Nominated Electricity Market Operator
www.semopx.com

# Monthly European Energy Market Trends

May-2026

# Contents

# 1. Introduction

The retail cost of electricity in Ireland – the price paid by households and businesses – consists of several key cost components. These reflect not just the cost of generating electricity but delivering it to where it is needed, managing the electricity system and government charges.

The wholesale electricity price relates to the cost of generating electricity and, typically, accounts for 30-40% of the retail cost of electricity. The wholesale electricity price is the price that electricity is bought and sold in bulk, typically by electricity generators, retailers and large energy consumers.

This report provides a summary of the latest trends in the factors influencing Western Europe and neighbouring countries wholesale electricity prices with a particular focus on the Single Electricity Market (SEM).

Section 2 provides a summary of the key trends seen in May 2026.

Section 3 compares wholesale electricity prices across key European jurisdictions over November 2025.

Sections 4, 5 and 6 provide further detail on the main drivers for the wholesale electricity prices namely gas prices, generation mix and interconnection.

Section 7 provides a glossary of some of the more technical terms used in this report.

# 2. Summary of Trends

Wholesale electricity prices across Western Europe averaged around €93/MWh in May 2026, increasing significantly both on a year and month-on-month basis, aligned by higher gas prices, reduced wind generation, and increase on gas-fired Generation. On a regional level, prices were 56% higher year-on-year, in line with a 42% rise in gas prices, a 12% decline in wind generation, and a 23% increase in gas-fired generation. Month-on-month, prices rose by 19%, supported by a 13% increase in gas-fired generation and a 22% drop in wind output.

Price developments varied across markets, although all systems recorded upward pressure. The SEM recorded €144/MWh, reflecting a 10% increase compared to April 2026. This rise aligned with the 15% increase in gas-fired generation. In contrast, France and Spain continued to register the lowest price levels, at around €53/MWh, despite recording the strongest increases, with prices rising by approximately 29% month-on-month and around 195% year-on-year, supported by declining wind generation in both markets.

Gas markets remained highly volatile throughout May, closing at 118.27p/Therm. Price movements were largely driven by developments in U.S.–Iran relations.

Solar generation continued to increase, rising by 12% year-on-year and 14% month-on-month, while wind generation declined by 12% year-on-year and 22% month-on-month. This reduction in wind output was particularly pronounced in the SEM (–28% month-on-month) and Great Britain (–21% month-on-month).

France and Spain followed a similar pattern of declining wind and increasing solar generation. In France, wind generation fell by 24% month-on-month and 21% year-on-year, while solar output increased by around 17%. In Spain, wind declined by 15% month-on-month and 4% year-on-year, while solar generation grew by 22% month-on-month and 27% year-on-year.

Interconnector flows largely reflect price differentials across the region. France strengthened its position as a net exporter, increasing flows to all neighboring markets, including Great Britain and Belgium. In the SEM, exports fell by 3% while imports increased by 20%, with most imports occurring during solar hours, when lower-priced electricity flowed from the Continent through Great Britain into the SEM.

# 3. Wholesale Electricity Prices

**Wholesale electricity prices fluctuate over time in Western Europe and neighboring regions based on several factors, including gas prices, renewable generation, interconnection, and seasonal demand.**

In May 2026, average wholesale electricity prices closed around 93 €/MWh, which is 56% higher year-on-year. This increase was parallel to: 42% increase in gas prices, the overall 12% drop in Wind generation and increase 23% in gas fire generation. Month-on-month, prices increased by 19% compared to April 2026, aligned to 13% increase in gas fire generation, and 22% drop in wind.

Among the jurisdictions observed, SEM recorded €144/MWh, 10% increase compared to April 2026. This increase was correlated with 15% increase on gas fire generation.

France and Spain recorded the lowest electricity prices of the month, at around €53/MWh. However, both markets experienced the highest month-on-month increase (around 29%) and a significant year-on-year rise (approximately 195%). At the same time, both systems showed a decrease in wind generation on both a month-on-month and year-on-year basis, which may have contributed to the observed price increases.

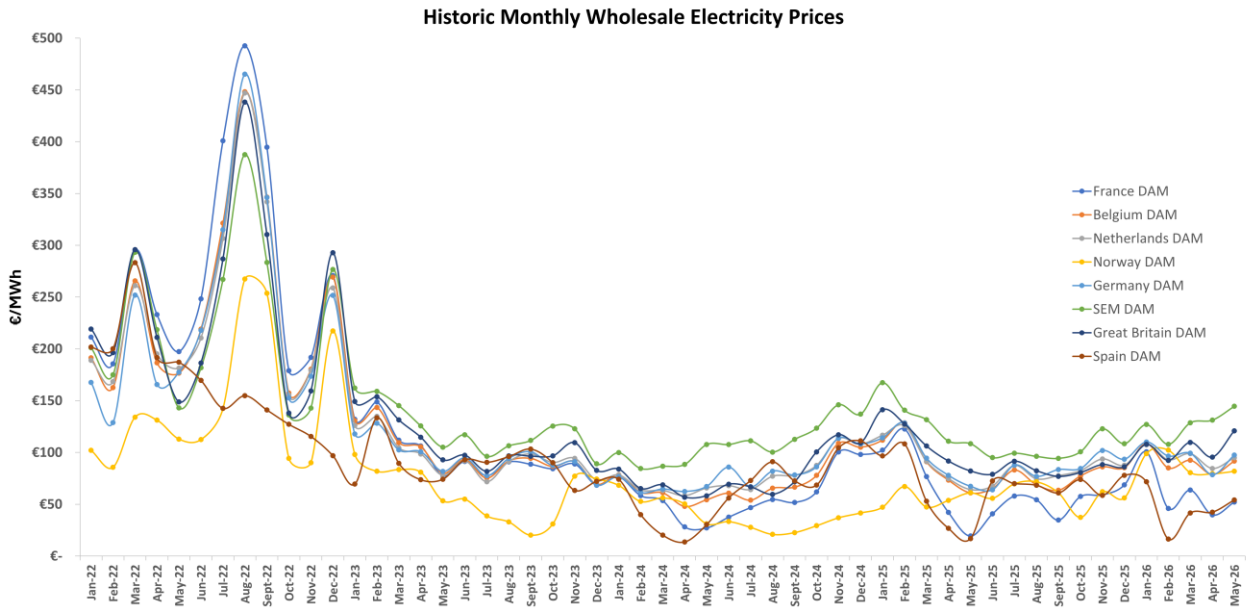


**Figure 1: Historical Average Monthly Wholesale Prices in European Jurisdictions**

**Data source: Montel EnAppSys [BE, FR, GB, NO, NE], ENTSO-E transparency platform [DE, SP], SEMOpx [SEM]**

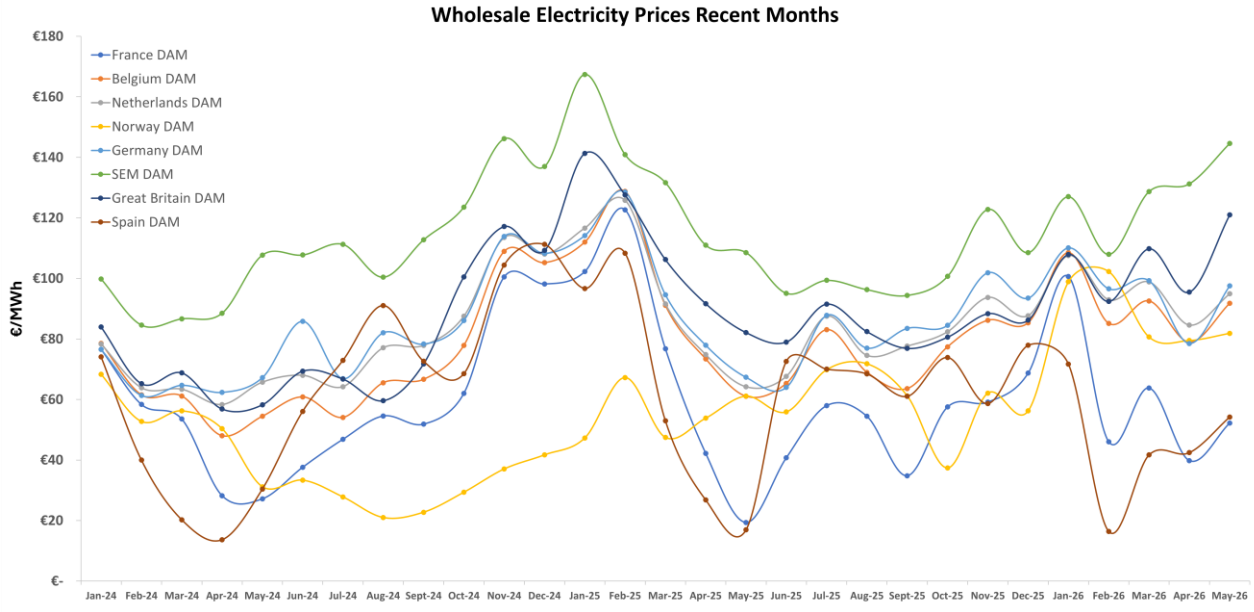


**Figure 2: Average Wholesale Prices Recent Months - Jan 2024 to May. 2026**

**Data source: Montel EnAppSys [BE, FR, GB, NO, NE], ENTSO-E transparency platform [DE, SP], SEMOpx [SEM]**

# 4. Gas Prices

**Gas prices have a substantial impact on wholesale electricity costs across Western Europe and neighboring regions. Markets with a high dependence on gas-fired generation, such as SEM, are particularly affected.**

Gas prices in May 2026 showed high volatility, closing at 118.27 p/therm. Market movements were largely influenced by geopolitical developments in the Middle East, (112 p/therm).

Mid-month, prices fluctuated in response to evolving market sentiment and geopolitical updates. (125 p/therm).

Towards month-end, prices softened as market conditions eased (116 p/therm).

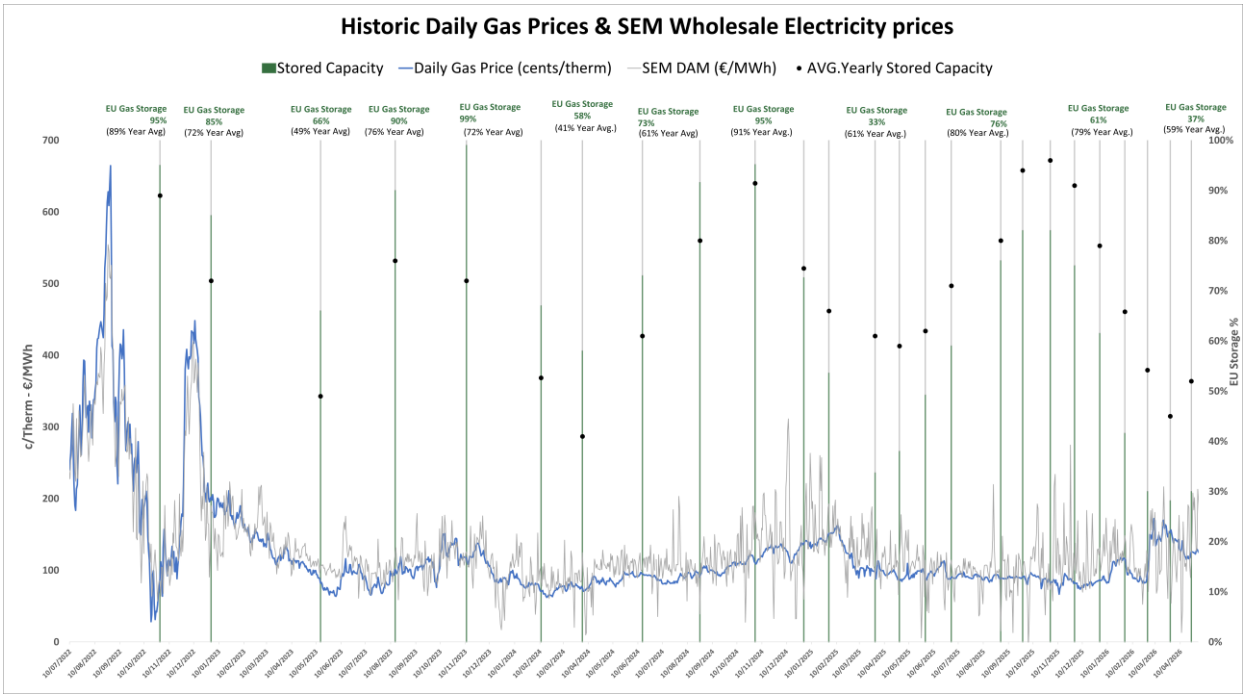


Figure 3: Historical Gas Prices

**Data source:** GMO operational Data Daily gas price, ENTSO-g Gas dashboard

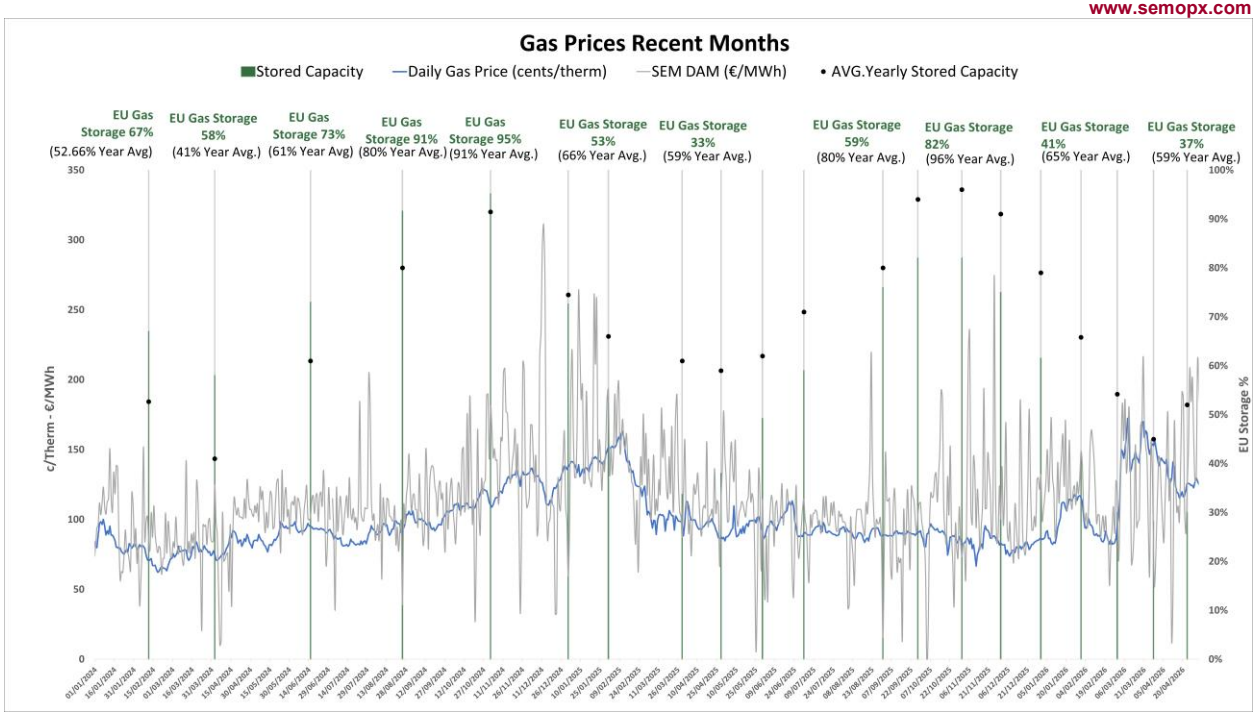


**Figure 4: Gas Prices Recent Months - Jan 2024 to May 2026.**

**Data source: GMO operational Data Daily gas price, ENTSO-g Gas dashboard**

# 5. Generation Mix

**The generation mix continues to play a crucial role in shaping wholesale electricity prices across Western Europe and neighboring regions. Generally, a higher share of renewables results in lower prices, while lower renewable output increases reliance on conventional generation.**

In May 2026, solar generation, in overall, maintain the constant increase of 12% year-on-year and by 14% compared to April 2026. Wind generation drop 12% year-on-year but declined 22% month-on-month.

The influence of renewable energy generation differed significantly between countries. Although SEM and Great Britain are geographically close and both depend heavily on renewable sources, their wind generation patterns varied. SEM saw a 28% decrease in wind output month-to-month, while Great Britain experienced a 21% decline. Despite reduced wind generation, SEM registered a M-o-M 27% increase in solar production and great Britan with 11% increase.

In May, the SEM increased its gas-fired generation by 15% month-on-month and 1% year-on-year. Great Britain followed this trend, with gas generation rising by 36% MoM and 14% YoY. In line with this increase in gas generation and a decline in wind output, SEM wholesale electricity prices rose by 10% and GB 27% compared to April 2026.

Spain and France recorded the largest price increases, despite still having the lowest price levels among the analysed markets. France, in line with the general trend across systems, wind generation decreased by 24% month-on-month and 21% year-on-year. Although solar generation increased (on average 17% MoM and YoY), gas generation rose by 18% and nuclear by 13% compared to the previous year. Compared to April 2026, gas generation decreased by 35%, while hydro output showed a notable increase of 16%.

Spain showed a similar pattern, with a decline in wind generation (15% MoM and 4% YoY) alongside strong growth in solar generation (22% MoM and 27% YoY). Compared to April 2026, gas generation increased by 14%, while compared to May 2026 it decreased by 3%, which may be linked to a 23% increase in nuclear generation.

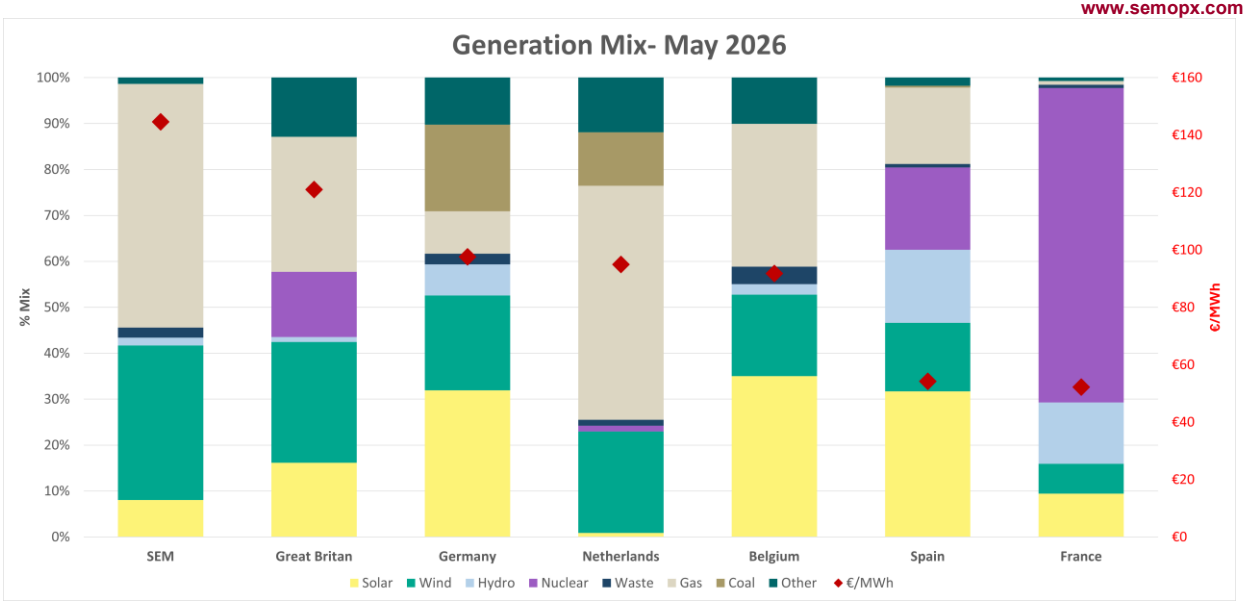


**Figure 5: Generation Mix and Prices in Selected European Jurisdictions – May 2026.**

**Data source: Montel EnAppSys [Prices - BE, FR, GB, NO, NE], Fraunhofer Energy-Charts [Fuel Mix - BE, FR, GB, NO, NE], ENTSO-E transparency platform [DE, SP], SEMOpx [SEM]**

# 6. Interconnector Flows

**Interconnection plays a key role in enhancing the efficiency and stability of the electricity market across Western Europe and neighboring regions by enabling electricity to flow from low-price areas to high-price areas.**

In May 2026, interconnector flows broadly followed market price signals, flows continued to move predominantly from the Netherlands into Belgium.

France, as the lowest-priced market in the region, increased its export flows and became a net exporter to all neighbouring markets. Compared with the previous month, May 2026 saw notable increases in flows from France to Great Britain and from France to Belgium.

The SEM recorded a 3% decrease in exports and a 20% increase in imports. Most of the main import periods occurred during solar hours, when substantially lower-priced power flowed from the Continent to GB and then into the SEM.

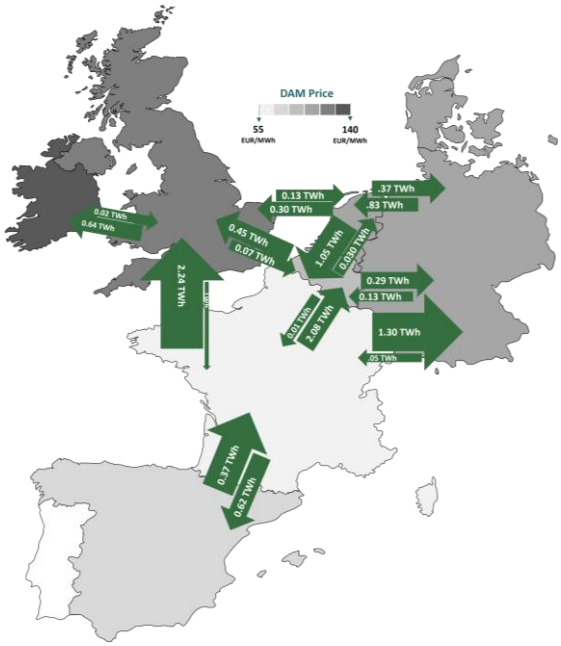


**Figure 6: Europe Interconnector Physical Flows – May 2026.**

**Data source: Fraunhofer Energy-Charts, ENTSO-e transparency platform, SEMOpx**

# 7. Glossary

***The glossary provides a description of the key terms used in the report.***

| Term | Definition |
|---|---|
| Average Monthly Wholesale Prices | Refers to the average of the hourly day-ahead wholesale electricity prices for a given month. |
| Capacity Factor | Is a measure of how much energy a generator produces relative to its technical maximum energy output. It is especially relevant for renewable sources like wind or solar where generation levels are variable dependent on the wind or solar intensity. |
| Day-Ahead Market (DAM) | The Day-Ahead Market is the forward electricity market where electricity is bought and sold one day in advance of the actual delivery. It is the key index for wholesale electricity prices. |
| Wholesale Electricity Price | Refers to the prices for which electricity is bought and sold in bulk, typically by electricity generators, retailers and large energy consumers. It is a key component of the cost electricity but represents only part of the total cost of electricity supply. |
| SEM | The Single Electricity Market is the electricity market arrangements that cover the island of Ireland namely Ireland and Northern Ireland. |