Nominated Electricity Market Operator
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Monthly European Energy Market Trends

July-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 July 2026.

Section 3 compares wholesale electricity prices across key European jurisdictions over July 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 Western Europe averaged around €114.5/MWh in July 2026, increasing significantly on both a year-on-year and month-on-month basis. On a regional level, prices were 39% higher year-on-year, broadly reflecting a 59% increase in gas prices, with solar output increasing by 24% and wind generation by 14%. Month-on-month, prices rose by 12%, supported by an 18% increase in gas prices, a 4% increase in electricity demand, and only a modest 2% increase in wind generation.

Price developments varied across markets, although all systems experienced upward pressure. The SEM recorded the highest average price level at €155/MWh, representing a 15% increase compared with June 2026. In contrast, France and Spain continued to record the lowest average price levels, at approximately €95/MWh and €104/MWh respectively, despite registering the strongest monthly price increases of 44% and 51%.

Gas markets remained highly volatile throughout July, closing at approximately 161 p/therm. Price movements were largely driven by escalating geopolitical tensions. During the middle of the month, gas prices increased sharply, rising by approximately 44% compared with the start of July.

Renewable generation continued to influence market outcomes. Solar generation maintained its growth trajectory, increasing by 24% year-on-year and 10% month-on-month, while wind generation rose by 14% year-on-year but only 2% month-on-month. The contribution of renewables varied considerably across markets, with solar growth helping to moderate prices despite generally higher fuel costs and stronger electricity demand

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 July 2026, average wholesale electricity prices closed at approximately €114.5/MWh, representing a 39% year-on-year increase. This rise aligned with a 59% increase in gas prices. However, the impact of higher gas costs may be offset by strong renewable generation, with solar output increasing by 24% and wind generation by 14% compared with the previous year.

On a month-on-month basis, electricity prices increased by 12% compared to June 2026. This trend was aligned with an 18% increase in gas prices, while wind generation remained broadly stable, increasing by only 2%. Solar generation rose by 10%, and electricity demand increased by approximately 4% during the period.

Among the jurisdictions analysed, the Single Electricity Market (SEM) recorded an average price of €155/MWh, representing a 15% increase compared with June 2026. Nevertheless, as observed across the continent, a 17% increase in solar generation was associated with a reduction in wholesale prices during solar production hours, with some of the lowest daily prices occurring during these periods.

Across continental Europe, France and Spain recorded the lowest average electricity prices of the month, at €95/MWh and €104/MWh, respectively. Despite these relatively low-price levels, both markets experienced the largest month-on-month increases, with prices rising by 44% in France and 51% in Spain. These two systems also recorded a considerable increase in gas-fired generation, which rose by 29% in France and 40% in Spain, respectively, alongside reductions in other sources of electricity generation..

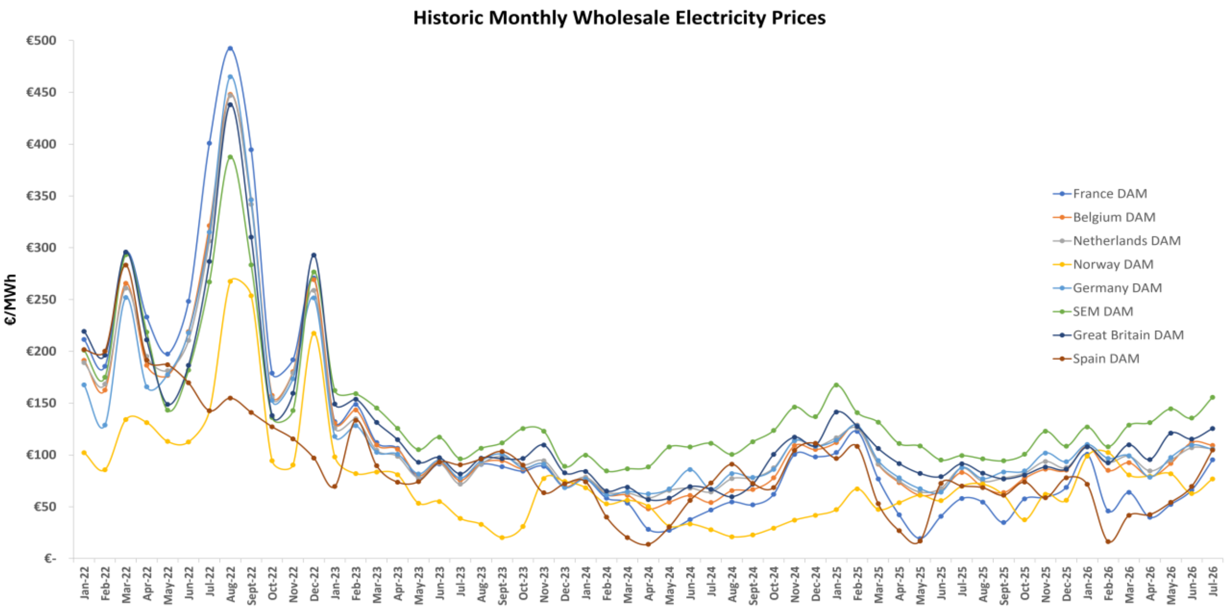

Figure 1: Historical Average Monthly Wholesale Prices in European Jurisdictions

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

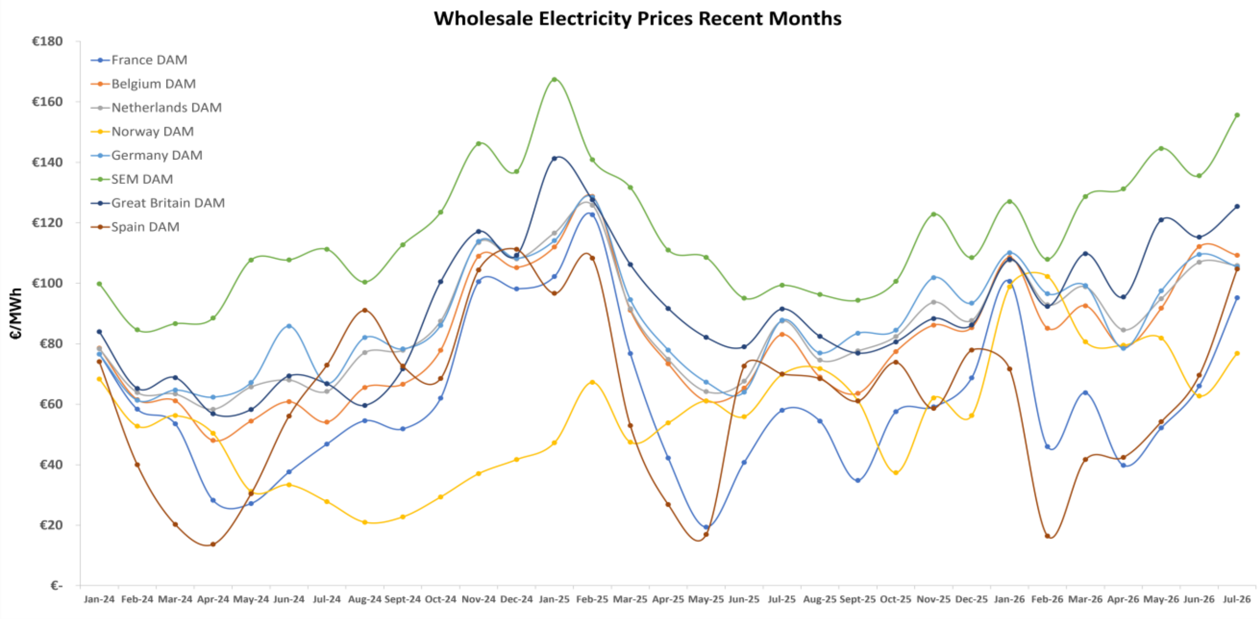

Figure 2: Average Wholesale Prices Recent Months - Jan 2024 to July. 2026

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 experienced significant volatility throughout July 2026, ending the month at approximately 161 p/therm. Market movements were dominated by escalating geopolitical tensions.

In mid-July, prices increased sharply, rising by 44% compared with 1 July. At the same time, storage inventories across Europe remained below seasonal norms, at around 10% below average levels.

In the final week of the month, geopolitical sentiment improved.

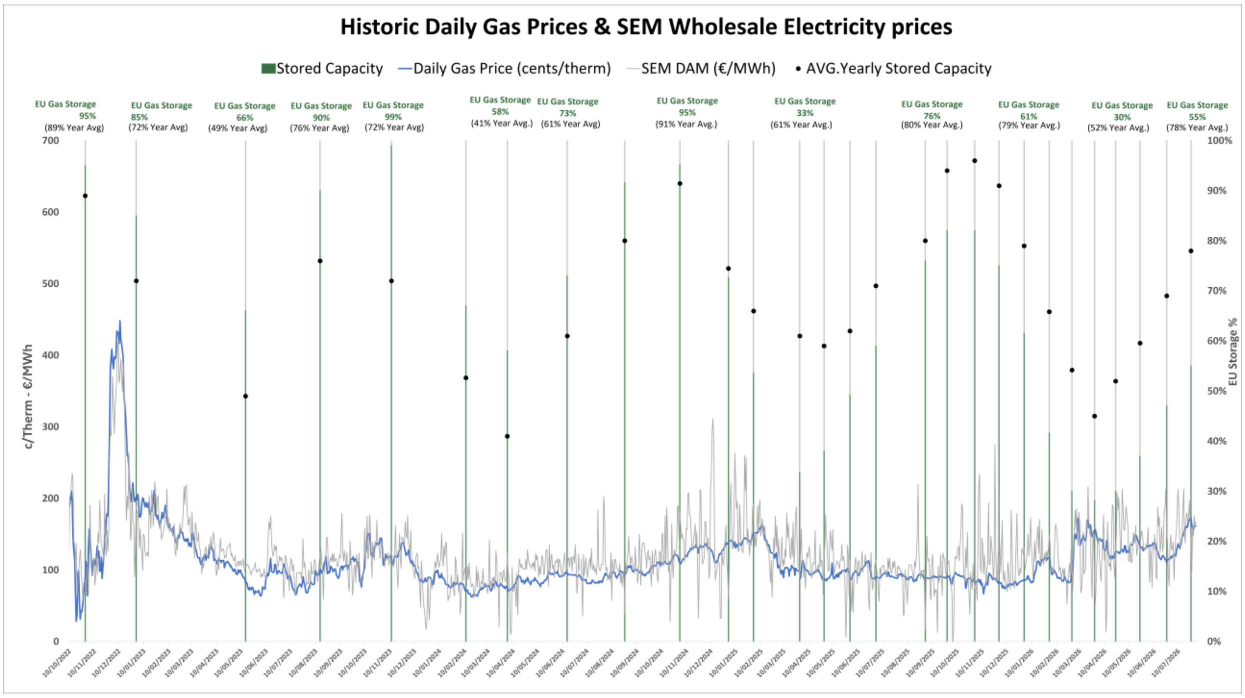

Figure 3: Historical Gas Prices

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

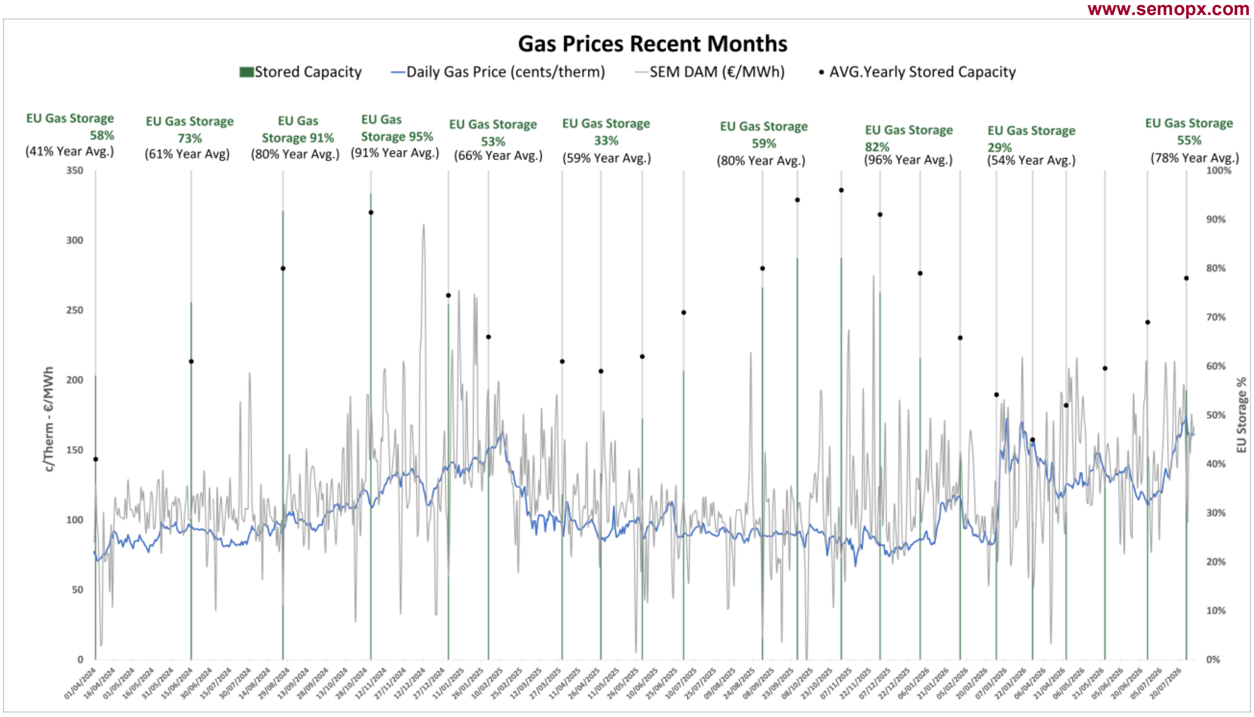

Figure 4: Gas Prices Recent Months - Jan 2024 to July 2026.

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 July 2026, solar generation continued its sustained growth trend, increasing by 24% year-on-year and 10% compared to June 2026. Wind generation also increased by 14% year-on-year, while month-on-month growth remained modest at 2%.

The influence of renewable generation varied significantly across markets. Although the SEM and Great Britain are geographically close and both rely heavily on renewable energy sources, their wind generation patterns differed. SEM recorded a 23% month-on-month decrease in wind output, while Great Britain experienced a 16% decline over the same period. Despite lower wind generation, solar production increased significantly in both markets, rising by 17% in SEM and 18% in Great Britain compared to June 2026.

Meanwhile, SEM gas-fired generation increased by 6% month-on-month, although it remained 10% lower year-on-year. Great Britain followed a different trend, with gas-fired generation declining by 17% month-on-month and 7% year-on-year. In addition, Great Britain recorded a 9% monthly increase in nuclear generation. Against this backdrop, wholesale electricity prices increased by 15% in SEM and 9% in Great Britain compared to June 2026.

France and Spain recorded the largest price increases among the analysed markets, despite continuing to exhibit the lowest average electricity price levels. In France, wind generation increased by only 1% month-on-month and 3% year-on-year. Although solar generation showed strong growth, increasing by 14% month-on-month and 21% year-on-year, gas-fired generation rose by 47% year-on-year, while nuclear generation increased by 1% over the same period. Compared to June 2026, French gas-fired generation increased by 29%, whereas hydroelectric output declined by 7%. France was also among the markets showing the strongest demand growth, with electricity demand increasing by approximately 5% on both a month-on-month and year-on-year basis.

Spain displayed a similar pattern, with only a modest increase in wind generation of 2% month-on-month, while wind output declined by 17% year-on-year. At the same time, solar generation continued to expand strongly, increasing by 9% month-on-month and 21% year-on-year. Compared to July 2025, gas-fired generation increased by 40%, alongside a 12% increase in nuclear generation.

Like France, Spain recorded one of the highest increases in electricity demand among the analysed markets, with demand rising by approximately 12% month-on-month and 6% year-on-year.

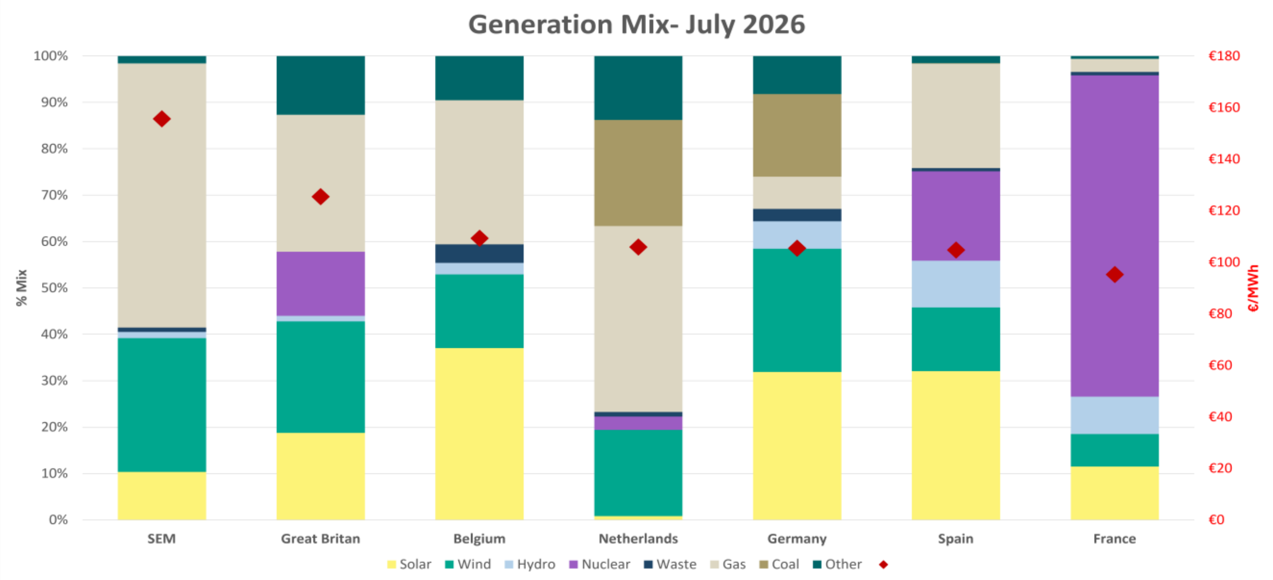

Figure 5: Generation Mix and Prices in Selected European Jurisdictions – July 2026.

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 July 2026, interconnector flows broadly followed market price signals.

France, as the lowest-priced market in the region, remained a net exporter to all neighbouring markets. Compared with the previous month, June 2026 saw a notable increase in exports from France to Great Britain. France finish as a net energy export to the Continental markets, however the total exports drop in comparison with July, while imports from neighbouring systems remained largely unchanged.

During July, the SEM recorded a new all-time high for electricity imports into the system, reaching 700 GWh, surpassing the previous record set in May 2025 by 2.8%. This trend is consistent with the reduced availability of CCGT generation within the system, which fell below typical levels during the month. The lower domestic generation availability contributed to higher wholesale electricity prices.

Most import periods (GB to SEM) occurred during daylight hours, when significantly lower-priced power flowed from Continental Europe into Great Britain and subsequently into the SEM.

Figure 6: Europe Interconnector Physical Flows – July 2026.

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

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.