Household Energy Price Index

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About VaasaETT

VaasaETT is a data-oriented energy consultancy, specialized in complex end-user market issues in six continents and over 90 jurisdictions around the world.

Public Collaborations

Collection of Competition Monitoring Data and Services for the European Commission

Household Energy Price Index (HEPI)

Household Energy Price Index (HEPI)

World Energy Markets Observatory (WEMO)

Electricity Market Report

ACER/CEER Energy Retail and Consumer Protection Market Monitoring Report

Analysis of the price setting of energy products

About HEPI

Household Energy Price Index (HEPI) is a public project funded by the Austrian and Hungarian regulators (Energie-Control and MEKH).

- Electricity and natural gas price that a typical customer living in the capital cities of the analysed countries is paying
- Price breakdown into energy, network, taxes and VAT
- 33 European capital cities (EU27 Member States in addition to Great Britain, Montenegro, Norway, Serbia, Switzerland and Ukraine)
- Monthly granularity
- Since January 2009 (EUR15)

More about HEPI: energypriceindex.com

What is HEPI?

To correct for a persistent lack of current, frequently updated and methodologically reliable information on household prices for both electricity and gas at the European level, the Austrian energy regulator (Energie-Control) and the Hungarian Energy and Public Utility Regulatory Authority (MEKH) have commissioned VaasaETT to compile and publish electricity and gas price-rankings in 33 European capital cities on a monthly basis starting from January 2009 with the EU15 countries and gradually expanded to the all of the EU Member States in

Consistency and comparability

Price comparability among 33 analysed countries	
Different price sub-components	Grouping of smaller sub-components into 4 “global” price components: Energy, Network, Taxes, VAT (EC definitions)
Different price structure (level-pricing, ToU, capacity based fixed charge, fixed/variable component ratio etc.)	Development of custom calculation formulas for each country market
Different consumption needs	Use typical consumption profile (consumption, capacity) for each country market
Different contract application criteria (based on region, consumption level, only existing customers)	Only include contracts that apply for the typical customer profile
Different level of market opening	Calculate average price weighting incumbent’s by-default contract, market contracts and competitors’ offers using national proportions.
Different compensation measures (Covid19, Energy Crisis)	Identification and inclusion of measures that apply to the typical customer profile.

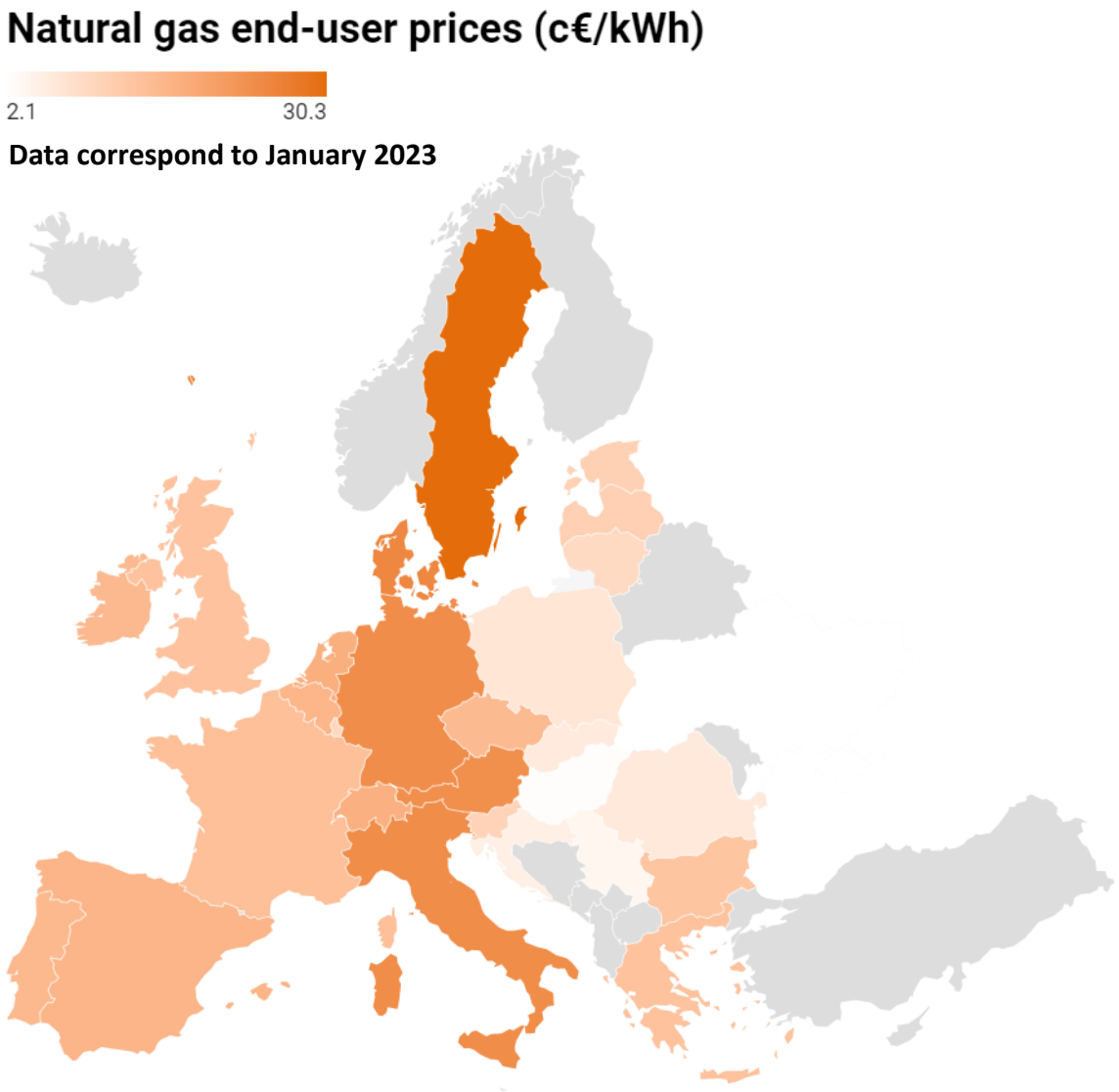
Support measures

- HEPI prices include support measures applicable to the typical customer living in the capital city.

- Most common types of measures included in the analysis:
  - VAT reduction
  - Energy subsidy / discount
  - Energy tax cut
  - Network fee reduction
  - Price caps

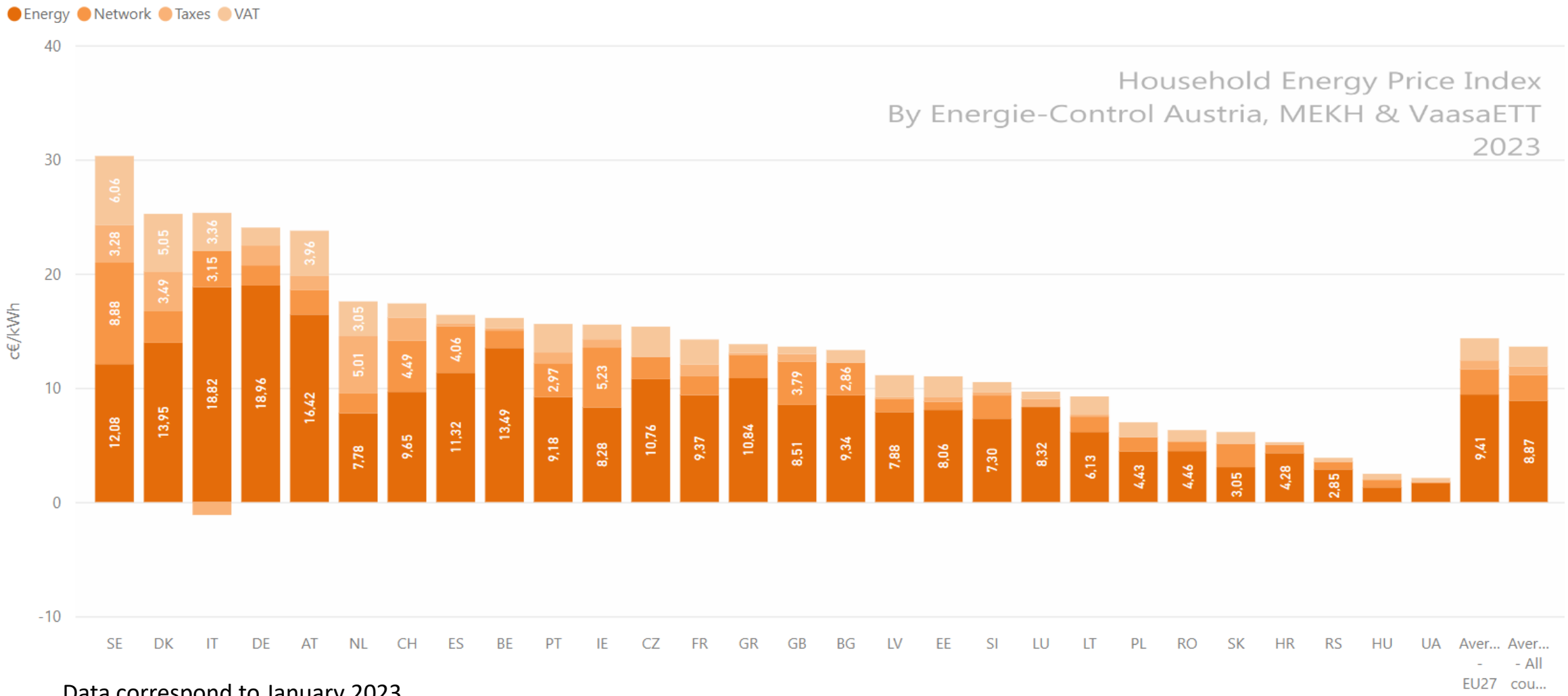
- Measures excluded from the analysis:
  - Measures targeted to specific consumer types (e.g. vulnerable customers, home owners, businesses)
  - Measures applicable or related to social tariffs
  - Short-term refunds that in fact correspond to a longer period of time (e.g. GB, IE, NL)

Price differences between countries



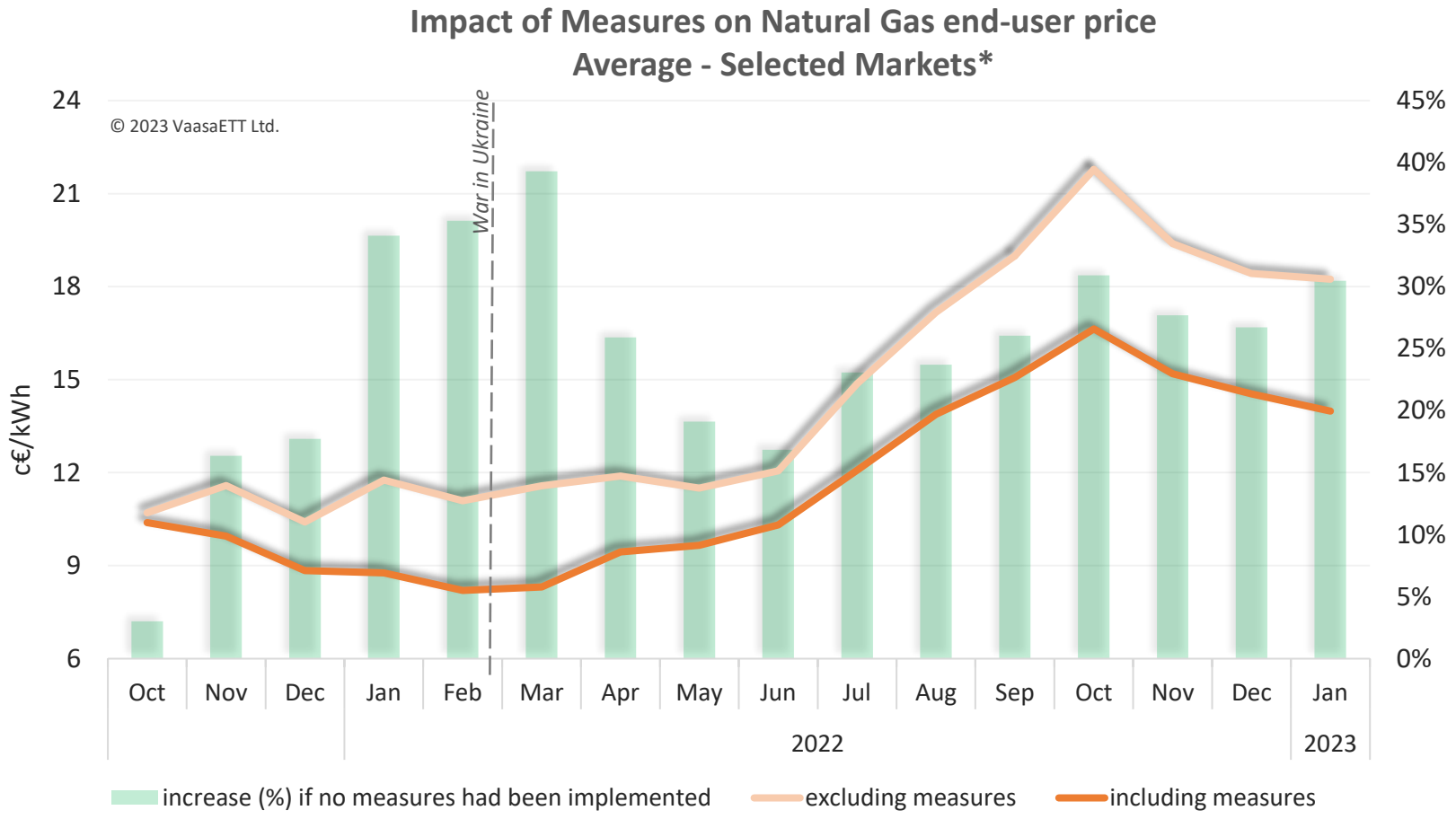
- Large price variation across countries
- The picture would be completely different (much darker colours) without the existence of support measures on wholesale (e.g. Spain, Portugal, Greece) and retail.
- Other reasons for differentiation of prices across countries include:
  - Supplier procurement and pricing strategies
  - Tariff mix
  - Cross subsidisation

End-user price and breakdown



Data correspond to January 2023

Energy crisis measures



*AT, BE, BG, HR, CZ, EE, DE, GR, IE, IT, LV, LT, LU, NL, PL, PT, RO, SI, ES

- Graph only includes measures applicable for typical residential customers, per country. All the data used for the graph above consider markets that have adopted at least one measure during the energy crisis.
- Each market is taken into account in the graph only for the period of implementation of its measures.
- The biggest impact of measures is observed in January 2023, when the electricity price (among the countries that adopted measures) would have been 46% higher, on average, if no measures had been implemented.

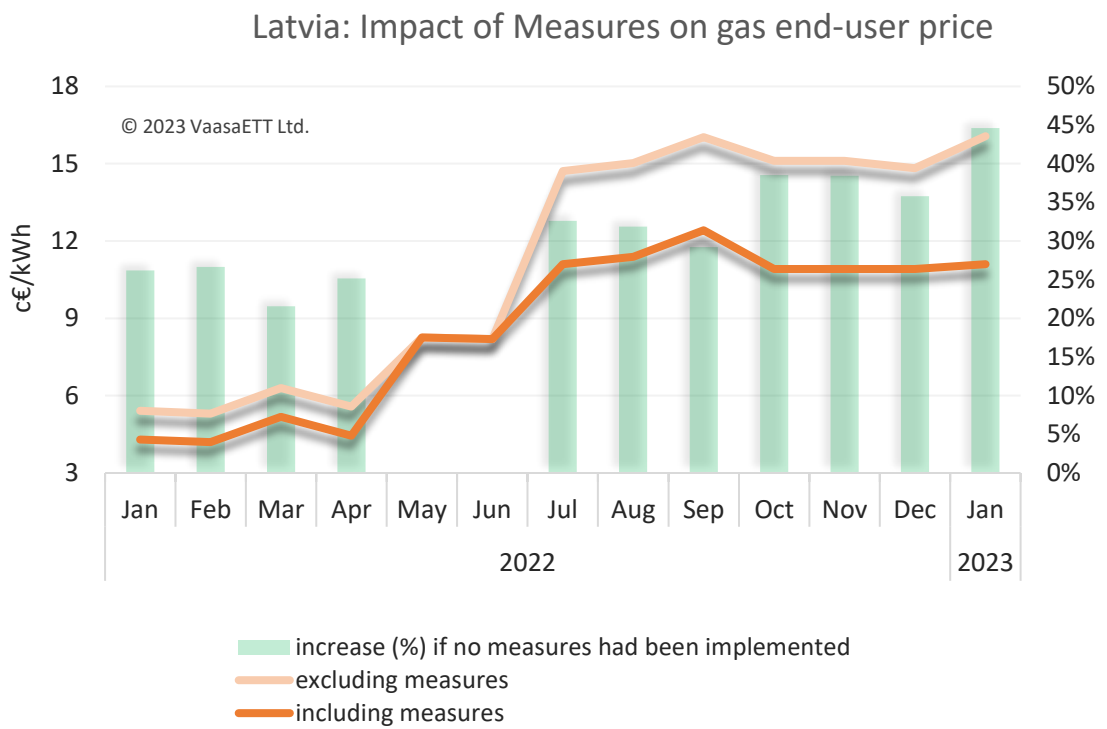
Support measures (examples)

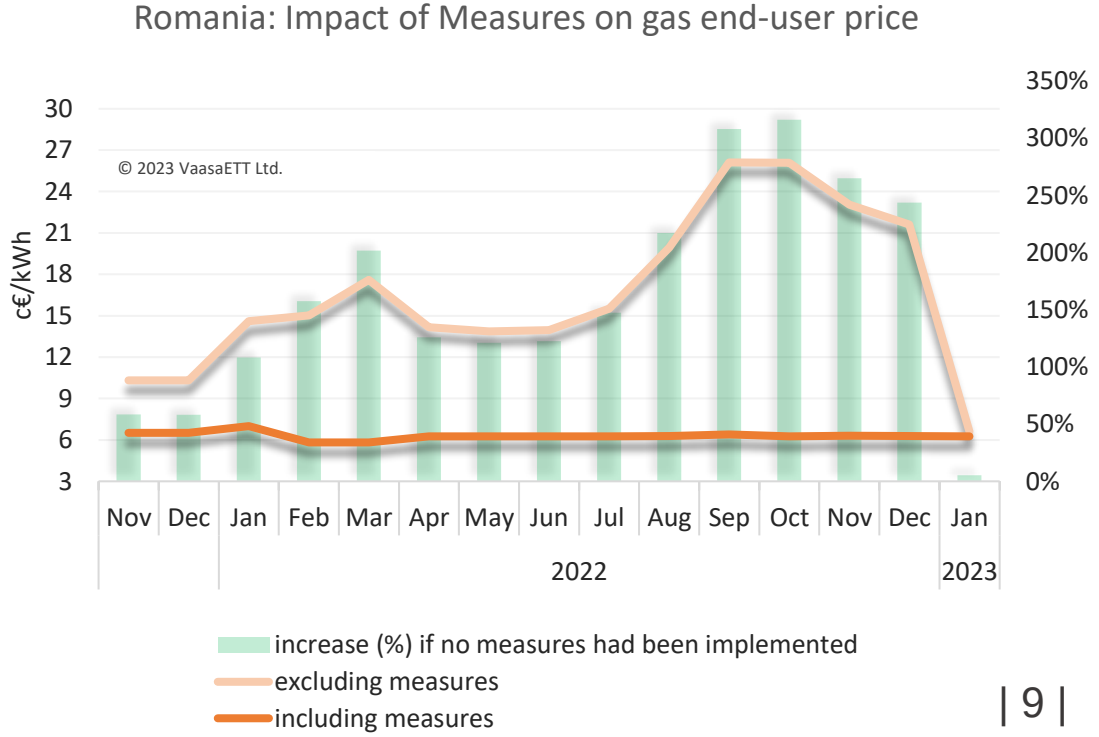
Measures considered in price of Latvia (Riga):

- Jan22 - Apr22: Compensation, based on monthly consumption level
- Since July 2022: State aid for consumption over 221 kWh/month
- Since October 2022: price cap

Measures considered in price of Romania (Bucharest):

- Nov21 – Jan22: Compensation and price cap
- Feb22 – Mar22: Increased compensation and price cap
- Since April 2022: price cap





THANK YOU FOR YOUR ATTENTION!

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