Nominated Electricity Market Operator
www.semopx.com

Quarter European Energy Market Trends

Q2 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 this quarter.

Section 3 compares wholesale electricity prices across key European jurisdictions over the Second quarter of 2026.

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 the analysed European markets averaged approximately €92/MWh in Q2 2026, representing a 40% year-on-year increase. The rise was aligned with, 32% increase in gas prices and a 16% increase in gas-fired generation compared with the same period last year. Price volatility remained elevated throughout the quarter, reflecting gas market volatility.

The Single Electricity Market remained the highest-priced market among those analysed, averaging €137/MWh during the quarter. While April prices declined to €131/MWh due to the drop in gas prices, reduced demand, and strong wind output, prices increased through May and remained elevated in June as higher gas prices, drop in wind availability, and increased thermal generation supported wholesale electricity prices.

Gas prices remained a key driver of wholesale electricity prices during the quarter. Market conditions were characterised by significant volatility, largely linked to geopolitical developments in the Middle East.

Generation mix developments continued to play a significant role in shaping market outcomes. Within the SEM, gas-fired generation declined by 1% year-on-year, while wind generation increased by 26% and solar generation increased by 76% compared with Q2 2025. Across Europe, wind generation increased by 3% year-on-year, while gas-fired generation increased by 16%, contributing to upward pressure on wholesale electricity prices. Nuclear generation increased by 3% year-on-year, with notable increases in Spain (+19%) and France (+9%).

France remained the lowest-priced market during the quarter, averaging approximately €52/MWh, supported by increased renewable and nuclear generation. However, France, Belgium, and several neighbouring markets recorded some of the highest year-on-year price increases

The increased in gas-fired generation requirements during periods of low renewable availability and elevated demand, resulted in more volatile price profiles, including periods of zero or negative prices during peak solar output followed by evening price spikes exceeding €300/MWh.

Interconnector flows continued to align with regional price differentials and renewable generation patterns. Flows generally originated from France and moved towards Great Britain, Belgium, and the Netherlands before continuing to neighbouring interconnected markets. While both Great Britain and the SEM remained net importers over the quarter, the heatwave conditions experienced during the final week of June contributed to periods of exports from Great Britain to continental Europe and, in turn, reduced imports into the SEM with occasional periods of net exports.

3. Wholesale Electricity Prices

Wholesale electricity prices fluctuate over time in Europe based on several influences including gas prices, renewable generation, interconnection and seasonal demand.

In Q2 2026, wholesale electricity prices across the analysed regions averaged around €91.54/MWh, representing a 40% year-on-year increase. aligned with , 32% increase in gas prices and 16% increase in gas fire generation over the same period.

France, Spain, and Belgium recorded the highest year-on-year increases in wholesale electricity prices, with prices rising by around 46%. This trend was correlated with the increasein gas-fired generation in France and Belgium, together with Spain becoming a net importer of electricity from France.

During Q2 2026, the Single Electricity Market (SEM) showed mixed price dynamics. Overall, SEM remained the highest-priced market among those analysed, averaging €137/MWh over the quarter. This marks the first time since 2021 that average Q2 prices were higher than those recorded in Q1. Looking at each month of the quarter individually:

- April 2026: Average wholesale electricity prices (€78/MWh) declined 13% month-on-month, despite remaining higher 13% year-on-year, correlated with lower gas prices, reduced demand and a drop in gas-fired generation (-6%YoY, -17% MoM), alongside strong wind output. Significant differences were observed across markets, with SEM recording the highest prices (€131/MWh), while France experienced lower prices (€39/MWh) aligned with the increased in nuclear (+8%) and solar generation (+22%). The month also saw a notable rise in zero and negative price occurrences (+59%), particularly in Spain and France.

- May 2026: Average wholesale electricity prices increased both month-on-month and year-on-year (19%, 56%) closing at €93/MWh, correlated with higher gas prices (+42%YoY, +4% MoM), lower wind generation and a rebound in gas-fired output (+23%). SEM remained the highest-priced market (€144/MWh), with a further increase of 10% compared to April. In contrast, Spain and France recorded the lowest price levels(€52/MWh, €54/MWh), although both experienced strong price growth (around +29% month-on-month).

- June 2026: Average wholesale electricity prices increased by 9% month-on-month and 48% year-on-year, aligned with higher gas prices, increased gas-fired generation (+11% MoM, +34% YoY), and limited growth in renewable output. Solar generation increased by 6% MoM and 10% YoY, while wind generation rose by 10% MoM but remained 4% below June 2025 levels.
  June was marked by an early heatwave across continental Europe, reducing wind generation, increasing demand, and raising reliance on fossil-fuel generation. During the final week of the month, hourly prices exceeded €700/MWh in markets such as Germany, Belgium, and the Netherlands.
  Compared with the first three weeks of June, average prices in the final week increased by 160% in France, 58% in Belgium, 43% in Germany, 41% in the

Netherlands, 19% in Great Britain, and 12% in the SEM, highlighting the significant impact of heatwave-related supply constraints across Europe

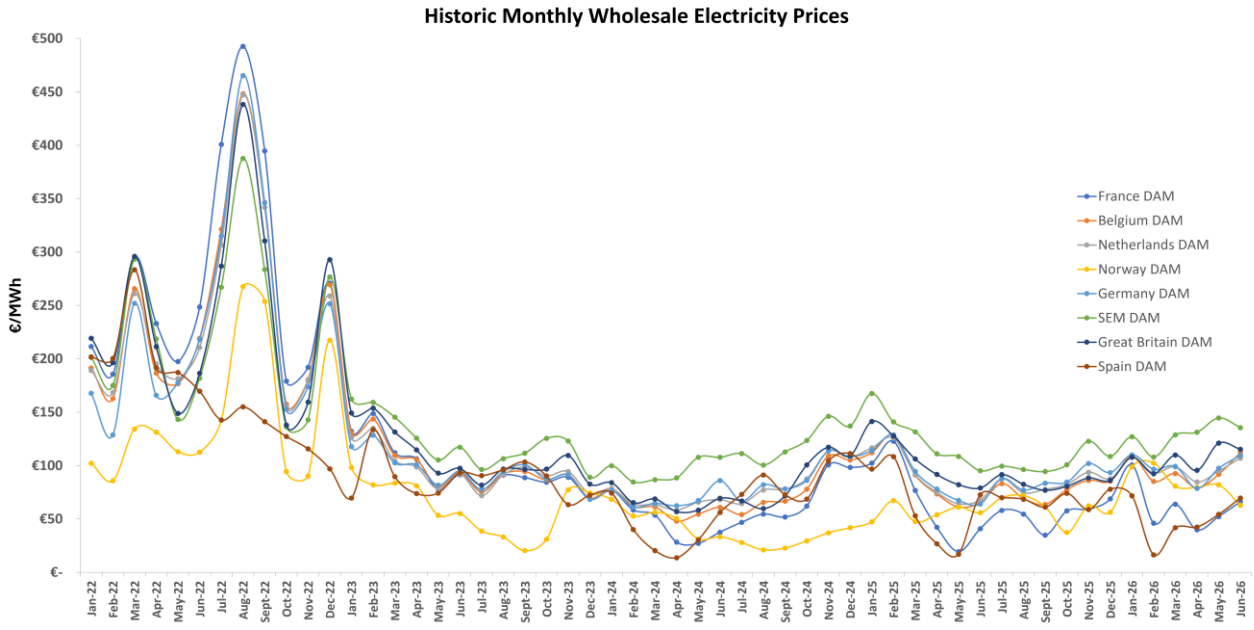

Figure 1: Historical Average Monthly Wholesale Prices in European Jurisdictions

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

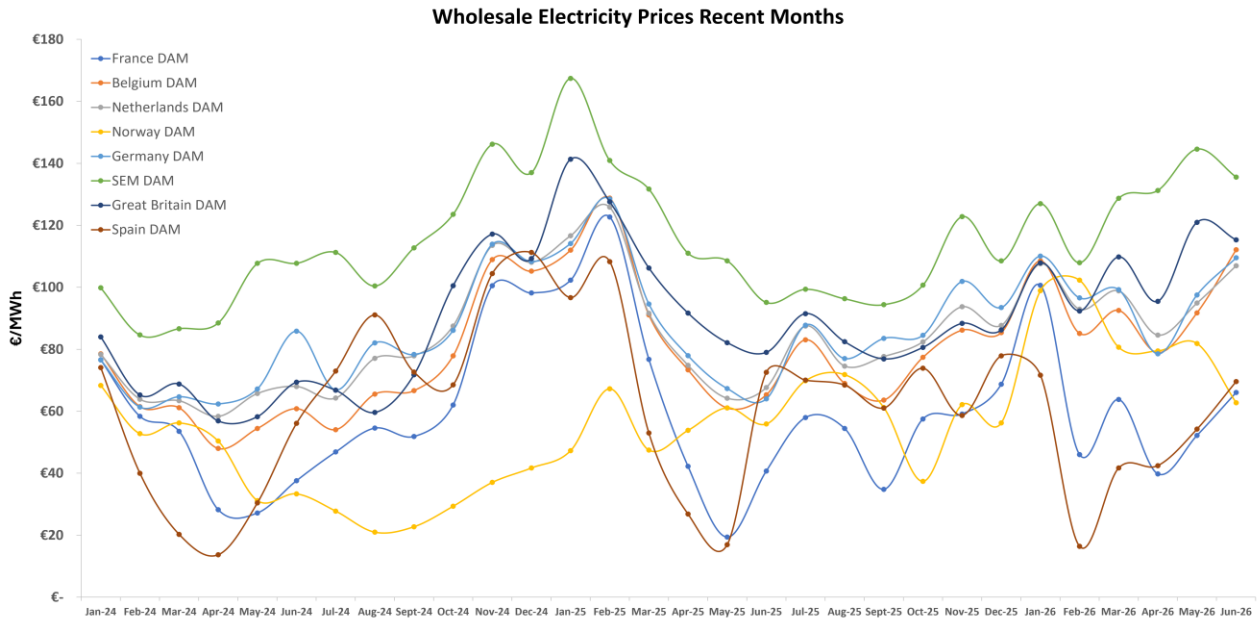

Figure 2: Average Wholesale Prices Recent Months – Jan. 2024 to June. 2026

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

4. Gas Prices

Gas prices have an influence on the cost of wholesale electricity prices across Europe. SEM wholesale electricity prices are significantly influenced by gas prices given the SEM's high proportion of gas-fired generation.

Gas prices along Q2 2026 remained highly volatile, driven mainly by geopolitical developments in the Middle East.

Prices fluctuated sharply in response to evolving conflict risks and uncertainty surrounding

As observed previously, wholesale electricity prices in the SEM continued to broadly align with gas generation costs, with gas-fired plant frequently setting the marginal price. Price variability within the SEM was mainly driven by shifts in the generation mix, with higher prices occurring during periods of lower renewable availability that required greater reliance on thermal generation, and lower prices observed when renewable output was stronger and demand pressures eased.

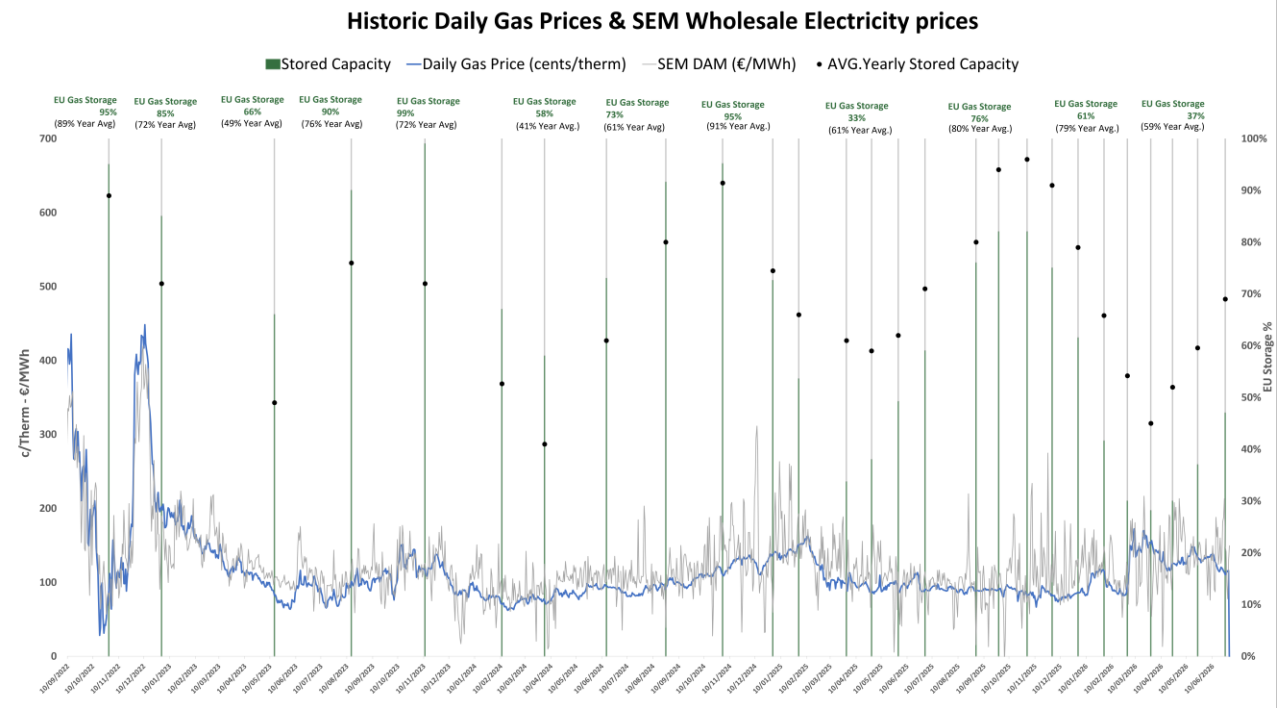

Figure 3: Historical Gas Prices

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

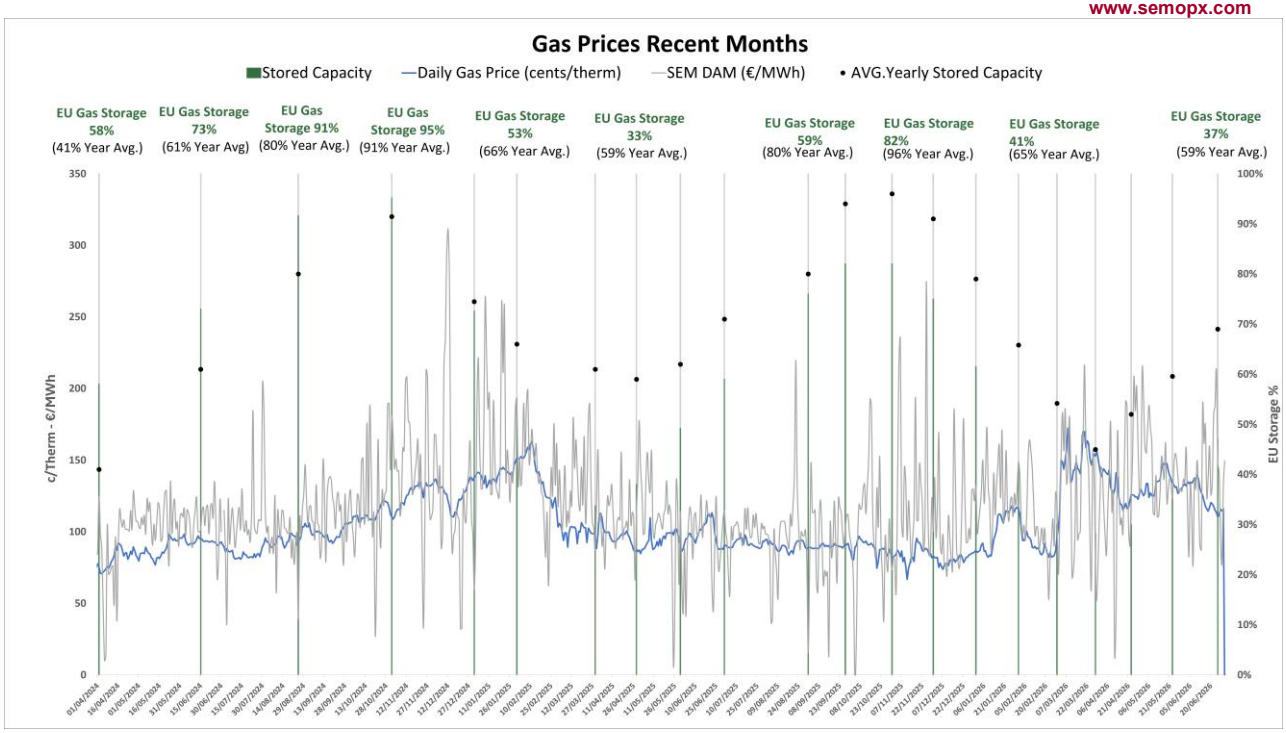

Figure 4: Gas Prices Recent Months – Jan. 2024 to June. 2026.

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

5. Generation Mix

The generation mix has a significant influence on wholesale electricity prices across Europe. Typically, higher renewables combined with higher nuclear mixes have lower wholesale electricity prices.

During Q2 2026, the Single Electricity Market (SEM) recorded a 1% year-on-year decline in gas-fired generation, consistent with a 26% increase in wind generation and a 76% rise in solar output compared to the same period last year.

Within SEM, wind generation in Q2 fell by 28% compared to Q1 2026. However, solar generation increased by more than 200% quarter-on-quarter, reflecting the seasonal increase in solar output. This contributed to a reduction in gas-fired generation, which declined by 10% compared to Q1 2026.

Across Europe, the generation mix in Q2 2026 showed a 3% year-on-year increase in wind generation, although output was 40% lower than in Q1 2026. Gas-fired generation increased by 16% compared to Q2 2025 but declined by 33% relative to Q1 2026.

Nuclear generation increased by 3% year-on-year across the markets analysed. Spain recorded the largest increase, with nuclear output rising by 19%, followed by France at 9%. In contrast, Great Britain's nuclear generation fell by 11%, while Belgium and the Netherlands recorded declines of 94% and 41%, respectively, compared to Q2 2025.

- April 2026: The generation mix was characterized by strong renewable output, with solar generation increasing year-on-year (+13%) and month-on-month (+27%), while wind rose year-on-year (+27%) but declined compared to the previous month. Lower demand and reduced gas-fired generation were observed across several systems. Spain and France maintained low price levels supported by higher solar output and reduced gas generation, despite weaker wind conditions.
- May 2026: Renewable generation trends shifted, with solar continuing to increase both year-on-year (+12%) and month-on-month (+14%), while wind declined on both metrics (−12% year-on-year and −22% month-on-month). The reduction in wind output, combined with increased gas-fired generation, contributed to higher electricity prices across markets. Spain and France remained among the lowest-priced systems, although both experienced notable price increases in line with reduced wind availability.
- June 2026: Generation trends were characterized by an increase in renewable output. Solar generation increased both year-on-year (+10%) and month-on-month (+6%), while wind generation showed mixed trends, decreasing year-on-year (-4.17%) but increasing month-on-month (+11%). Changes in renewable availability, combined with higher levels of thermal generation and increased demand, influenced market fundamentals across Europe. As a result, electricity prices rose across most markets compared with the previous month.

France and Spain remained among the lowest-priced systems. However, France recorded one of the largest year-on-year price increases, alongside Belgium, the Netherlands, and Germany, at approximately 66%. This was correlated with a significant increase in gas-fired generation, which rose by an average of 57%. Belgium experienced the largest increase in gas-fired generation year-on-year (+85%)

During Q2 2026, France recorded the lowest average prices among the analysed markets, €52/WMh, supported by increases in renewable and nuclear generation. Solar output increased by 19% year-on-year and 28% compared to Q1 2026, while nuclear generation also showed continued growth.

However, France also recorded one of the highest year-on-year increases in wholesale electricity prices. This can be linked to a 35% increase in gas-fired generation, reflecting the growing need for flexible generation during periods of high demand and low solar generation.

This pattern was observed across several European markets, resulting in highly volatile daily price profiles. Markets experienced periods of zero or negative prices during peak solar output, followed by sharp price increases that in some cases exceeded €300/MWh during evening demand peaks.

The highest price recorded during the quarter occurred in Belgium on 24 June, exceeding €900/MWh. The Netherlands and Germany recorded the next highest prices on the same day. Conversely, Belgium, the Netherlands, and Germany also recorded some of the lowest prices during the solar peak hours, with prices falling to around €68/MWh.

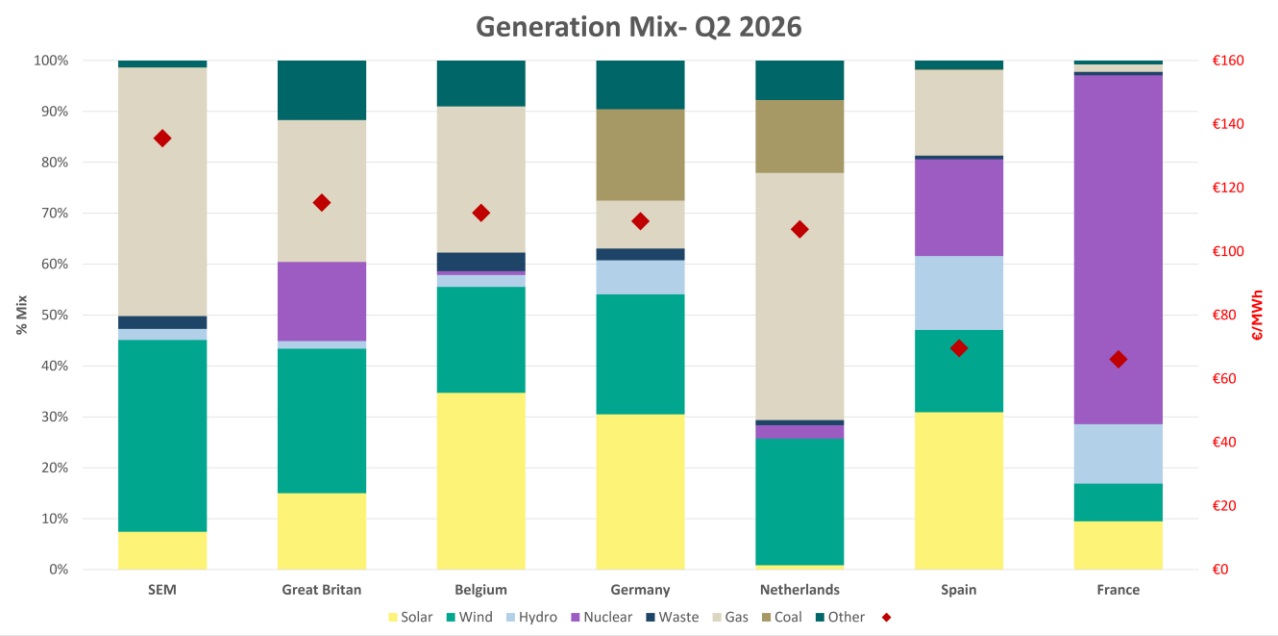

Figure 5: Generation Mix and Prices in Selected European Jurisdictions – Q2 2026.

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 an important part in maximising the benefits to society of the European wholesale electricity market. Flows typically follow price differences between regions, from low price to high price.

During the Second Quarter of 2026, interconnector flows continued to reflect regional price differences and the availability of renewable generation. Flows mainly originated from France and moved towards Great Britain, Belgium, and the Netherlands, before continuing to neighbouring interconnected countries.

This pattern may be linked to the increase in solar generation, demand volatility driven by temperature variations, and the utilization of gas-fired generation.

Meanwhile, both Great Britain and the SEM remained net importers during the Quarter. However, during the final week of June, GB recorded periods of net exports to continental Europe, particularly during night-time and morning hours. This trend was subsequently reflected in the SEM, resulting in reduced net imports from GB and occasional periods of net exports.

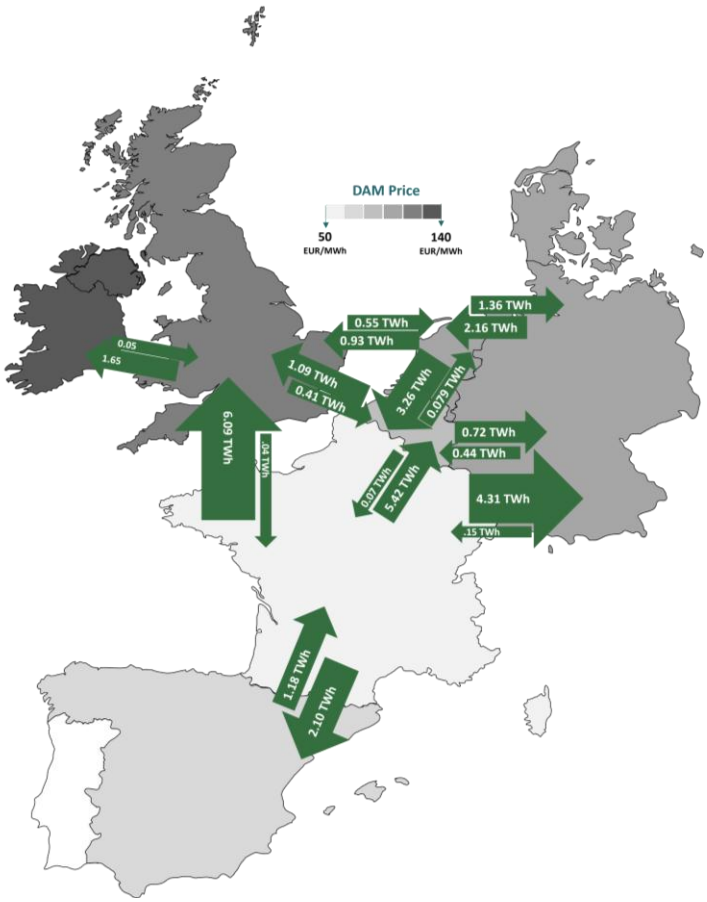

Figure 6: Europe Interconnector Physical Flows – Q2 2026.

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

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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.