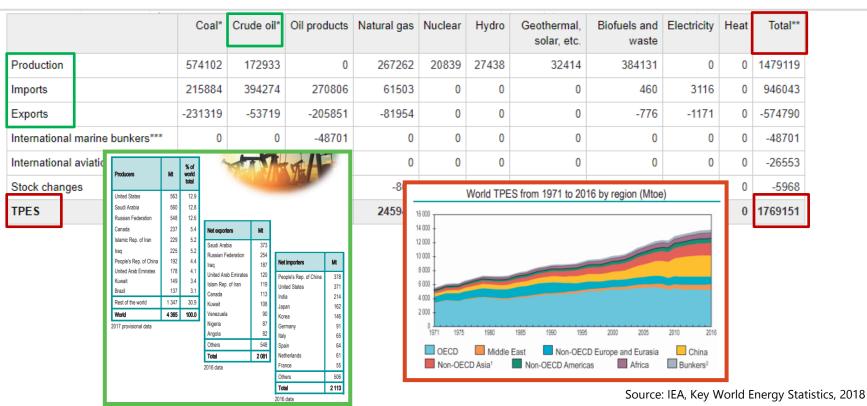


# 1: Energy supply

			4.	-		-					
	Coal*	Crude oil*	Oil products	Natural gas	Nuclear	Hydro	Geothermal, solar, etc.	Biofuels and waste		Heat	Total**
Production	574102	172933	0	267262	20839	27438	32414	384131	0	0	1479119
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International marine bunkers***	0	0	-48701	0	0	0	0	0	0	0	-48701
International aviation bunkers***	Producers Mt	% of t world		0		0	0	0	0	0	-26553
Stock changes	Saudi Arabia 583	total 583 13.5 Net exporters	s Mt	-867	0	0	0	-106	0	0	-5968
TPES	Canada 220	546         12.6           537         12.4           Saudi Arabia           220         5.1	369	Mt 245944	20839	27438	32414	383711	1945	0	1769151
		00         4.6         United Arab Emiral           191         4.4         Canada           182         4.2         Niperia           183         3.1         Venezuela           188         3.1.8         Isamic Rep. of Iran           121         100.9         Others           Total         2015 data	rates 125 106 104 104 104 103 109 86 109 86 109 109 109 109 109 109 109 109	348 333 203 165 139 91 67 65 59 57 57 514 <b>2 041</b>				Source: IEA, Key	World Energ	Jy Statis <sup>1</sup>	tics, 2017

"High-level" information: **TPES**, **Totals**, etc...

# 1: Energy supply



"High-level" information: Total primary energy supply, production, trade, etc...

	Coal and peat			Natural gas	Nuclear	Hydro	Geothermal, solar, etc.	Biofuels and waste	Electricity	Heat	Total*
Electricity plants	-355445	0	-31163	-119138	3 -20839	-27438	-31647	-21908	231911	0	-375667
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Gas works	-30		ansion	ning	ener	gy s	ources	0	0	0	-30
Oil refineries	0	-508585	501625	(	) 0	0	0	0	0	0	-6960
Coal transformation	-18358	0	0	(	) 0	0	0	0	0	0	-18358
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Energy industry Input	ut	-628			Turbine	Transformer		Outo	ut	-65	-62651
Losses (COC	Coll Pulverizer	Furnace	Generator		→ (	Outp electric	city)	-33	-36890		

The concept of transformation efficiency = output / input

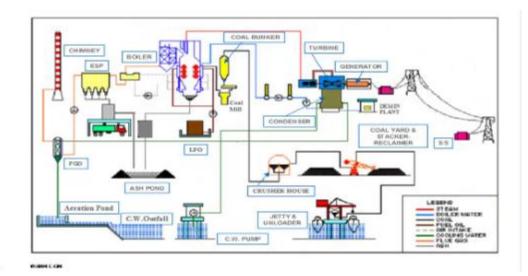


# > What is the average efficiency for a **coal electricity-only** power plant?

**A. 37%** 

**B. 52%** 

**C. 65%** 



Answer

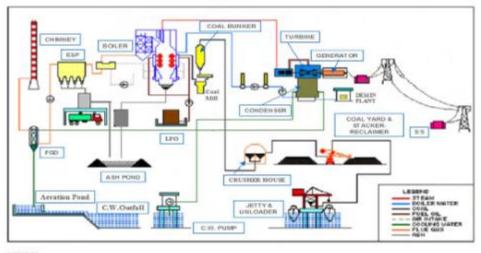


# > What is the average efficiency for a **coal electricity-only** power plant?

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# 3: Final consumption

	Coal*	Crude oil*	Oil products	Natural gas	Nuclear	Hydro	Geothermal, solar, etc.	Biofuels and waste	Electricity	Heat	Total**
Total final consumption	163136	1674	436001	96013	0	0	767	345654	192623	971	1236838
Industry	145924	0	53750	39845	0	0	40	57411	84544	236	381748
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Commercial and public services	5583	0	7637	2628	0	0	63	7610	29916	294	53731
Agriculture / forestry	22	0	17281	180	0	0	0	8	17852	5	35348
Fishing	0	0	1309	0	0	0	0	3	108	0	1419
Non-specified	6806	0	3698	160	0	0	33	784	6089	32	17602
Non-energy use	196	1674	83297	35028	0	0	0	0	0	0	120196

#### **Delivery of energy products to all final consumers (sectors)**

Quiz



# > What is the largest energy-consuming sector globally?

Residential

Transport





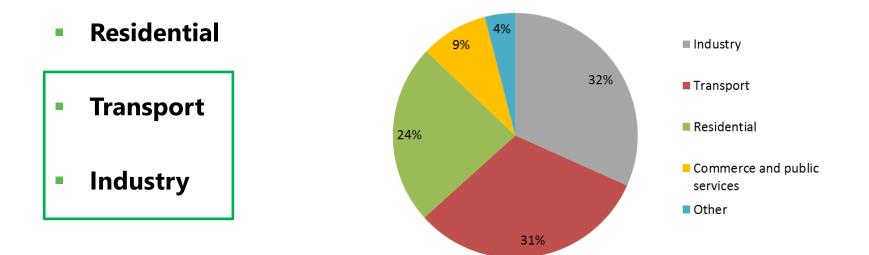


Industry

Answer



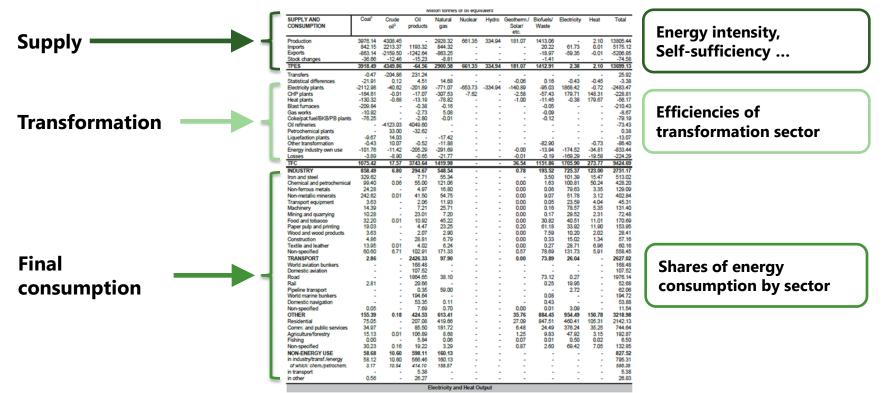
#### > What is the largest energy-consuming sector globally?





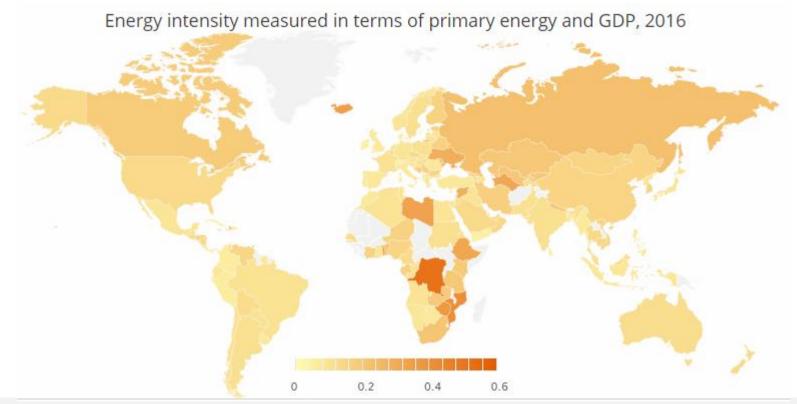
# Aggregated indicators from the energy balances

#### From energy balances we derive high-level information



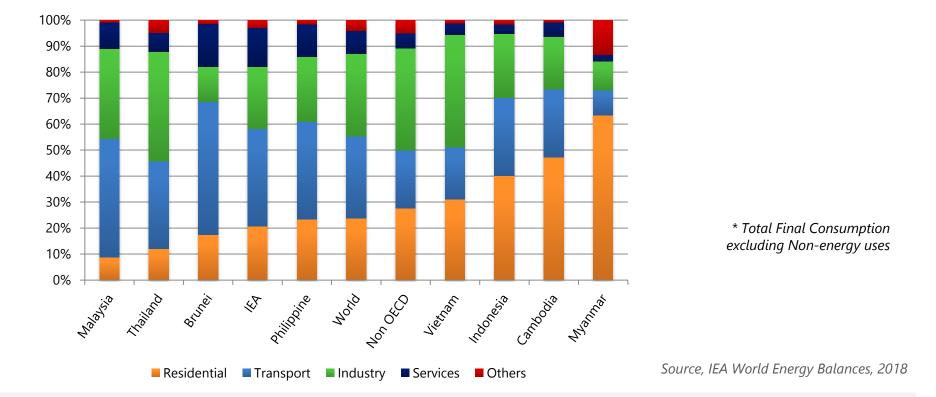
# ...calculate aggregated energy intensities and other indicators





Coupling energy balances data with various macro-economic variables: Tracking SDG 7.3 al global level

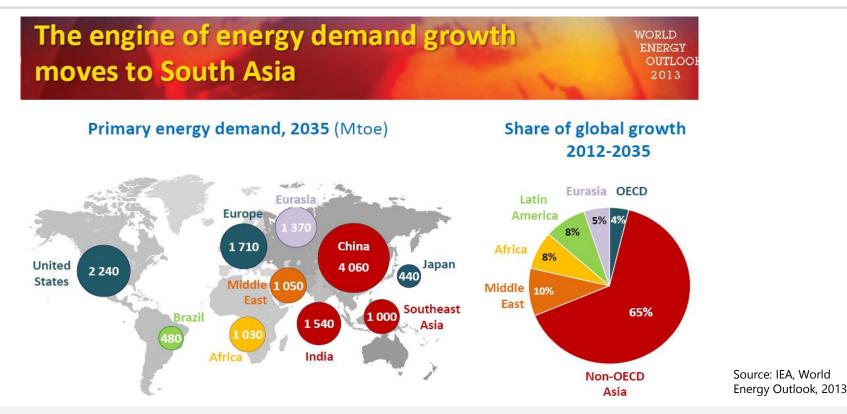
## ... understand the shares of sectors in total final consumption



#### Key to understand where energy is used and to define policy priorities

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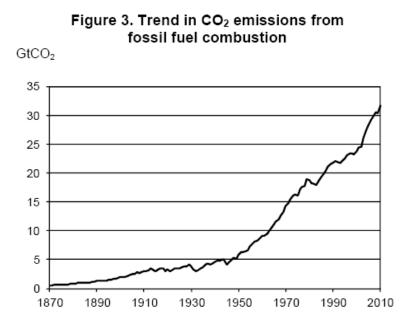
# ... project energy demand across countries



**Comparability of energy statistics across countries is key** 

# ... estimate CO<sub>2</sub> emissions from fuel combustion





Source: Carbon Dioxide Information Analysis Center, Oak Ridge National Laboratory, US Department of Energy, Oak Ridge, Tenn., United States.

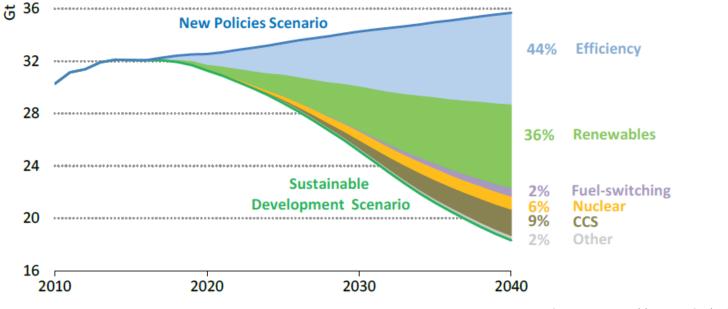
Source: IEA, World CO<sub>2</sub> Emissions from Fuel Combustion, 2016

#### **Based on energy balances and IPCC methodologies**

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# Long-term CO<sub>2</sub> projection for 2 different policy scenarios

#### Figure 1.8 Global carbon dioxide (CO<sub>2</sub>) emissions reductions in the WEO 2017 New Policies and Sustainable Development Scenarios



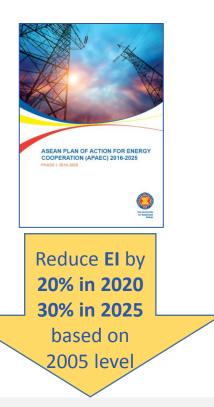
Source: IEA, World Energy Outlook, 2018



# Example of applications of aggregated indicators

# Indicators: key to set targets and tracking efficiency progress





Country	Targets on Energy Efficiency
Malaysia	Reducing <b>Electricity</b> Consumption by 8% in 2025.
Myanmar	Reducing <b>Electricity</b> Consumption by 20% in 2030.
Philippines	<ul> <li>Reducing <b>TFC</b> by 1% per year until 2040, equivalent with the reduction of one third of energy demand.</li> <li>Reducing <b>Energy Intensity</b> (TFC/GDP) by 40% in 2040 as compared to 2005 level.</li> </ul>
Thailand	Reducing <b>Energy Intensity</b> (TFC/GDP) by <b>30%</b> in 2036 compared 2010 level.
Vietnam	<ul> <li>Reducing <b>TFC</b> by 8% in 2020 as compared to BAU.</li> <li>Reduce <b>Energy Intensity</b> of Energy Intensive Industries by 10% by 2020.</li> </ul>
-	

Source: ASEAN Plan of Action for Energy Cooperation (APAEC)

#### **But what indicators?**

# Indicators: key to set targets and tracking efficiency progress



Ser In		Country	Targets on Energy Efficiency
		Brunei Darussalam	Reducing <b>Energy Intensity</b> (TFC/GDP) to 2035 by 45% based in 2005 level.
	ASEAN PLAN OF ACTION FOR ENERGY COOPERATION (APAEC) 2016-2025 PUSE 1 2016-2020	Cambodia	<ul> <li>Reducing TFC by 20% in 2035 compared to BAU.</li> <li>Industry: up to 20% in garment factories and 70% in ice factories</li> <li>Residential: up to 50%</li> <li>Commercial: 20 to 30%</li> <li>Rural Electrification Energy Savings: up to 80%</li> <li>Replacement of biomass use 30-50%</li> </ul>
	Reduce EI by 20% in 2020 30% in 2025	Indonesia	<ul> <li>To achieve 1% energy intensity reduction per annum.</li> <li>Reducing TFC in 2025 by <u>17% in industry, 20% in Transpo</u>rtation, <u>15% in household</u>, <u>15% in commercial building</u> compared to BAU.</li> </ul>
	based on	Lao PDR	Reducing <b>TFC</b> 10% in 2030 compared to BAU.
	2005 level		Source: ASEAN Plan of Action for Energy Cooperation (APAEC)

#### **But what indicators?**

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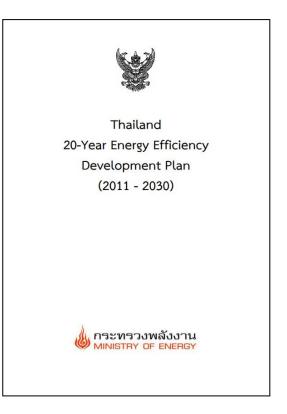


 20-year Energy Efficiency Development Plan (EEDP) is formulated with a target to <u>reduce</u> <u>energy intensity by 25% in 2030</u> compared with that in 2005.

or

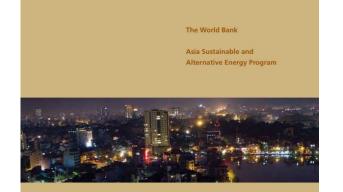
 reduction of <u>final energy consumption by 20% in</u> <u>2030</u>, or about 30,000 ktoe.





- The priority sectors are the **transportation** sector (13,400ktoe in 2030) and the **industrial** sector (11,300ktoe in 2030).
- Both <u>mandatory measures</u>, via rules and regulations, and <u>supportive/promotional</u> <u>measures</u> will be introduced.
  - <u>mandatory measure</u>s: Minimum Energy Performance Standards (MEPS) and energy efficiency labelling
  - <u>supportive and promotional measures</u>: Standard Offer Program (SOP), or funding for the amount of energy saving achieved, which can be proven or assessed.

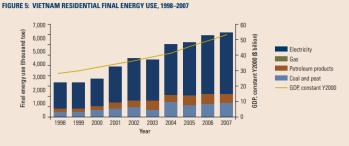




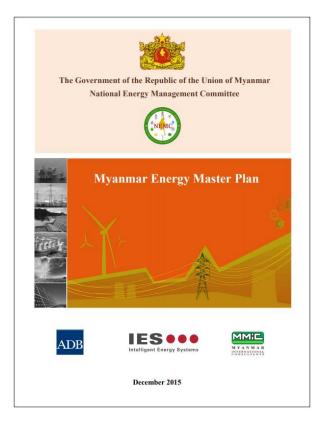


- A target of 8%–10% in savings is expected to be achieved by 2020
- The government monitors progress in meeting the targets through estimates of energy intensity
- It is difficult to assess the degree to which Viet Nam has met the government's energy efficiency targets – however there have been initiatives promoting EE.

Source: ADB (2015) Energy efficiency developments and potential energy savings in the greater mekong subregion



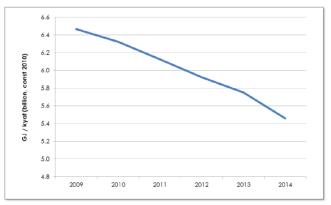
## Example of application – Myanmar



- The Myanmar Energy Master Plan provides supply strategies through viable energy mix scenarios to secure the stable and reliable energy supply in the long term view.
- Developed to <u>ensure the efficient use of energy</u> <u>resources</u>, to create effective investment environment, to employ innovative technologies and to minimize the environment and social impacts
- Designed to ensure the <u>integration of Global and</u> <u>ASEAN commitments</u> and to provide strategic support to the national Government

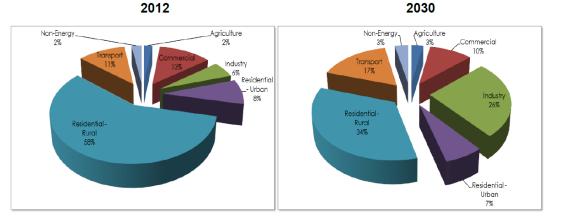




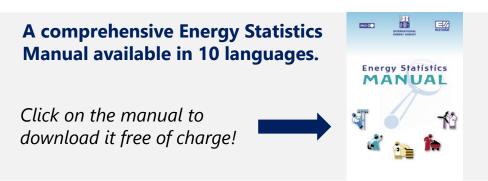


 Example of aggregated indicators and highlevel data used to characterize the national energy systems – and projections for 2030.

Figure E3: Final Energy Consumption

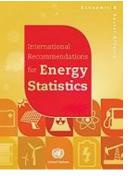


The IEA produced a comprehensive Energy Statistics Manual covering most of our data collection methodologies, consistently with the IRES framework.



Visit the **IEA's Statistics website** to access additional resources, including our questionnaires, glossary and documentation related to our data collection methodologies.

To learn more about the international framework for energy statistics, please refer to the United Nations' International Recommendations for Energy Statistics (IRES).











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