



SECRETARIAAT-GENERAAL
SECRETARIAT GÉNÉRAL

ACHIEVEMENTS AND LESSONS FROM

CEPS

THE PENTALATERAL FORUM

CEPS workshop 20th January 2015

Pentalateral Energy Forum



= Intergovernmental initiative
between BE-NE-LUX-FR-DE-AT-CH...

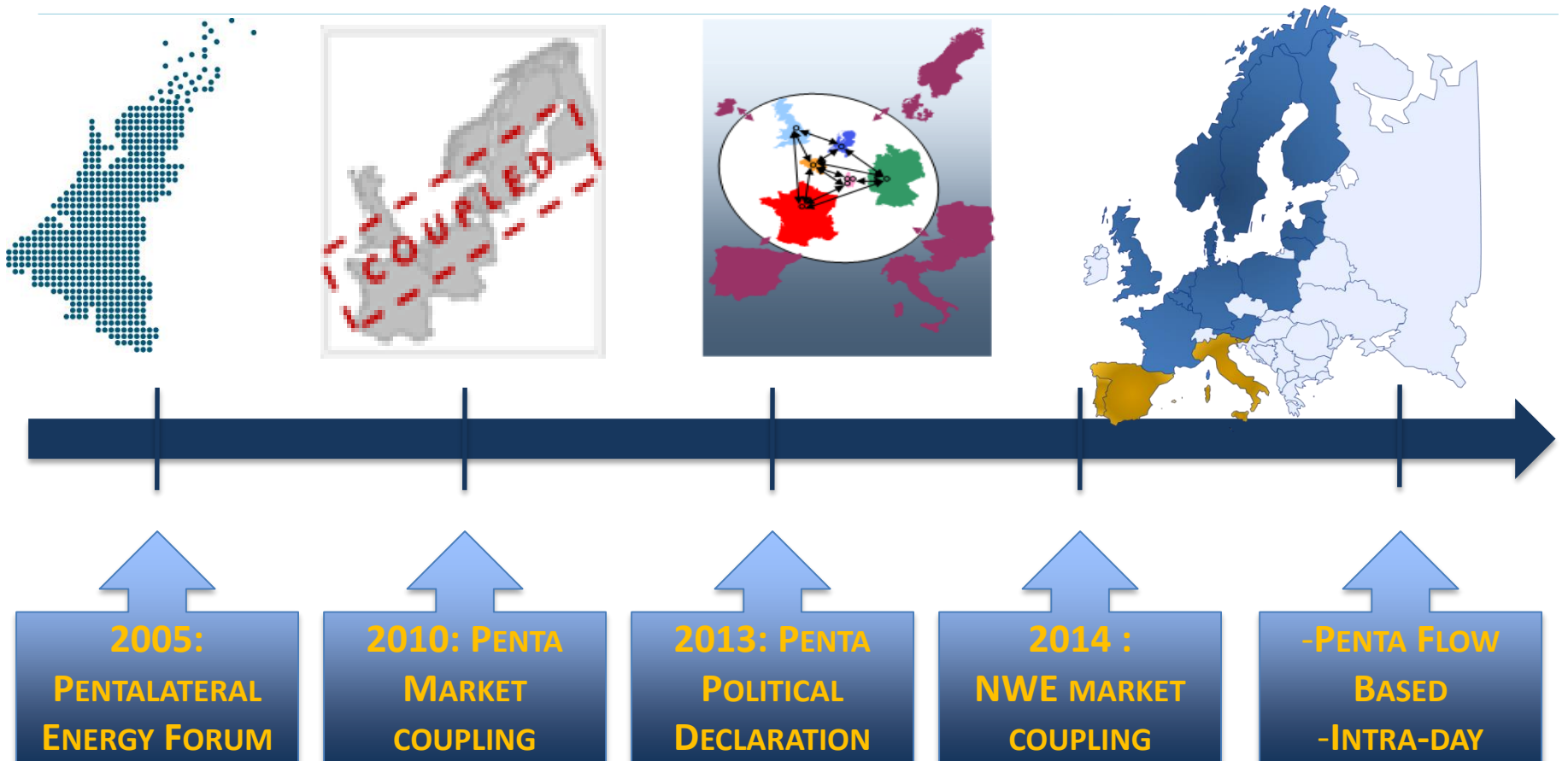
... whereby Ministers of Energy give
political backing to a process of
regional integration ...

... as an intermediate step towards
EU energy market ...

... close involvement of TSOs, NRAs,
PXs and market parties ...

... Benelux-secretariat to assure
continuity of the process...

... Pentalateral market integration



Political Declaration (June 2013)

Two major workstreams:

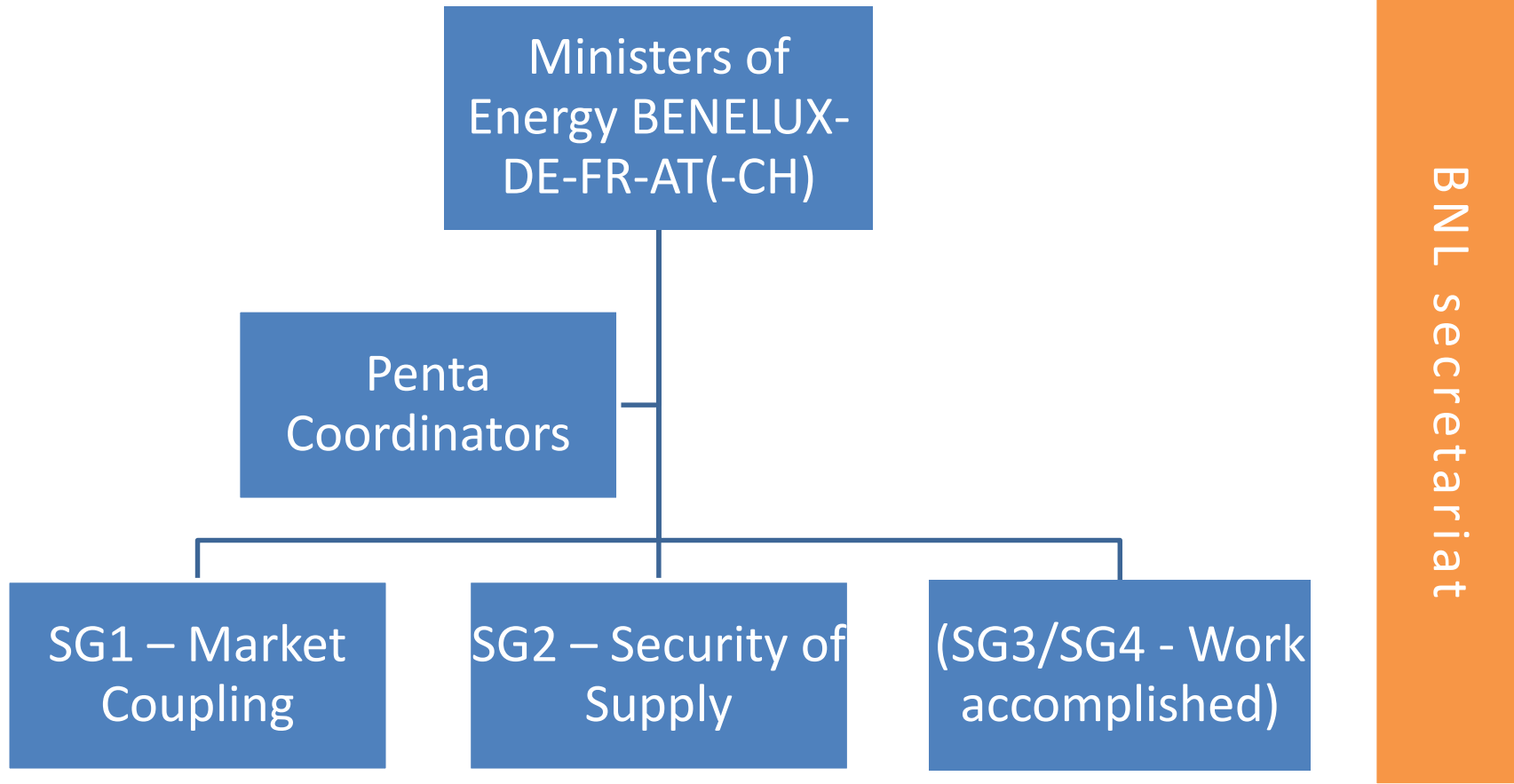
1. Market integration

- Flow Based Market Coupling
- Cross Border Intraday Market Coupling

2. Security of supply

- Pentalateral adequacy study by TSOs
- Developing a common approach to security of supply in the region

Pentalateral Energy Forum



Results and lessons learned

- **Penta adequacy study** is a crucial first step towards a regional security of supply approach
- Role of interconnections is already essential today
- Confirmation of adequacy concerns found in national assessments
- Cooperation/coordination (data and knowledge exchange) between regional TSOs on adequacy can be very fruitful
- Current level of cooperation and integration needs to be further increased to solve adequacy concerns

Challenges

- Further improvement of the adequacy assessment methodology
- How to involve **demand** side response?
- Refine future model of TSO cooperation in delivering security of supply
- Intraday and balancing markets
- Political alignment within Energy Union process

Governance ?

- The Pentalateral Energy Forum is an **informal** network.
- How to realize an increased cooperation ?
- How to put forward regional targets for grid infrastructure ?
- How to create a stable framework for investments ?
- Is an **informal** network strong enough for the new challenges ?

Governance ?

By the market ? The TSO's ?

Or

By the governments ?

Governance ?

Certainty (reduce regulatory risk)

- Integrated & coherent policy
- Political leadership
- Defined geographical scope
- Cooperation from the start (in setting ambitious yet realistic targets)
- Stakeholder commitment
- Eurostat reporting

Flexibility (energy mix + & -)

- Iterative & pragmatic process
- Regional scenario & indicators
- Discussion > reporting
- Neutral supporting structure
- EU toolbox is the same, but intensity of cooperation can differ

Conclusion

1. Highest political commitment of the utmost importance to realize a regional cooperation
2. Basic structure and formalism needed to ensure the continuity of the process, the proper follow-up of decisions and a long-term vision

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