

Quarter European Energy Market Trends

Q3 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 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 third 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 €134/MWh in Q3 2026, representing an 80% year-on-year increase. The rise was supported by a 95% increase in gas prices and a 9% increase in gas-fired generation compared with Q3 2025.

The Single Electricity Market remained the highest-priced market among those analysed, averaging €169/MWh during the quarter, its highest quarterly average since 2023. SEM prices increased consistently throughout the quarter, rising from €155/MWh in July to €170/MWh in August and €181/MWh in September.

Gas prices remained highly volatile and continued to influence wholesale electricity prices. Market conditions were shaped by escalating tensions in the Middle East, concerns over LNG supply, reduced Norwegian supply, and European storage levels.

Generation mix developments continued to shape market outcomes. Within SEM, wind generation declined by 18% compared with Q2 2026, while solar and gas-fired generation output increased by 5% and 6%. Across Europe, wind generation increased by 1% year-on-year and by 4% compared with Q2, while gas-fired generation rose by 9% year-on-year and 14% quarter-on-quarter.

Nuclear generation across the analysed markets declined by approximately 9% year-on-year. Great Britain was the only market to record an increase, at 6%, while Belgium recorded no nuclear output during the quarter.

France remained the lowest-priced market during the quarter, averaging approximately €120/MWh. Nevertheless, France recorded the largest annual increase in wholesale electricity prices, at approximately 140%.

Spain and Belgium also recorded significant annual price increases of around 83%. Daily prices remained volatile across several markets, with zero or negative prices during periods of strong solar generation followed by evening peaks exceeding €250/MWh.

Interconnector flows continued to reflect regional price differentials and renewable generation availability. Flows mainly originated in France and moved towards Great Britain, Belgium, and the Netherlands, although French exports declined and neighbouring markets increased exports into France. Great Britain and SEM remained net importers during the quarter.

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 Q3 2026, wholesale electricity prices across the analysed regions averaged approximately €134/MWh, 80% higher than in Q3 2025. Higher prices were aligned with a 95% increase in gas prices, alongside an approximately 9% increase in gas-fired generation compared with the same period of the previous year.

Following the trend observed in the previous quarter, France, Spain, and Belgium recorded the largest year-on-year increases in wholesale electricity prices. France experienced the highest increase, with prices rising by approximately 140%, while Spain and Belgium recorded increases of around 83%. This trend was consistent with higher levels of gas-fired generation.

During Q3 2026, the Single Electricity Market (SEM) recorded a consistent increase in prices throughout the quarter. As a result, SEM remained the highest-priced market among those analysed, with an average wholesale electricity price of €169/MWh. This represents the highest quarterly average recorded since 2023, highlighting the continued upward pressure on electricity prices within the market.

Looking at each month of the quarter individually:

- July 2026: Average wholesale electricity prices increased to approximately €114.5/MWh in July, up 12% month-on-month and 39% year-on-year. The increase reflected an 18% monthly and 59% annual rise in gas prices. SEM remained the highest-priced market at €155/MWh, 15% above June, alongside a 6% increase in gas-fired generation. France and Spain recorded the lowest average prices, at €95/MWh and €104/MWh respectively, despite the largest monthly increases of 44% and 51%.
- August 2026: Average wholesale electricity prices rose to approximately €134.5/MWh in August, increasing by 17% month-on-month and 63% year-on-year. The rise occurred alongside a 16% month-on-month increase and an 89% year-on-year increase in gas prices, alongside lower renewable and nuclear output. SEM remained the highest-priced market at €170/MWh, 10% above July, as wind and solar generation declined by 20% and 17% respectively and gas-fired generation increased by 7%. Spain and France continued to record the lowest average prices, at €118/MWh and €123/MWh, although France experienced a 29% monthly increase.
- September 2026: Average wholesale electricity prices rose to approximately €154/MWh in September, increasing by 15% month-on-month and more than double the same month last year. The rise occurred alongside a 25% month-on-month increase and a 138% year-on-year increase in gas prices, alongside lower solar, hydro and nuclear output. SEM remained the highest-priced market at €181/MWh, 7% higher than in August. Although wind generation increased

significantly, reducing gas-fired generation, elevated gas prices continued to influence market prices. Spain and France remained the lowest-priced markets, averaging €143/MWh. Despite this, France recorded the highest year-on-year price increase, at over 300%.

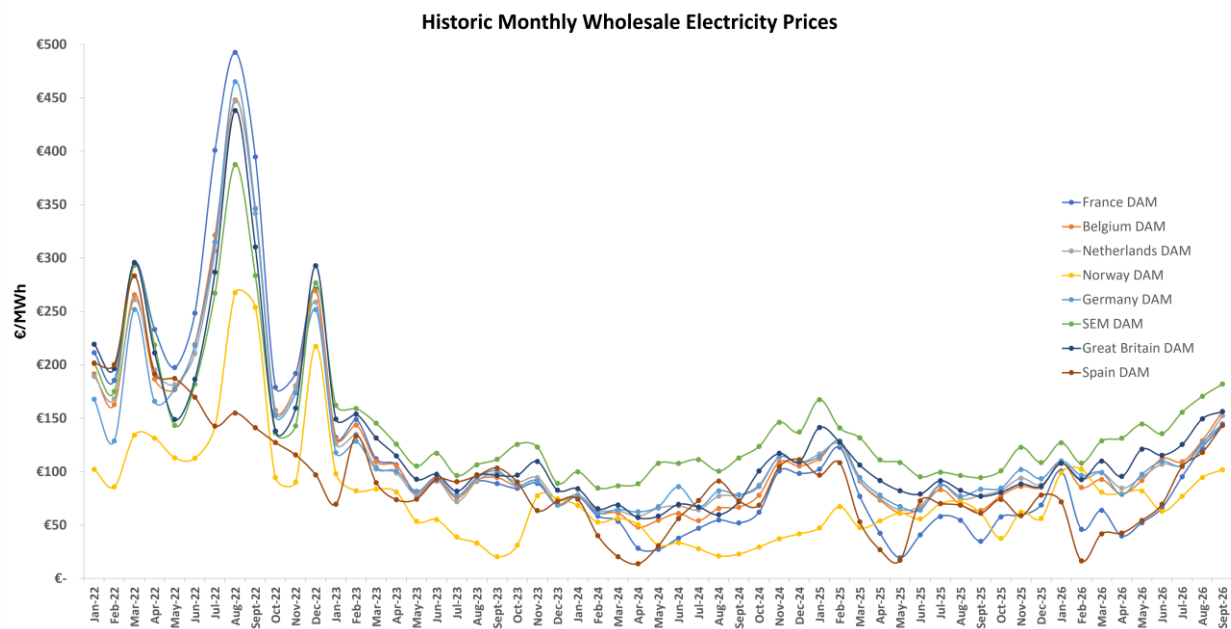


Figure 1: Historical Average Monthly Wholesale Prices in European Jurisdictions

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

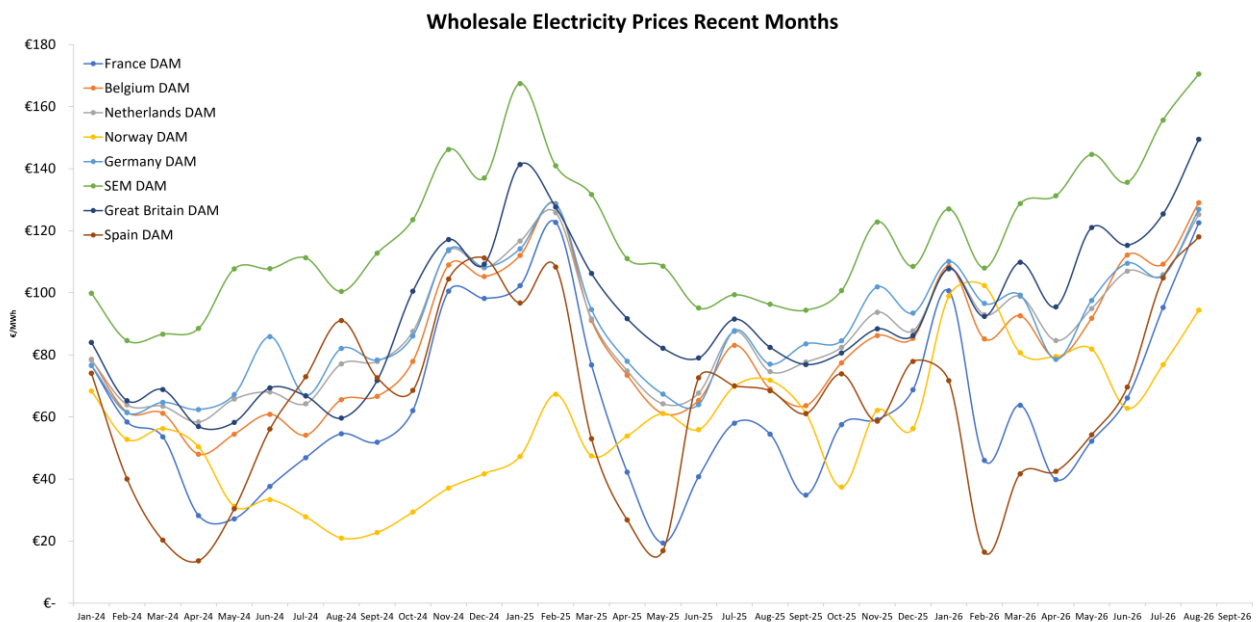


Figure 2: Average Wholesale Prices Recent Months – Jan. 2024 to Sep. 2026

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 remained highly volatile throughout Q3 2026, driven primarily by escalating geopolitical tensions resulting in concerns over LNG supply. Market sentiment was further influenced by reduced Norwegian supply, lower LNG availability and European storage levels below seasonal norms.

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.

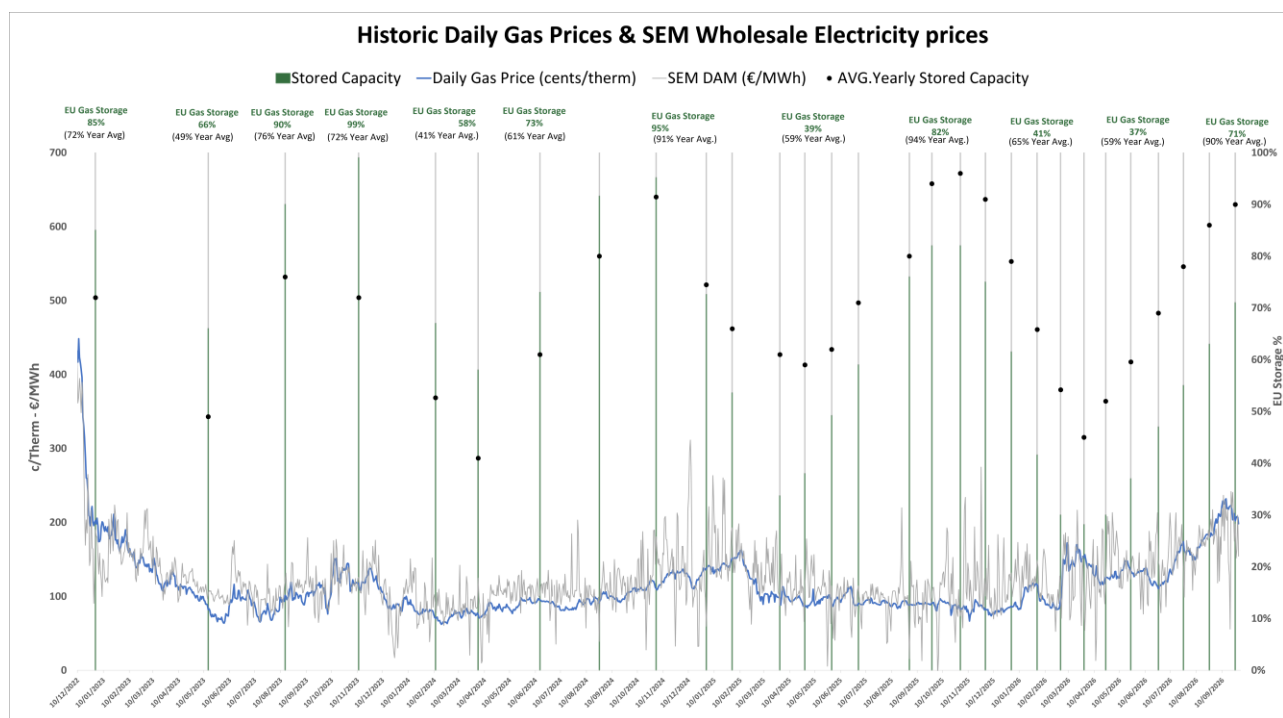


Figure 3: Historical Gas Prices

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

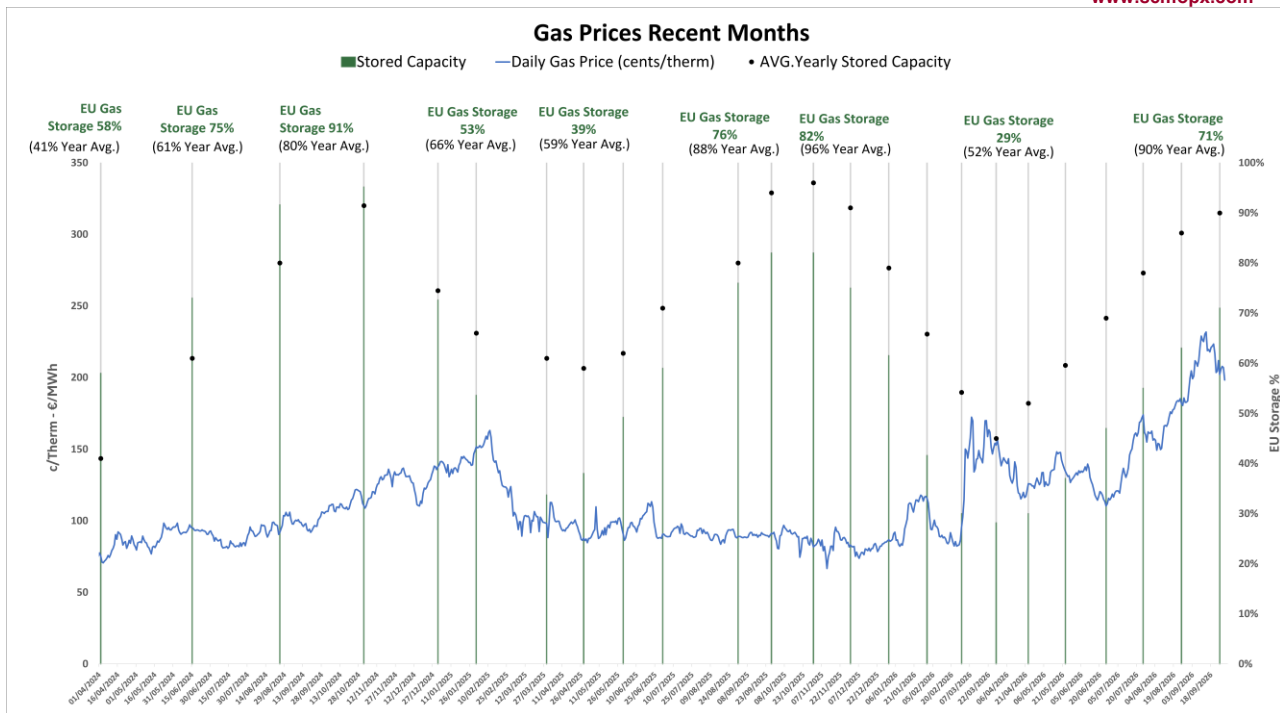


Figure 4: Gas Prices Recent Months – Jan. 2024 to Sep. 2026.

Data source: GMD 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 Q3 2026, the Single Electricity Market (SEM) recorded broadly unchanged gas-fired generation compared with the same period in 2025. Over the same period, wind generation declined by approximately 5%, while solar output increased by 78%.

Within SEM, wind generation in Q3 2026 decreased by 18% compared with the previous quarter. Although solar output increased by 5%, reflecting seasonal generation patterns, and finally gas-fired generation increased by approximately 6% quarter-on-quarter.

Across Europe, the generation mix in Q3 2026 was characterised by stronger wind output and increased reliance on gas-fired generation. Wind generation rose by approximately 1% compared with Q3 2025 and was 4% higher than in Q2 2026. At the same time, gas-fired generation increased by 9% year-on-year and by 14% relative to the previous quarter.

Nuclear generation across the analysed markets declined by approximately 9% year-on-year. Great Britain was the only market to record an increase in nuclear output, rising by 6% compared with the same period last year. In contrast, all other markets recorded lower nuclear generation. Belgium experienced the most significant reduction, with no nuclear output recorded during the quarter, followed by the Netherlands and France, where nuclear generation declined by 18% and 6%, respectively.

- July 2026: Renewable generation strengthened in July, with solar output increasing by 24% year-on-year and 10% month-on-month, while wind generation rose by 14% annually and 2% monthly. Regional trends varied considerably. Wind output declined by 23% in SEM and 16% in Great Britain compared with June, while solar generation increased by 17% and 18% respectively. SEM gas-fired generation rose by 6% month-on-month but remained 10% below July 2025, whereas Great Britain recorded a 17% monthly decline in gas-fired output and a 9% increase in nuclear generation. France and Spain experienced sharp increases in gas-fired generation, rising by 29% and 40% month-on-month respectively, while electricity demand increased by approximately 5% in France and 12% in Spain.
- August 2026: The generation mix shifted towards conventional sources in August as solar, wind and nuclear output declined by 12%, 7% and 9% respectively compared with July. Coal-fired generation increased by 4% and gas-fired generation by 2% month-on-month. SEM recorded declines of 20% in wind and 17% in solar generation, and 7% increase in gas-fired output, which was also 10% above August 2025. In Great Britain, wind and solar output fell by 7% and 20% respectively, while gas-fired generation declined by 8% and nuclear output increased by 23%. France and Germany also recorded lower renewable output than in July, contributing to monthly increases in gas-fired generation of 24% and 10% respectively, although wind and solar generation remained above 2025 levels in both markets.

- September 2026: The generation mix shifted in September, with solar, gas-fired, and nuclear output declining by 19%, 6%, and 1%, respectively, compared with August. In contrast, wind generation increased by 28%, while coal-fired generation continued its upward trend, rising 20% month-on-month. In SEM, solar output declined by 29% month-on-month, while wind generation more than doubled. The increased availability of wind contributed to a 20% reduction in gas-fired generation compared with August. However, on a year-on-year basis, although renewable generation increased, gas-fired output remained 2% higher than in September 2025.

Great Britain recorded a trend like that observed in SEM. Wind generation increased significantly in September 2026, rising by approximately 60% compared with August and by 4% relative to the same month last year. In contrast, solar generation fell by 32% month-on-month, although it remained 12% higher than in September 2025. Gas-fired generation declined over both periods, closing the month approximately 4% below August 2026 and 4% below its level a year earlier.

France recorded lower renewable generation than in August, which coincided with a greater reliance on gas-fired generation. As a result, gas-fired output increased by approximately 24% month-on-month and 183% compared with the same period last year.

During Q3 2026, France recorded the lowest average prices among the analysed markets, €120/WMh, supported by drop in but still representative base nuclear generation, Solar output increased by 26% year-on-year and 11% compared to Q2 2026.

European markets, continue to have volatile daily price profiles. Prices frequently fell during periods of strong solar generation, before rising sharply during the evening demand peak, with some markets recording prices more than €250/MWh.

The highest price recorded during the quarter occurred in Germany on 14 September, exceeding €700/MWh. Belgium, Germany, and Denmark also recorded some of the highest prices on the same day, coinciding with one of the lowest levels of renewable generation relative to demand observed during the quarter.

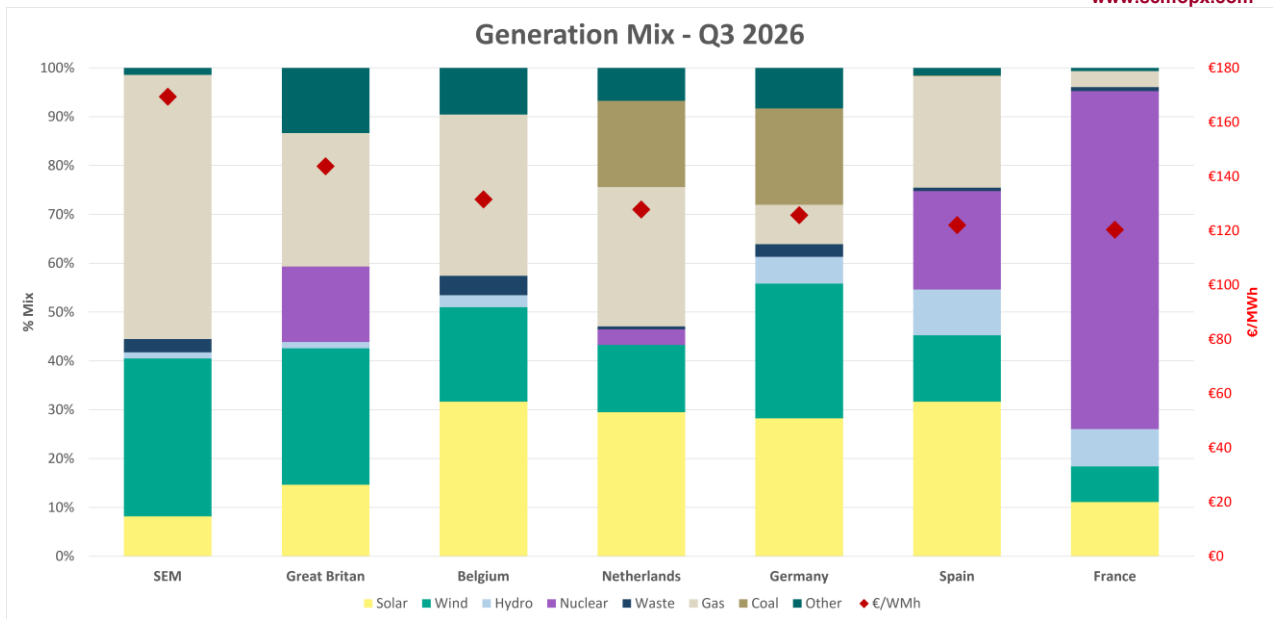


Figure 5: Generation Mix and Prices in Selected European Jurisdictions – Q3 2026.

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 third 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.

France recorded lower electricity exports to neighbouring markets during the period. In parallel, price differentials between France and adjacent bidding zones narrowed compared with previous periods.

Meanwhile, both Great Britain and the Single Electricity Market (SEM) remained net importers during Q3 2026. Despite this, Great Britain recorded a significant increase in exports, while exports from France to Great Britain declined over the same period.

In SEM, exports decreased compared with the previous quarter. However, September saw a reversal of this trend, with exports increasing and imports declining.



Figure 6: Europe Interconnector Physical Flows – Q3 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.