

# **MEMORANDUM OF UNDERSTANDING OF THE PENTALATERAL ENERGY FORUM ON EMERGENCY PLANNING AND CRISIS MANAGEMENT FOR THE POWER SECTOR**

The Ministers for Energy of the Pentalateral Energy Forum, consisting of Austria, Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland, hereinafter referred to as the “signatories”, wish to confirm their intention to maintain and strengthen their existing energy cooperation.

## **Considering that:**

- Security of supply, including emergency planning and crisis management in particular, is a national responsibility but national decisions can impact the internal electricity market, neighbouring countries and a region;
- A better mutual understanding of national concerns (energy mix, long term generation adequacy, flexibility, peak capacity, emergency plans, risk management plans, etc.) and possible measures is necessary;
- “Market-First”-Principle should apply for securing the supply and all market-based measures should be given priority to mitigate the effects of a potential supply disruption. Non-market-based measures should only be used when market-based mechanisms alone cannot ensure timely supplies anymore;
- The existing Pentalateral market coupling’s aim is to lead to a better use of the existing interconnection and generation capacities and hence can contribute to security of supply. The Pentalateral discussion aims at consolidating and further improving this advantage of a regional market;
- Most countries have put in place a national crisis management team consisting of political decision makers, national authorities and the concerned Transmission System Operators (TSO) to coordinate national or simultaneous emergency situations;
- Timely reinforcement of cross-border and national grid infrastructure is essential for the security of supply in the region;
- An optimized use of interconnections and long-term interconnection strategies would lead to more security of supply in the region;
- The common generation adequacy assessment in the Pentalateral region and the continuous improvements of the assessment methodology contribute to a better mutual understanding of security of supply and help identifying mid- and long-term security of supply issues in a regional perspective;

## **The signatories intend to:**

- Support the assessment of how to best possibly ensure security of supply during crisis situations. This assessment should also include simultaneous crisis situations affecting more

than one country and be built on principles of solidarity, mutual trust and shared responsibility, including a list of measures which are accepted or not in crisis situations;

- Strive for a joint coordination of national and regional measures to be implemented in the case of a simultaneous emergency situation, including possible rules for curtailment of interconnection capacities and load shedding, while ensuring compatibility with the internal energy market;
- Prepare for the occurrence of a situation which may not be solved with market-based measures and which may compel authorities to take predefined non-market-based measures such as load shedding or curtailment;

**The signatories jointly decide to bring together the relevant representatives of the Pentalateral countries (from Ministries, Transmission System Operators (TSOs), National Regulatory Authorities (NRAs) and potentially other stakeholders) to take the following actions:**

- Establish a common confidential list of the National Regulatory Authorities (NRA), Transmission System Operators (TSO), Distribution System Operators (DSO) and governments crisis managers in the Pentalateral region by mid of 2018;
- Organize a first Pentalateral electricity crisis exercise to share best practices and to assess the different measures developed within this framework by mid of 2018;
- Identify potential crisis situations for the region and elaborate a report describing the nature, likeliness and possible cross-border impacts of these risks by the end of 2018;
- Establish a list of potential national and regional mitigating measures and prepare a report describing and comparing national risk preparedness measures, crisis definitions, early warning systems and exploring potential benefits of further coordination and/or information exchange among the Pentalateral countries by mid of 2019.

**This Memorandum of Understanding does not create any rights or obligations under national or international law and does not intend to replace or modify any existing legal obligations between the signatories.**

**Signed at Luxembourg on the twenty-sixth day of June of the year two thousand and seventeen.**

**For the Kingdom of the Netherlands**

**For the Federal Republic of Germany**

**For the French Republic**

**For the Grand Duchy of Luxembourg**

**For the Kingdom of Belgium**

**For the Republic of Austria**

**For the Swiss Confederation**