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AFB Seminar

Recent Developments in the UK Power Market

8 July 2026

European Power & Renewables Market Update

Trends in 2026 and beyond

High level deck

July 2026

Content

Recent developments in the European power market

- European demand recovery
- Growth trends of solar and wind, is the transition slowing down?
- Gas-for-power demand comeback in 2025: temporary or structural?
- Revenue challenges for intermittent renewables
- Short-term outlook and impact of the Iran conflict

Offtake trends

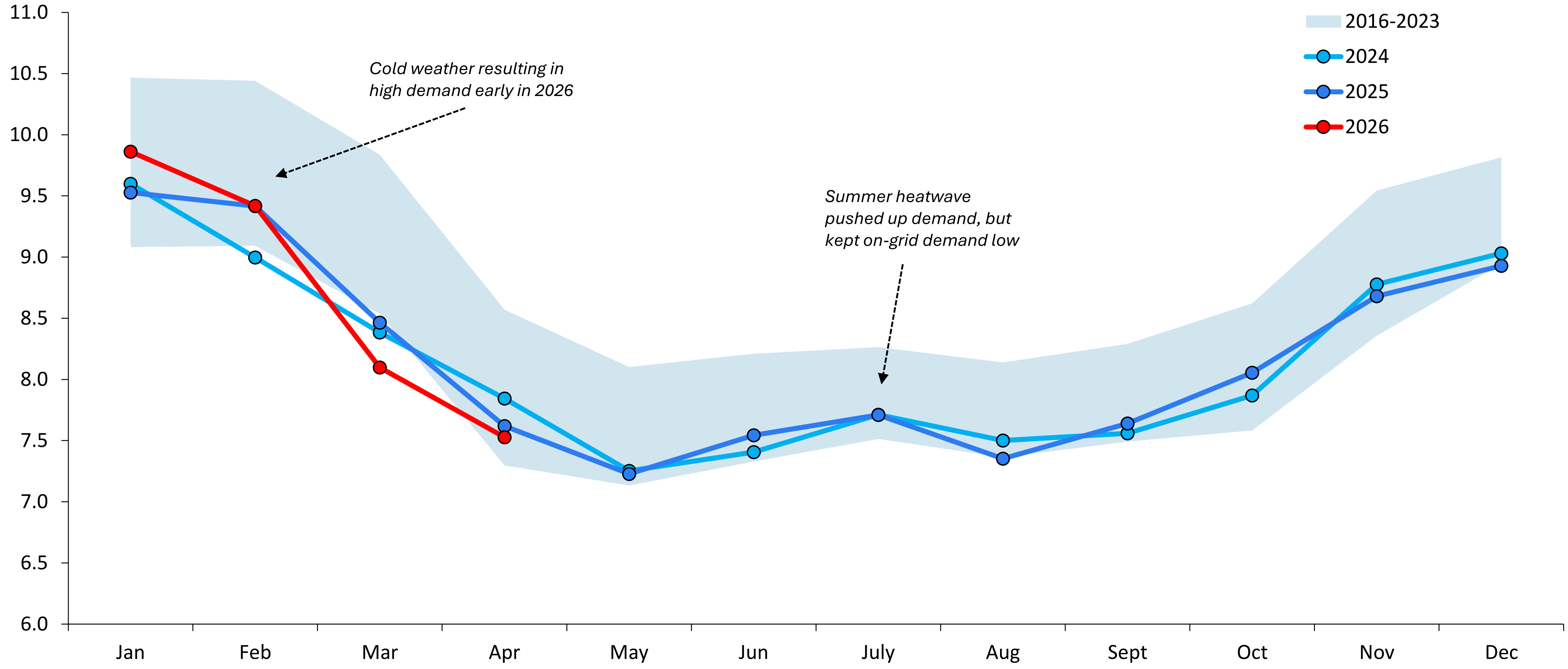
- PPA market update: falling volumes in solar and wind, BESS optimization deals on the rise
- Recent trends in renewable energy auctions across Europe

European medium and long-term outlook

- Where is demand growing the fastest? Role of data centers
- Conventional comeback? The role of nuclear & gas (and coal?)
- Flexibility outlook: what markets are looking most favorable from power market fundamentals?
- Long-term power prices forecast

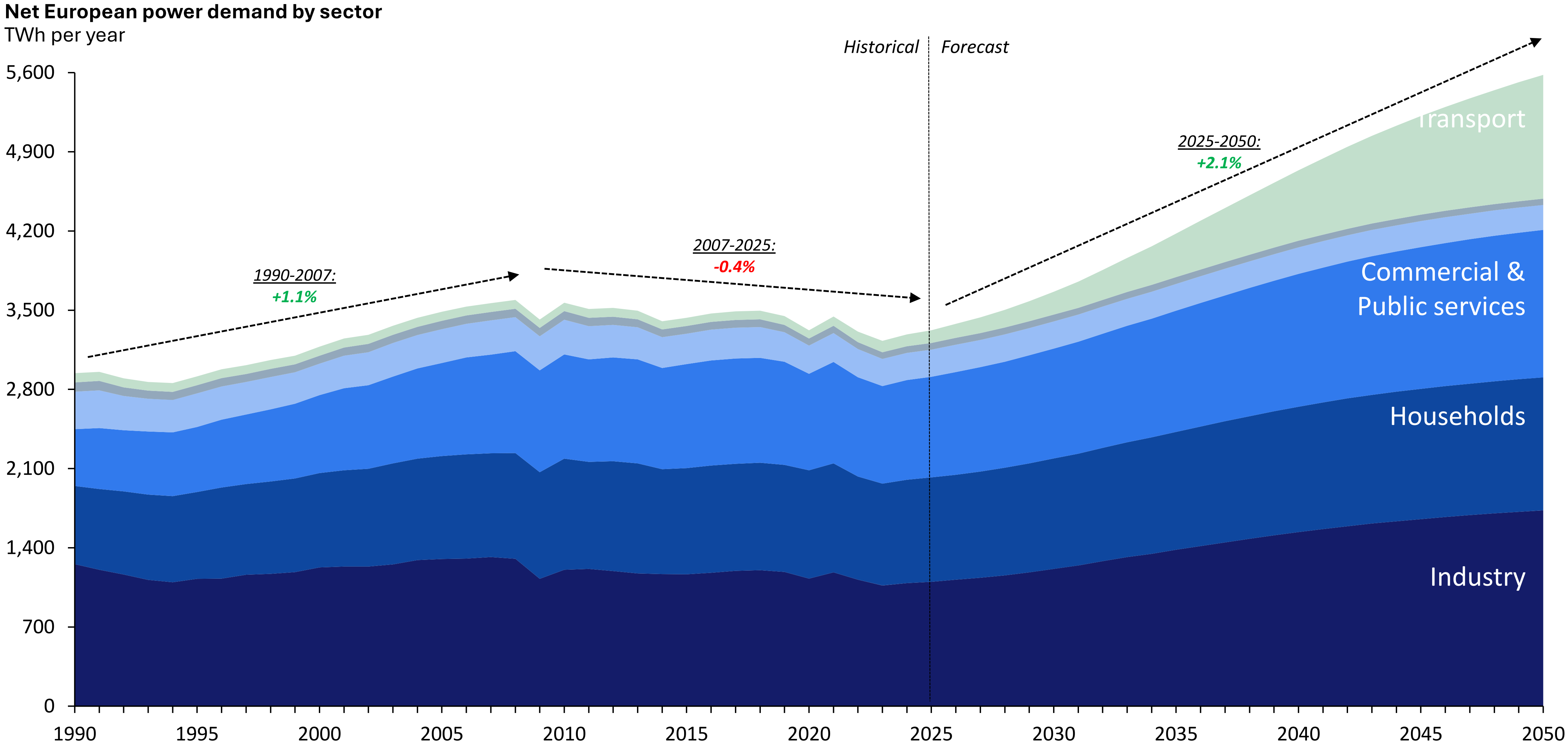
Decent demand growth so far in 2026...

European net on-grid power demand
TWh per month per day



Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

European power demand is set for growth...



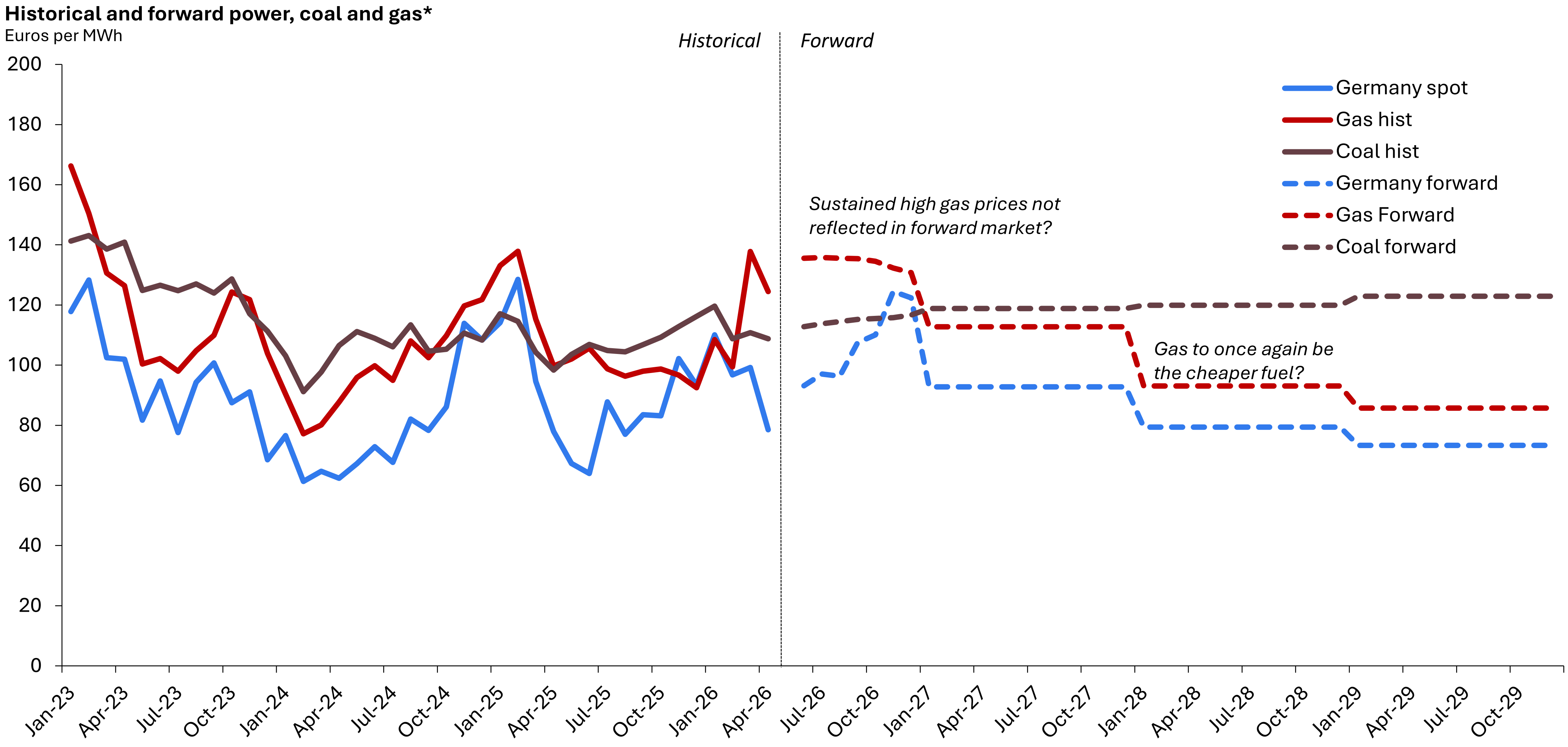
Source: Rystad Energy Europe Renewables & Power Analysis dashboard

Europe solar installations growth is slowing down while wind bounced back in 2025

*Gigawatts direct current for solar PV, alternating current for onshore wind and offshore wind. **Rystad Energy gross installation numbers as of 1Q26 sectoral reports

Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

Gas competitiveness to increase relative to coal with current market prices

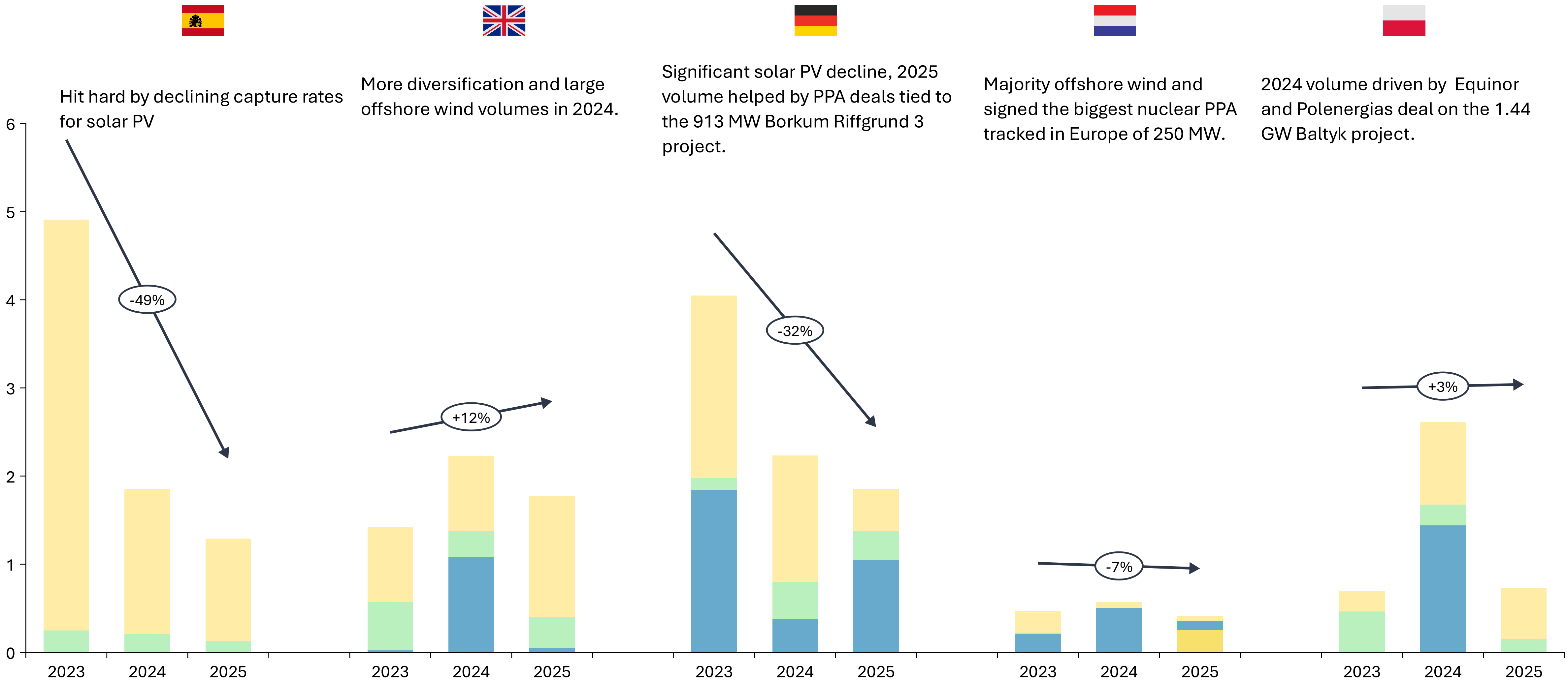


*Curves for coal and gas are the cost of generation, with average thermal efficiencies selected. The cost of generation includes the cost of carbon. Forward prices as of 21. May

Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

Large decline in solar PPAs among top European markets

Total PPA volume signed by country and energy source 2023-2025
GW

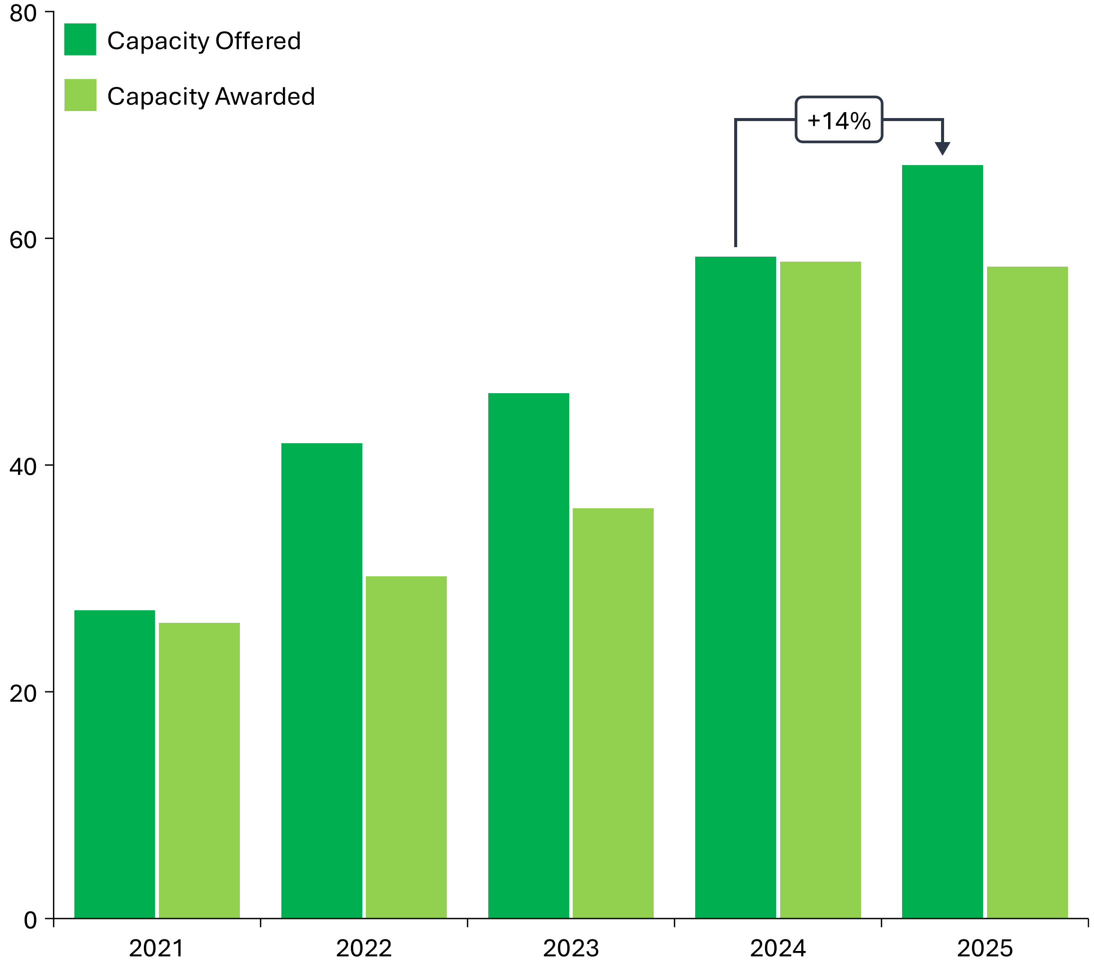


Source: Rystad Energy Europe Renewables & Power Analysis dashboard

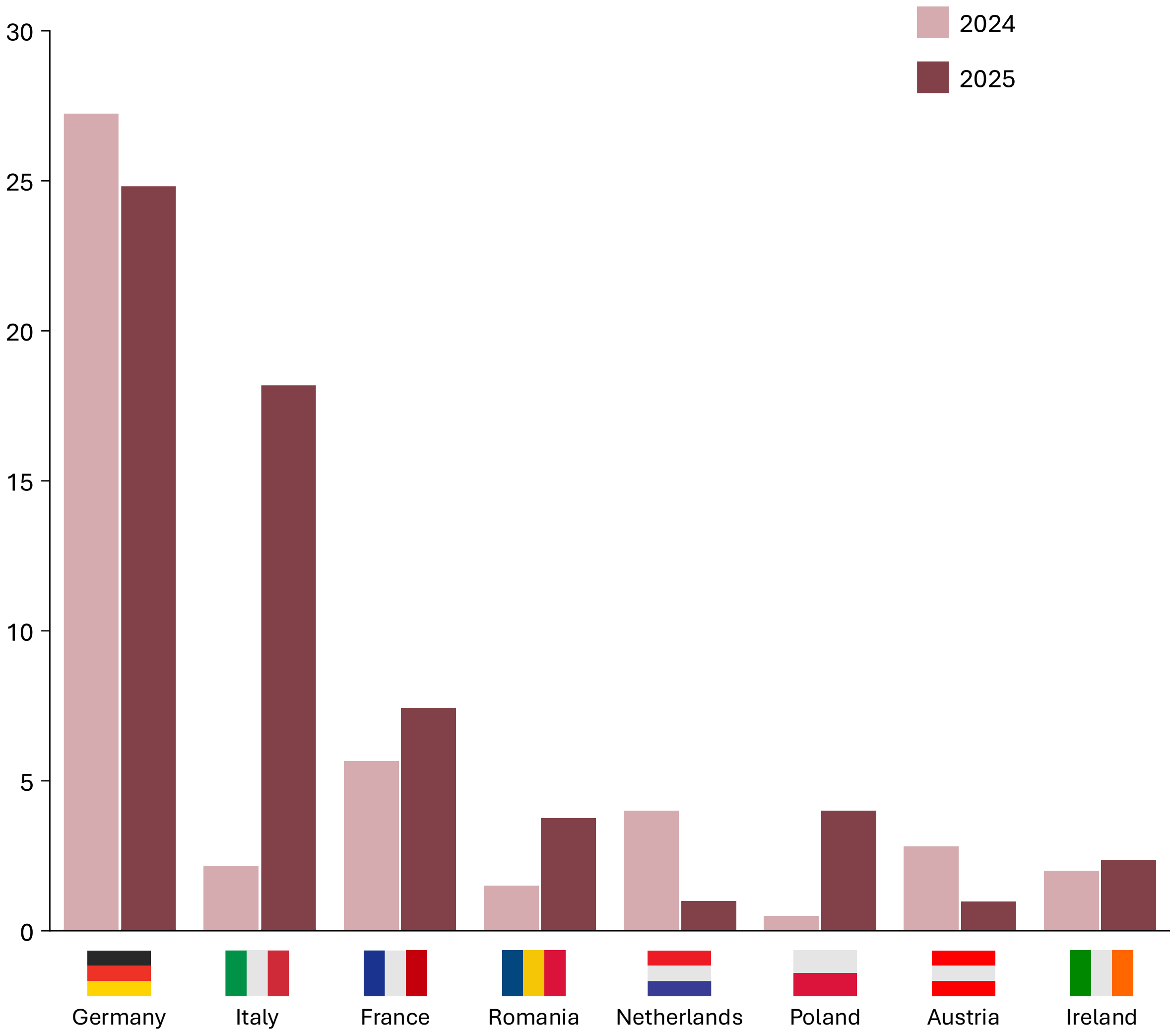
RystadEnergy

More than 66 GW of capacity was offered through auctions in 2025

Total offered vs awarded volume of renewable energy
GW



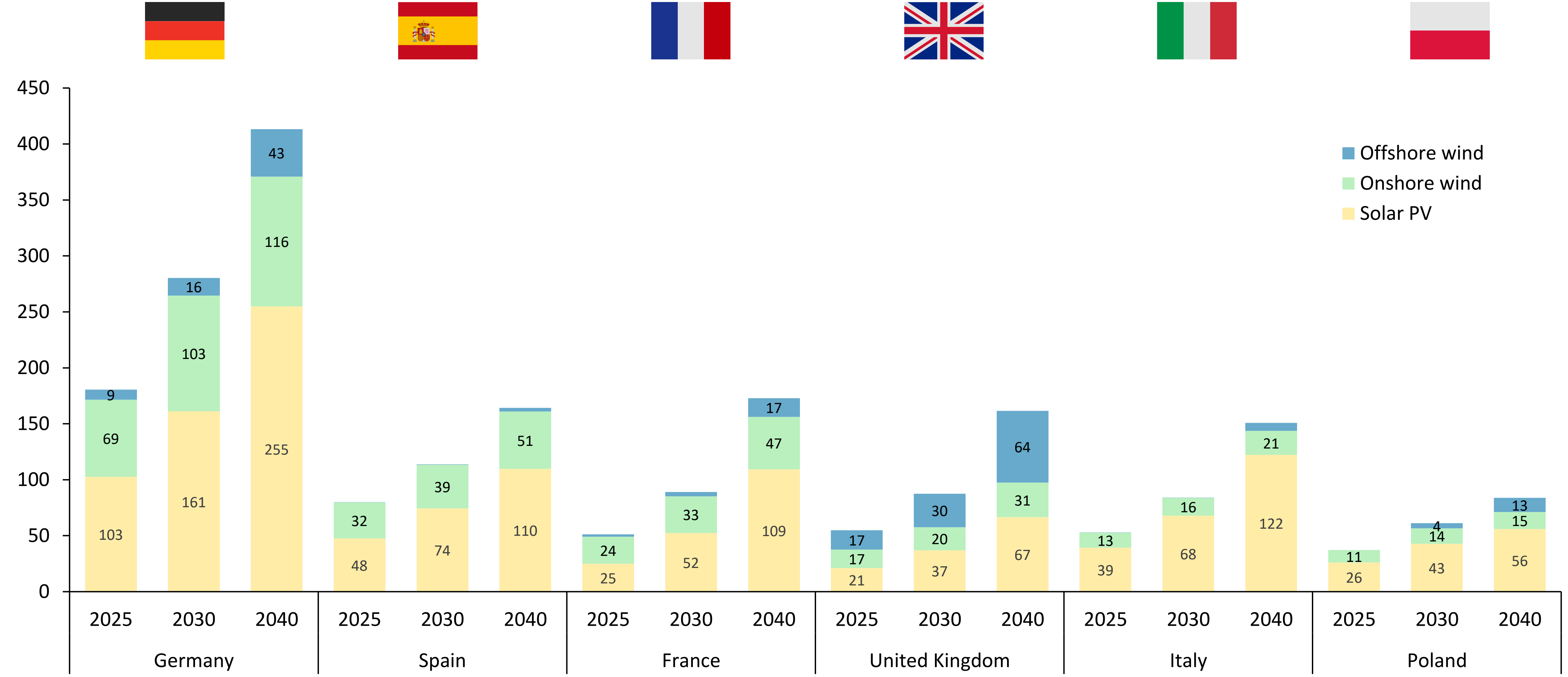
Offered capacity by country
GW



Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

Largest markets will continue to dominate, but with very different energy transition paths

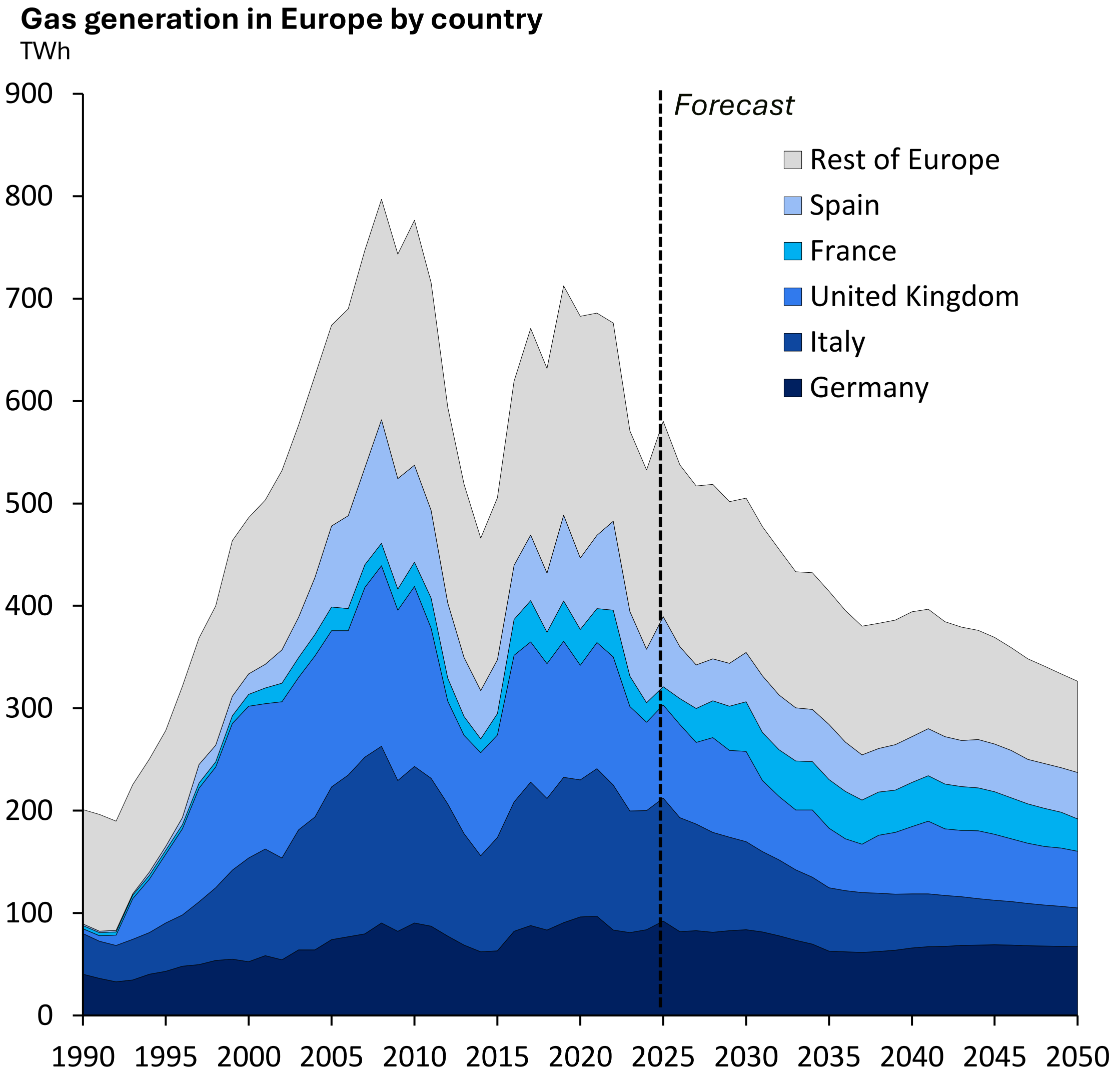
Installed solar and wind capacity by country, Rystad Energy base case
GW

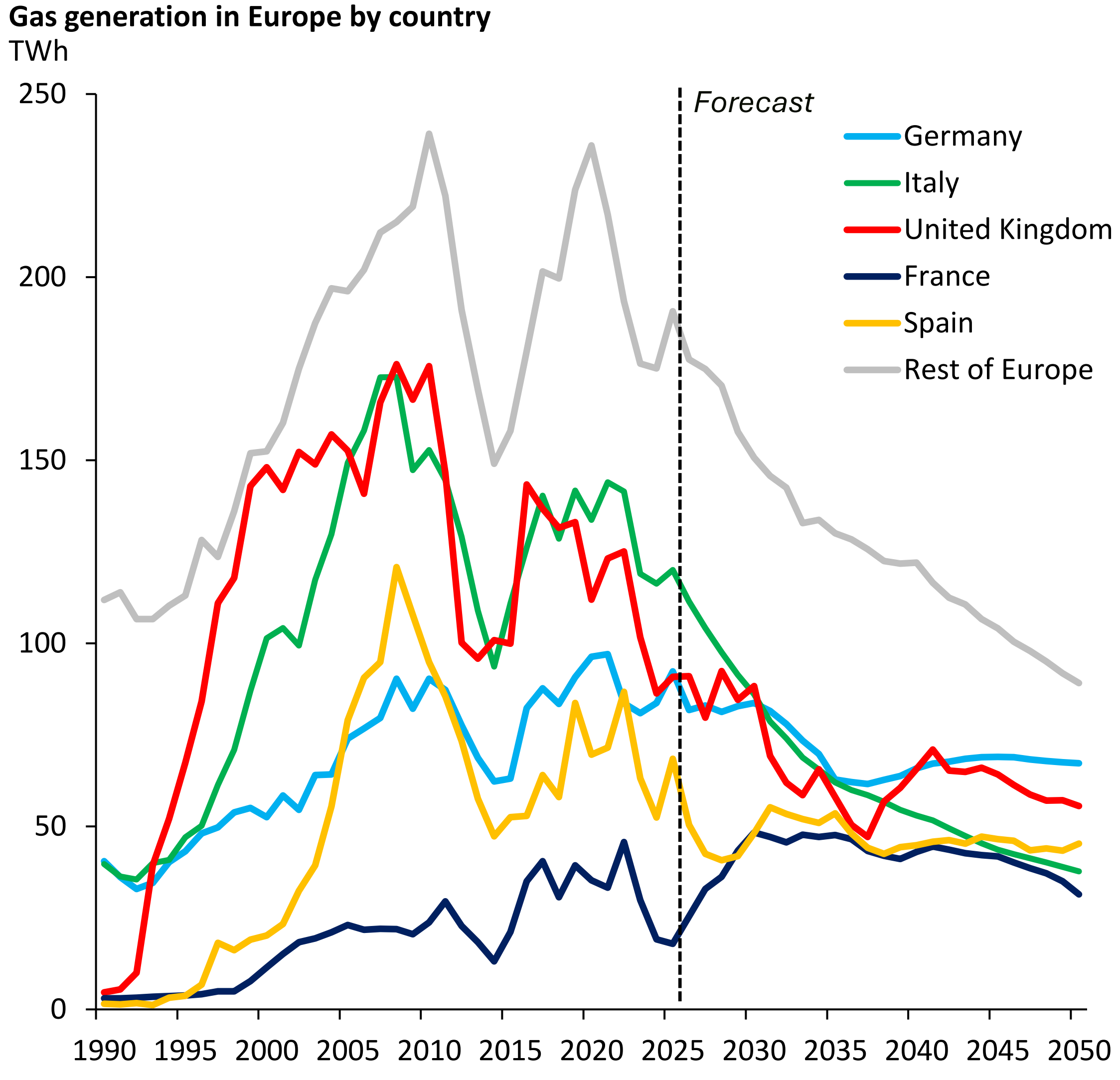


 Source: Rystad Energy Europe Renewables & Power Analysis dashboard

RystadEnergy

Gas is trending differently across Europe, but the overall trend is down



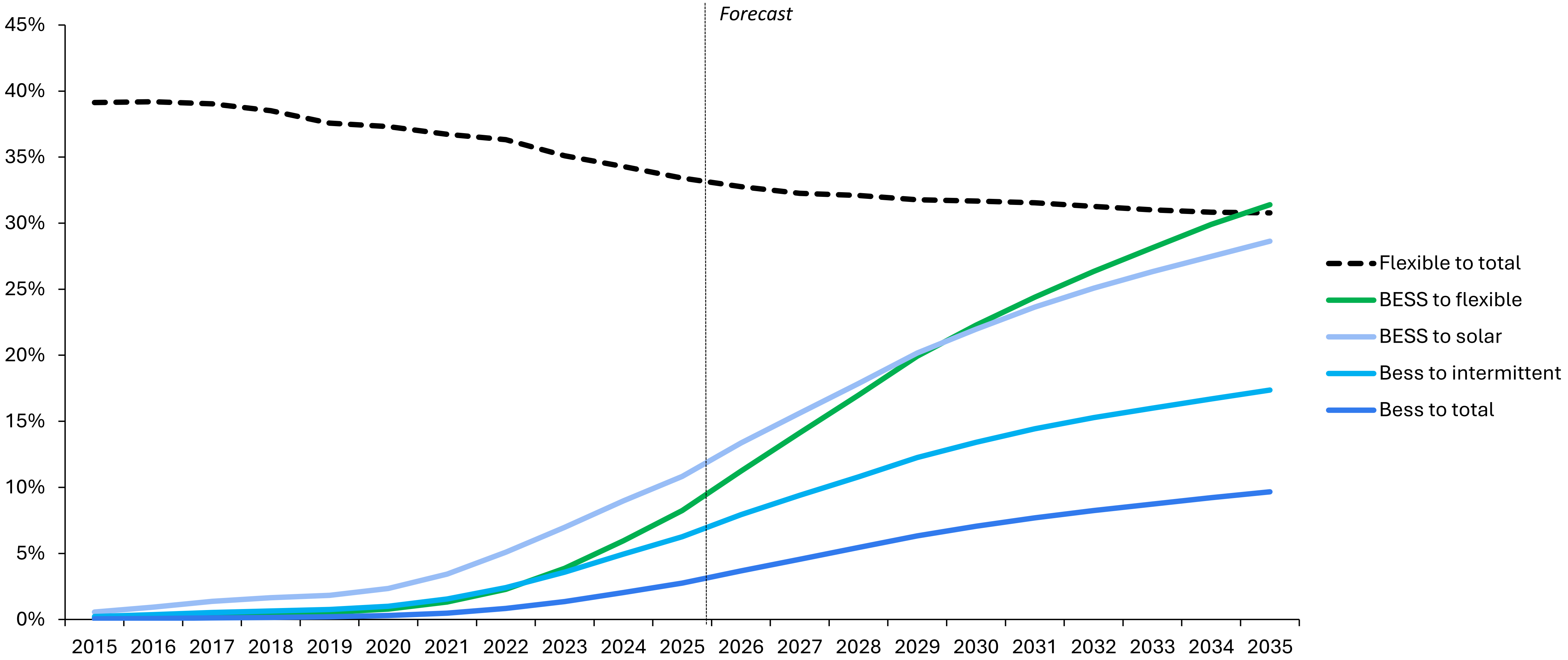


Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

In Rystad Energy's base case forecast, relative flexibility is not increasing anytime soon

Europe flexibility and BESS ratios*

Percent (%)



*Flexibility here is defined as BESS, Hydro, Pumped Hydro, and natural gas.

Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

In summary, this scoping exercise showcases the large European differences*...

	Flexible share	Intermittent share	BESS-to-flex ratio	BESS-to-solar ratio	BESS-to-Intermittent ratio
Germany	21%	66%	38%	21%	12%
France	25%	35%	12%	15%	8%
UK	41%	47%	28%	58%	24%
Italy	50%	43%	15%	21%	17%
Spain	31%	59%	8%	6%	4%
Poland	14%	56%	18%	7%	5%
Netherlands	24%	67%	5%	2%	2%
Sweden	31%	44%	12%	31%	8%
Norway	84%	16%	1%	29%	7%
Finland	20%	49%	15%	27%	6%
Denmark	11%	64%	48%	18%	9%
Bulgaria	24%	39%	25%	17%	15%
Romania	44%	44%	12%	20%	12%
Greece	35%	60%	10%	8%	6%
Europe average	32%	49%	15%	17%	10%

*Flexible here is defined as BESS, hydro, pumped hydro, and natural gas capacity. Intermittent is solar and wind. All underlying data is from Rystad Energy base case forecast as of 18. March 2026. Ratios in the summary table as the average over the 2025-2035 period. Conditional formatting reflects favorability for investment in flexibility

Source: Rystad Energy Europe Renewable & Power Analysis Dashboard

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