Electricity

Energy Research Strategy

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Mind the (carbon) gap

Electricity prices recovered slightly after 2025 was characterised by a downward price trend. Once again, the slight recovery originated largely in the TTF gas market. The publication of the REPowerEU Roadmap - intended to completely phase out energy imports from Russia - was the main reason for the price recovery. Furthermore, electricity prices in north-west Europe benefited - via interconnection cables - from relatively full hydropower reservoirs in the Nordic countries. Due to maintenance on the NorNed cable, this effect is currently mainly indirect for the Netherlands.

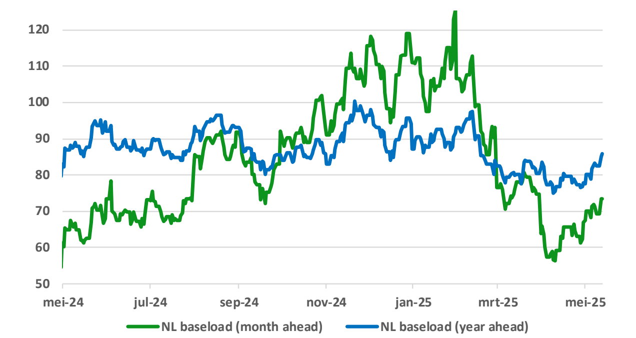
The December EU ETS contract rose again to above EUR 70/tonne. Improved macroeconomic sentiment is the main reason for this. Speculative investors are seizing on this to expand their long positions. However, the question is how much upside price potential remains, given that the ETS market is fundamentally little changed from a month ago. In addition, the emissions trading system in the UK (UK ETS) has been on the rise since the beginning of the year. This is largely due to rumours of a link with the EU ETS. More clarity on this is expected at the EU-UK summit on 19 May. Ahead of this discussion, the market has already priced in a possible linkage, narrowing the spread between the two emissions trading systems.

Electricity prices rebound after downward trend

From January to early May, there has been downward price pressure in the electricity market. This is particularly true for the active monthly contract. Between the 2025 high in January (EUR 125.50/MWh) and the low in April (EUR 57.50/MWh), this contract fell more than 50%. Meanwhile, following the gas price, a correction has taken place. The active monthly contract (delivery in June) now trades at around EUR 73/MWh.

Electricity prices rise slightly again

EUR/MWh



Source: LSEG Eikon

The annual contract experienced a similar trend, if less extreme. The 2025 high was at EUR 97.40/MWh in mid-February. This was followed by a decline, which resulted in a relatively stable price level. In March, April and May, the price of the active annual contract (delivery in 2026) fluctuated around the average for that period, at around EUR 80/MWh.

TTF market looks up due to planned Russian energy phase-out

After the gas price almost reached EUR 60/MWh in early February, the following months saw downward price pressure. This made the TTF benchmark active monthly contract trade at over EUR 31/MWh at the end of April. This solid price drop was the result of a series of factors. An expected slowdown in short-term economic growth (trade war) and high renewable energy generation due to

For more information on this update, or on PZ Energy Research & Strategy's other services, please contact

Hans van Cleef - hans.vancleef@publiekezaken.eu / 0031 - 6 30 90 33 76
Bart van der Pas - bart.vanderpas@publiekezaken.eu / 0031 - 6 36 52 95 51
Fabian Steenbergen - fabian.steenbergen@publiekezaken.eu / 0031 - 6 18 55 34 46
Marije Willigenburg - marije.willigenburg@publiekezaken.eu / 0031 - 6 21 91 83
Guusje Schreurs - guusje.schreurs@publiekezaken.eu