

PENTALATERAL GENERATION ADEQUACY ASSESSMENT

The Pentalateral Energy Forum takes the first step towards a regional approach to security of supply.

Common statement by the Ministries in the Pentalateral Energy Forum

Today, the Pentalateral Generation Adequacy Assessment has been published by the Transmission System Operators (TSOs) in the Pentalateral Energy Forumⁱ. This is the first analysis on electricity security of supply in Europe to be conducted from a regional perspective, thus making it possible to better assess generation adequacy jointly, on a regional scale covering Austria, Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland.

For the Pentalateral Generation Adequacy Assessment published today, the TSOs in the Pentalateral Energy Forum developed a new methodology, using a probabilistic approach with an hourly resolution, to assess future generation adequacy jointly on a regional scaleⁱⁱ. This report represents an important first step towards a common understanding and calculation of security of supply.

The Ministries competent for energy in the Pentalateral Energy Forum welcome that, for the first time, the TSOs have come up with a common modelling of security of supply within the Pentalateral region. The Pentalateral Energy Forum has succeeded in becoming a place for dialogue between Ministries, TSOs, Regulators and Market parties. This has accelerated the convergence towards a shared, interconnected and probabilistic methodology, on the basis of an exchange of know-how and a sharing of experiences by certain of the Pentalateral countries that already use this methodology in their national adequacy assessments. The Ministries applaud the fact that this first regional assessment is already fuelling improvement of ENTSO-E's method for adequacy assessment.

The Ministries acknowledge that the role of interconnections and cross-border exchange of electricity is already crucial today for guaranteeing security of supply to this region. With the delivery of the regional adequacy assessment, TSOs have taken a major step towards integrating their adequacy assessment methodologies and have shown their willingness and ability to contribute to a regional approach to security of supply. The results of the assessment are in line with existing estimations, namely that so far most Pentalateral countries don't face any issues of security of supply and that the issues found for Belgium and France are similar to the results of their respective national reports. Given the limitations of the study, Ministries realise that the quantitative results should be interpreted with caution and acknowledge that TSOs have already identified areas where the methodology could be improved with a view to developing more accurate regional adequacy assessments in the future.

The Ministries emphasise that the current level of integration needs to be further increased in order to address future adequacy concerns. A high degree of cooperation between TSOs in the region is a vital condition for greater market integration, and the Pentalateral Energy Forum shall remain the proper platform for such enhanced cooperation. The Pentalateral Generation Adequacy Assessment is an important basis for the further work that is needed in order to fulfil the mandate, concluded by Penta ministers in 2013, to develop a common approach to security of supply in our region.

Brussels, 11 March 2015

ⁱ The Pentalateral Energy Forum (www.benelux.int/penta) is the framework for regional cooperation in Central Western Europe (AT-BE-DE-FR-LU-NL-CH) towards improved electricity market integration and security of supply. The initiative aims to give political backing to a process of regional integration towards a European energy market. The added value of this regional cooperation between TSOs, ministries, the European Commission, regulatory authorities and market parties lies in its ability to move faster, to reach more specific recommendations and to act as a development centre for new ideas. In the Political Declaration of the Pentalateral Energy Forum of 7 June 2013, the Ministers of Energy requested a Pentalateral Generation Adequacy Assessment (www.benelux.int/penta).

ⁱⁱ Full details on the methodology can be found in the complete report, published on the websites of the involved TSOs.