16th Inter-Parliamentary Meeting

Pentalateral Energy Forum

Tom Eischen
Director General for Energy
Ministry of the Economy

Copenhagen, 7th October 2016
What is « Penta »?

“(…) intergovernmental initiative to enhance the cooperation between all relevant parties in order to create a regional Northwest-European electricity market as an intermediate step towards one common European electricity market, ...”
Who is « Penta »?

- BENELUX - countries
- Germany
- France
- Austria
- Switzerland
How is the « Penta » organised?

Ministers of Energy
BENELUX-DE-FR-AT-CH

Penta Coordinators

SG1
Market Coupling

SG2
Security of Supply

SG3
Flexibility

BNL Secretariat

Link with the process of “Electricity neighbours”
What is the governance of « Penta »?

• Penta is an informal network, involving:
  – TSOs, NRA, Market Parties
  – as necessary: PXs, Consumer organizations, ...
  – COM as observer
• Common objectives set on a regular basis by means of political declarations signed by the Penta-Energy ministers
• Follow-up is achieved by DGs and coordinators
What makes « Penta » successful?

- All concerned parties
- Political guidance by ministers
- Shared policy priorities
- Intergovernmental not supranational
- EU focus + subsidiarity
- Pragmatic
- Support Benelux secretariat
The Pentalateral Energy Forum

What are main « Penta » achievements?

• Market integration:
  – implementation of a flow-based market coupling of the day-ahead markets and extension to other non-penta countries

• Security of supply:
  – First common generation adequacy assessment in the Pentalateral region
What is « Penta » actually working on?

• Support Group 1 – Market Coupling:
  – Further improvement of FBMC methodology and intensify our efforts on improving intraday market coupling, particularly

• Support Group 2 – Security of Supply:
  – Analyze impacts of cross-border system adequacy mechanisms by Summer 2017.
  – Assess whether a common reliability standard for the Penta region is necessary and useful by end of 2016.
What is « Penta » actually working on?

• Support Group 3 – Flexibility:
  – Establish a roadmap for a further integration of Penta balancing markets
  – Develop a roadmap until summer 2017 for the harmonization of lead times for intraday
  – Seek commitment to align products in national and cross-border intraday markets
  – Explore the possibility of a cross-border “intraday auction”
  – Seek commitment for the Penta region to remove the identified barriers to the development of DSR.
Thank you for your attention!

16th Inter-Parliamentary Meeting

Pentalateral Energy Forum