

Monthly European Energy Market Trends

August-2026

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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 wholesale electricity prices across Western Europe and neighbouring countries with a particular focus on the Single Electricity Market (SEM).

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

Section 3 compares wholesale electricity prices across key European jurisdictions over August 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 €134.5/MWh in August 2026, increasing significantly on both a year-on-year and month-on-month basis. On a regional level, prices were 63% higher year-on-year, broadly reflecting an 89% increase in gas prices, with solar output decreasing by 1% and wind generation increasing by 2%. Month-on-month, prices rose by 17%, supported by a 16% increase in gas prices, a 7% decrease in wind output, and a 12% decrease in solar generation.

Price developments varied across markets, although all systems experienced upward pressure. The SEM recorded the highest average price level at €170/MWh, representing a 10% increase compared with July 2026. In contrast, Spain and France recorded the lowest average electricity prices of the month, at €118/MWh and €123/MWh, respectively. Despite these price levels, France experienced a large month-on-month increase, with prices rising by 29%.

Gas markets remained highly volatile throughout August, closing at approximately 165 p/therm. Price movements were largely driven by escalating geopolitical tensions. During the middle of the month, gas prices increased sharply, rising by approximately 21% from the monthly low.

Renewable generation declined across Western Europe in August, contributing to greater reliance on conventional generation. Compared with July 2026, wind and solar output decreased by 7% and 12%, respectively, while nuclear generation fell by 9%. Consequently, coal-fired generation increased by 4% and gas-fired generation rose by 2%.

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 August 2026, average wholesale electricity prices closed at approximately €134.5/MWh, representing a 63% year-on-year increase. This rise was primarily driven by an 89% increase in gas prices. The impact was reinforced by a shift in the generation mix, as nuclear output declined by approximately 11% year-on-year, resulting in higher gas-fired (+14%) and coal-fired (+25%) generation across Western Europe.

On a month-on-month basis, electricity prices increased by 17% compared to July 2026. This trend was aligned with a 16% increase in gas prices coupled with a 12% decrease in solar generation and a 7% decrease in wind generation. Electricity demand decreased by approximately 7% compared with July.

Among the jurisdictions analysed, the Single Electricity Market (SEM) recorded an average price of €170/MWh, representing a 10% increase compared with July 2026. This increase coincided with higher gas prices and a change in the generation mix following lower renewable output. Wind generation decreased by 20% and solar generation by 17%, increasing reliance on gas-fired generation, which rose by 7%.

Across continental Europe, Spain and France recorded the lowest average electricity prices of the month, at €118/MWh and €123/MWh, respectively. Despite these price levels, France experienced a large month-on-month increase of 29%. During the month, gas-fired generation increased by 24% in France, while nuclear and solar generation both decreased by 13%.

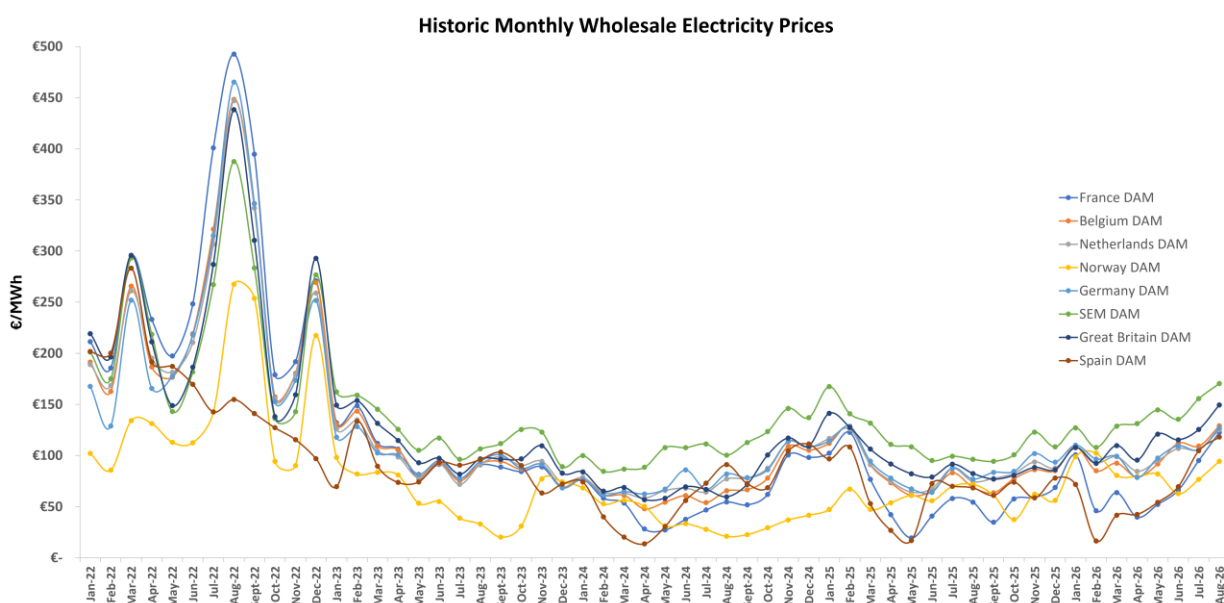


Figure 1: Historical Average Monthly Wholesale Prices in European Jurisdictions

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

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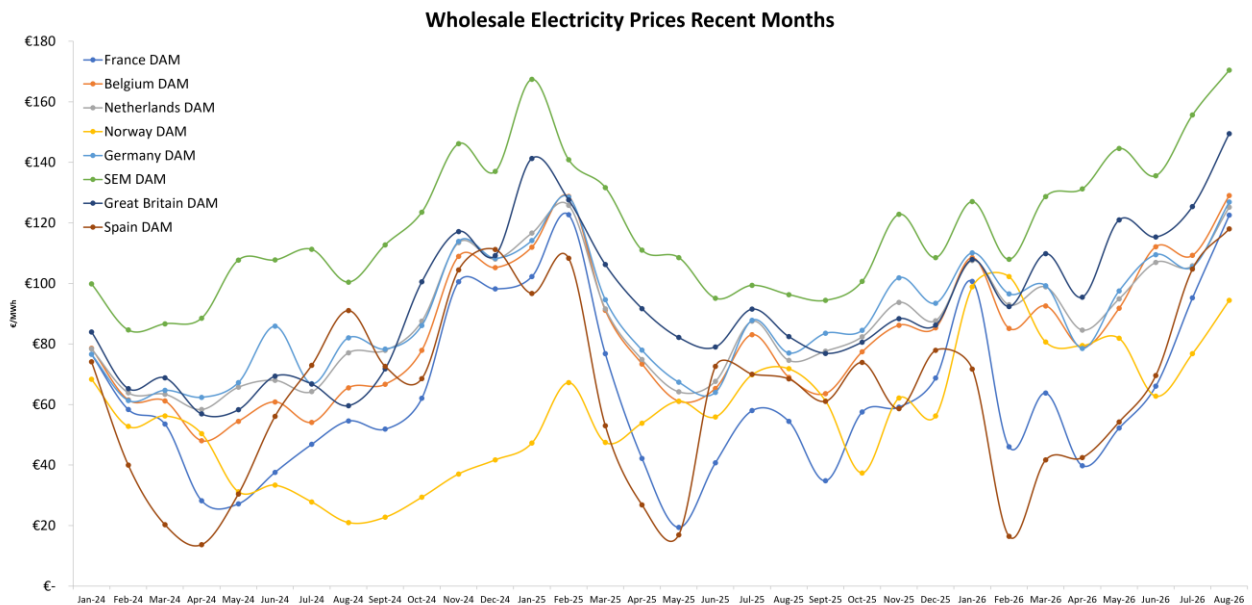


Figure 2: Average Wholesale Prices Recent Months - Jan 2024 to August 2026

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 August 2026, ending the month at approximately 165 p/therm. Market movements were dominated by escalating geopolitical tensions.

In mid-August, prices increased sharply, rising by approximately 21% from the monthly low. At the same time, storage inventories across Europe remained below seasonal norms.

In the final week of the month, geopolitical uncertainty increased.

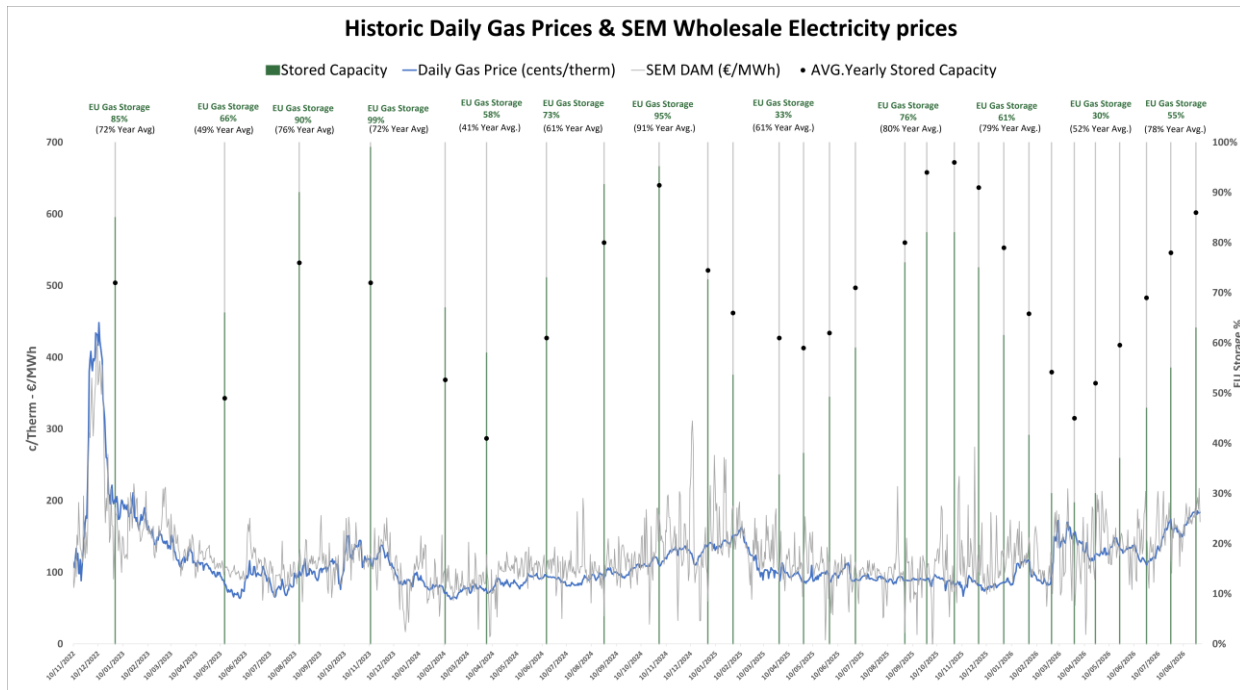


Figure 3: Historical Gas Prices

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

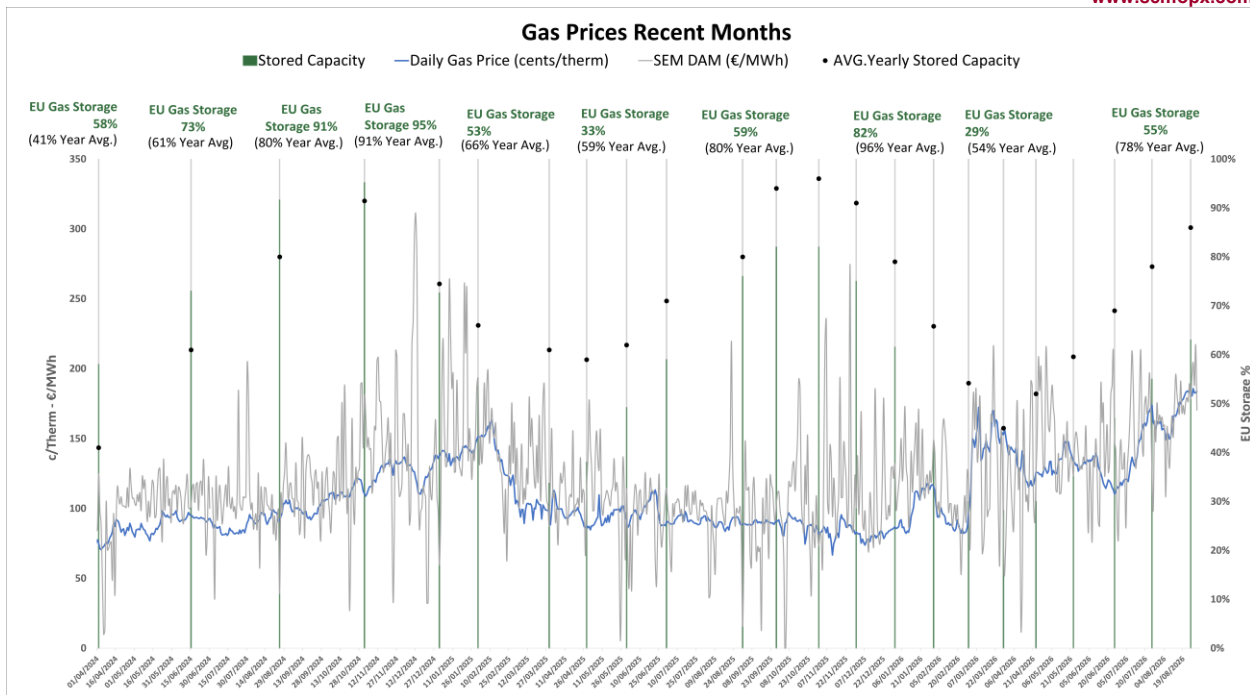


Figure 4: Gas Prices Recent Months - Jan 2024 to August 2026.

Data source: GMD 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 August 2026, solar and wind generation decreased by 12% and 7% respectively, compared to July 2026, while nuclear output fell by 9%. Conventional generation increased, with coal-fired generation rising by 4% and gas-fired generation increasing by 2% month-on-month.

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 20% month-on-month decrease in wind output, while Great Britain experienced a 7% decline over the same period. Solar generation also declined in both markets, decreasing by 17% in SEM and 20% in Great Britain compared with July 2026.

Meanwhile, SEM gas-fired generation increased by 7% compared with July 2026 and was 10% higher than in August 2025. Great Britain followed a different trend, with gas-fired generation declining by 8% month-on-month and 7% year-on-year. In addition, Great Britain recorded a 23% monthly increase in nuclear generation. Against this backdrop, wholesale electricity prices increased by 10% in SEM and 19% in Great Britain compared to July 2026.

France and Germany recorded the largest price increases among the analysed markets, at 29% and 20%, respectively, while Spain and France continued to exhibit the lowest average electricity price levels. In France, wind generation increased by 3% month-on-month, while solar generation decreased by 13% month-on-month. Despite this, wind and solar generation showed strong growth year-on-year, with each increasing by 18%. Gas-fired generation rose by 88% year-on-year, while nuclear generation decreased by 9% over the same period. Compared with July 2026, gas-fired generation increased by 24%, whereas hydroelectric output declined by 13%.

Germany displayed a similar pattern, with wind and solar generation declining by 10% and 11% respectively compared with July 2026. However, renewable output remained above 2025 levels, with wind generation increasing by 27% year-on-year and solar generation rising by 7%. Compared to July, gas-fired generation increased by 10%.

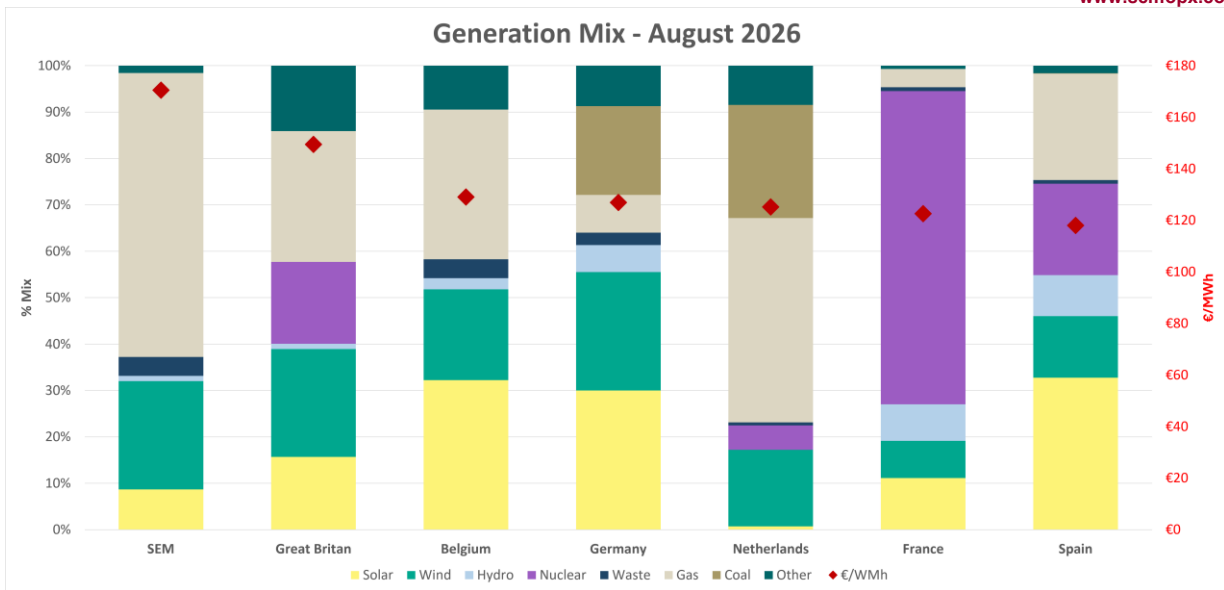


Figure 5: Generation Mix and Prices in Selected European Jurisdictions – August 2026.

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 August 2026, interconnector flows broadly followed market price signals.

France, one of the lowest-priced markets in the region, remained a net exporter to all neighbouring markets. Compared with July, France recorded a 22.4% decrease in total electricity exports to the continental markets, while imports from neighbouring systems increased by 54.9%. This may be explained by the narrowing price differential between France and surrounding markets.

During August, the SEM recorded a new all-time high for electricity imports into the system, reaching 800 GWh, surpassing the previous record set in July 2026 by 14.1%. This was consistent with reduced CCGT availability within the system, which fell below typical levels during the month. Lower domestic generation availability may have contributed to higher wholesale electricity prices and increased reliance on imports.

Imports from Great Britain into the SEM were concentrated during daylight hours, when lower-priced electricity flowed from continental Europe into Great Britain and subsequently into the SEM.

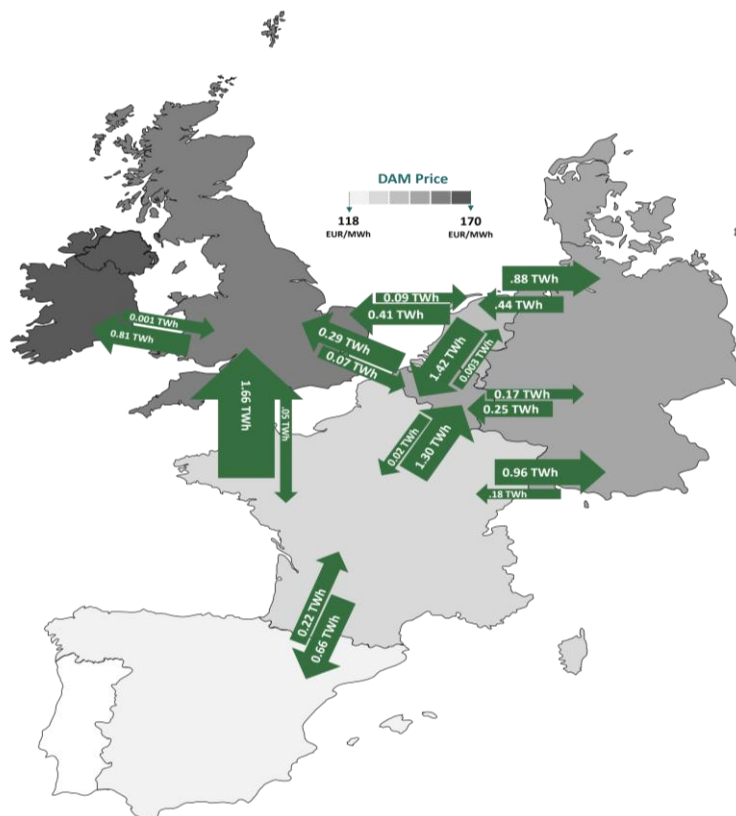


Figure 6: Europe Interconnector Physical Flows – August 2026.

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.