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Clean dark spread drives up ETS price

The electricity market (monthly contract) has been characterised by additional volatility in recent months. There has been a partial decoupling between the electricity price and the gas price. Coal plants, based on the clean dark and clean spark spread, have been more profitable than gas plants since November 2024. Given the high emission intensity of coal compared to gas, this results in upward pressure on the ETS price. Also in the rest of 2025, the clean dark & spark spreads are in favour of coal-fired electricity, allowing this upward pressure to continue.

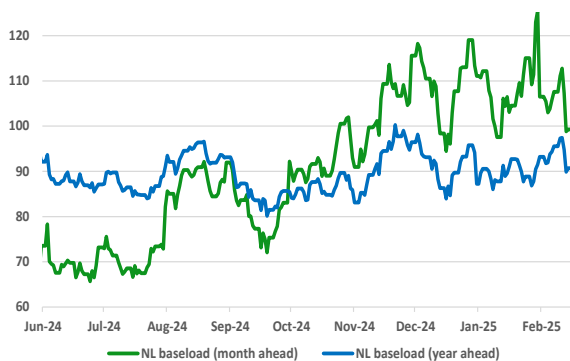
Growth in solar PV generation capacity reached 3.4 GWp in 2024, according to Dutch New Energy Research. While this creates a larger (potential) supply of renewable electricity in the afternoon hours, a larger daily spread is not a given in the coming years. Finally, this Market Update looks at the impact of grid congestion. With an increase in renewable electricity generation and electrification of energy consumption, the electricity grid is becoming increasingly congested. This affects the competitive position of (industrial) companies in the Netherlands. In Germany and in France, the situation for businesses is more favourable.

Volatility rife in electricity market

The active monthly contract for electricity supply (baseload) in the Netherlands is currently trading at around EUR 92/MWh. With this, the current price level is somewhat lower than the average price for the monthly contract since the beginning of December, which so far stands at around EUR 107/MWh. However, this average hides a high degree of volatility. The active monthly contract has moved within a range of around EUR 90/MWh and EUR 125/MWh since 1 December 2024, with large weekly price fluctuations, both positive and negative.

Electricity price

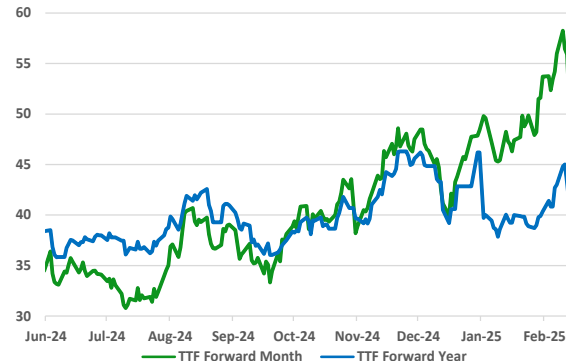
EUR/MWh



Source: LSEG Eikon

Gas price

EUR/MWh



Source: LSEG Eikon

Whereas the electricity price (monthly contract) often correlates highly with the gas price, this relationship is currently only slightly visible. The gas price is in a strong upward price trend; the active monthly contract rose some 45% from mid-December to over EUR 58/MWh at its peak on 10 February. The price has since corrected to less than EUR 50/MWh.

The reduced correlation with gas prices is largely related to the gas-to-coal switch. While gas prices have risen sharply in recent months, coal prices have remained relatively stable. This makes it more attractive for electricity producers to use coal. Electricity prices have thus become somewhat more sensitive to coal prices. In addition, the weather pattern with regard to sunshine hours is playing a bigger role again. Because the shortest day of the year has occurred, solar energy will start to

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