



REACTION OF THE PENTALATERAL ENERGY FORUM (DG LEVEL STATEMENT) ON THE FINAL REPORT 'REGIONAL COORDINATION OF RELIABLE CAPACITIES – ASSESSING EFFECTS AND BENEFITS IN THE PENTA REGION (CONSENTEC/R2B ENERGY CONSULTING MAY 2026)'

In December 2024 ministers of the Pentalateral Energy Forum have called for a study to assess the economic costs and benefits of reliable electricity capacity provided via capacity mechanisms or reserves, including cross border capacities.

Subsequently, at the start of 2025, Penta ministries have requested Consentec GmbH and r2b Energy Consulting to conduct an empirical study, financed by the German BMW, on the effects of coordination when investing into reliable capacities to maintain resource adequacy.

The study "Regional Coordination of Reliable Capacities" was published on 3 July 2026. Under the scenarios studied and underlying assumptions, it demonstrates how the amount of reliable capacity required to ensure resource adequacy in the Penta-region depends significantly on the assumed degree of regional coordination. The consultants conclude that *"coordination improves efficiency without compromising resource adequacy in the Penta-region"*. Furthermore, according to the study, *"the results highlight the potential value of regional coordination when designing adequacy instruments in interconnected electricity systems"*.

The Penta Directors-general take note with great interest of the results of this study, which allow to draw several important conclusions. First, the study shows that already today, the existing level of electricity interconnection between Penta countries plays a crucial role in reducing national and regional capacity requirements and the loss of load expectation (LOLE), thus enhancing security of supply at efficient costs in our region. This is consistent with REGULATION (EU) 2024/1747, which states that uncoordinated capacity mechanisms may have a significant impact on the internal electricity market. The modelling results find that a balanced cooperation approach can lead to an efficient capacity expansion avoiding under- and overinvestment. The value of cooperation increases even further during crisis.

At the same time, we also note that the study takes a stylized modelling approach and shows that results are highly dependent on the underlying assumptions. Hence, we cannot derive quantitative evidence about absolute capacity needs or optimal regional distributions of capacities. However, and especially against the background of current geopolitical circumstances, we do embrace the importance of cooperation to foster resource adequacy, without prejudice to a Member State's right, as guaranteed by the Treaty, to define the general structure of its energy supply.

The study emphasizes that the benefits and added value of regional coordination on resource adequacy policies and a coordinated expansion of capacities with positive effects on the efficiency and resilience of our electricity systems, as pointed out by other recent studies and research papers¹.

The topic of long-term security of supply is clearly gaining momentum at the EU-level, The EU-regulatory framework for adequacy was recently supplemented by the new EU state aid rules (CISAF), which include a fast-track procedure for target models for capacity mechanisms, and the European Commission has announced to deliver proposals for a renewed energy security of supply architecture

¹ Europe's electricity capacity mechanisms need to be better coordinated (Bruegel, 2025), Towards a regional approach for capacity remuneration mechanisms in Europe, Compass Lexecon (Eurelectric, 2025),



by May 2026. Moreover, the last ACER Monitoring Report on Security of EU Electricity Supply² has emphasized the need for a more coordinated approach of electricity security of supply at regional and EU-level.

As Penta Directors-general, we share the view that the Pentalateral Energy Forum can become a frontrunner within the EU in developing a more coordinated regional approach to security of supply, and we envisage to further progress our work in this direction. Addressing adequacy concerns and developing policies and instruments in a more coordinated and streamlined manner can enhance efficiency, affordability and resilience of our systems, while at the same time enabling us to leverage the benefits of our integrated electricity markets in the Penta region.

Meanwhile, we note that several capacity mechanisms and strategic reserves are already in place within the Penta region and several new national adequacy policies are being developed. This makes the development of a coordinated, regional approach to adequacy and security of supply a challenging job which requires a prudent and stepwise approach. Still, a positive feature is that most of the schemes - already in place or under development - in the Penta region are based on a market-wide central buyer model which makes that they already have a lot in common.

As a next step, we plan a policy discussion between experts from Penta ministries, our national TSOs and NRAs.

² <https://www.acer.europa.eu/sites/default/files/documents/Publications/ACER-2025-Security-of-EU-electricity-supply.pdf>