

Press Release

Pentalateral Energy Success Story Continues *Pentalateral Energy Forum Celebrating 10 years anniversary*

As a prelude to today's EU Energy Council in Luxemburg, the Belgian minister for Energy and Environment, Mrs Marghem, hosted the celebration of 10 years of regional energy cooperation in the Pentalateral Energy Forum, consisting of the Benelux Countries, Germany, France, Austria and Switzerland (as an observer).

During this celebration, in close cooperation with the German Minister for Economic Affairs and Energy, Mr Gabriel, together with nearly half of all European energy ministers and the Energy Commissioner Cañete, two important declarations were signed. Those declarations give an impetus to EU's internal energy market integration and intend to provide more security of supply for the future.

Mrs Marghem stated: "We are working together for 10 years and we are still committed to work together as we acknowledge that it is beneficial for all of us. This is the main reason why we will sign the Second Political Declaration of the Pentalateral Energy Forum which will lead our common work for the next four years."

New Pentalateral Action Plan adopted

The 7 ministers of the Pentalateral Energy Forum agreed on a new action plan by signing the 'Second Pentalateral Political Declaration'. One of the main targets of this action program is to deepen the internal market by increasing regional cooperation, as well as combining a flexible market with a high level of security of energy supply. To achieve this target, the Pentalateral Energy Forum will continue to be on the forefront of coupling electricity markets and to improve its joint regional generation adequacy assessment.

Another main target is enhancing the flexibility of the power markets and identifying approaches for cross-border participation in Capacity Remuneration Mechanisms (CRM) will be on the agenda. Last but not least, the market integration of renewable energies will also become a high priority topic on the agenda of the Forum.

Thus, the Pentalateral Energy Forum will continue to support EU energy policy and proactively share its findings with other countries and the EU-Commission.

"All our countries are facing a transition towards a low-carbon energy system, and it is crucial that we address these challenges together in order to keep our systems affordable and reliable," summarized the Dutch Minister Kamp.

12 States intensify regional cooperation

Another declaration was signed by 12 European states to intensify regional cooperation on security of supply irrespectively of different views regarding the national energy mix and the implementation of CRMs. This declaration, initiated by Germany, lists a set of "no regret"-measures all participating countries commonly agree on, to maximise the benefits of the European internal energy market. This includes, inter alia, a further coupling of the energy markets, a regional view on measuring security of supply, an unrestricted cross-border trade even in times of high prices and the need for an adequate flexibility of the power markets based on flexible prices. These measures will not only improve the common vision of security of supply but also facilitate the integration of renewable energies.

Pentalateral Energy Forum successful on integrating Central West European energy market

The celebration also highlighted the most recent results which were achieved in the Pentalateral Energy Forum. End of May, a renewed trading model for the Pentalateral region was launched, that upgrades market integration to better respond to the increasing percentage of renewable energy on the market. This so-called 'flow-based market coupling' will guarantee more price convergence and increased social welfare for the whole Pentalateral region, and result in improved security of supply.

Furthermore, the first regional generation adequacy assessment in Europe was published beginning of March 2015 by the Transmission System Operators in the Central West European region, on behalf of the Pentalateral Energy Forum. For the first time ever in Europe, a common model was developed to assess the situation of security of supply on a regional basis. This model is based on a common set of data and assumptions. The follow up and further improvement of this assessment will be one important task for the Pentalateral Energy Forum in the next years.

According to the Luxembourg Minister Schneider, "Regional cooperation is important for the further integration of the European electricity market. That's why we will also take this further during our Presidency of the European Union in the second half of this year."

Luc Willems, Belgian Deputy SG at the Benelux claims: "Since 2005 we have hosted the secretariat of the Pentalateral Energy Forum. We are pleased to see that our 3 member states and their citizens have been able to reap the benefits of the success story of the regional energy cooperation. It is very important to further set the right example and be a front runner in combining a solid market model, with a smooth transition to a more sustainable energy supply."