LCPDelta

Negative Power Prices in Europe: Causes, Trends and Implications for Flexibility

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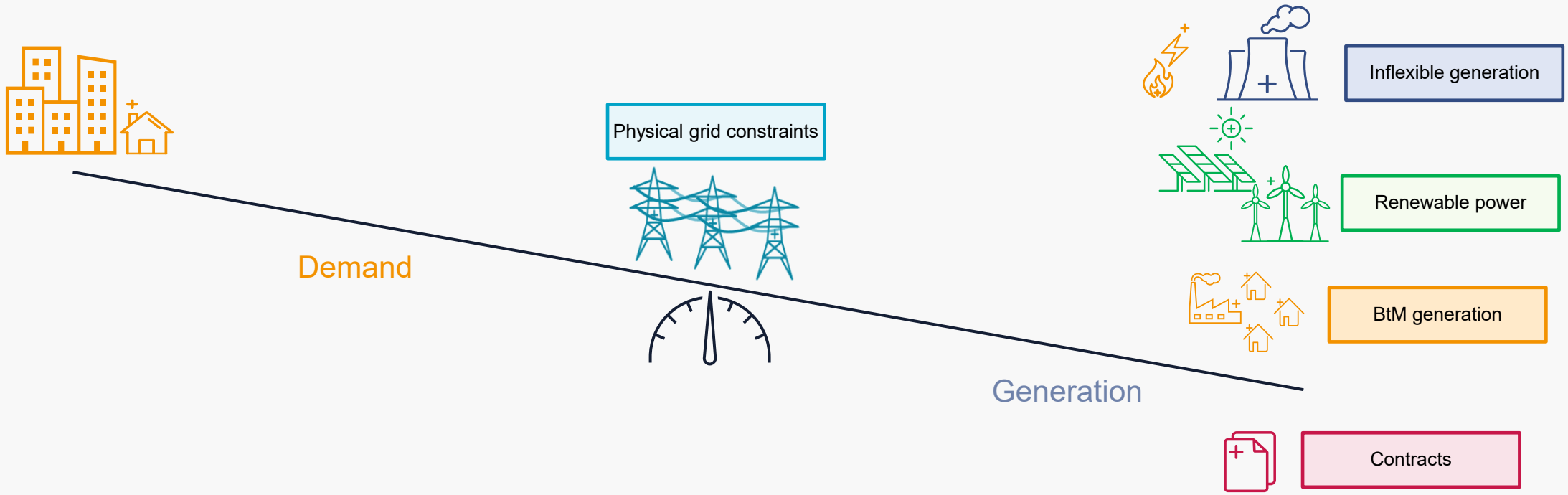
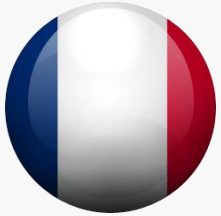
Generators consider the opportunity costs of not generating when they bid



Are negative prices a sign that markets are broken?

Are renewables and nuclear inflexible?

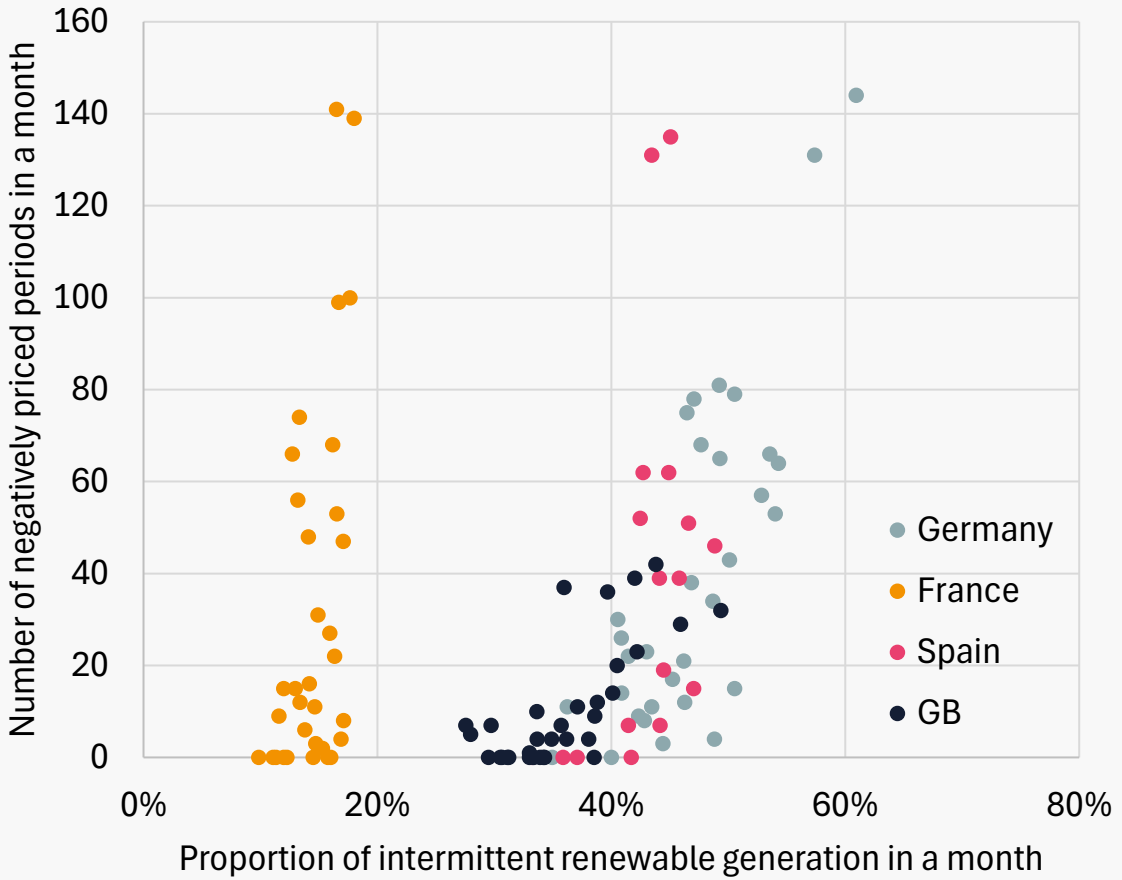


- Nuclear generation with limited flexibility dominates electricity generation in France.

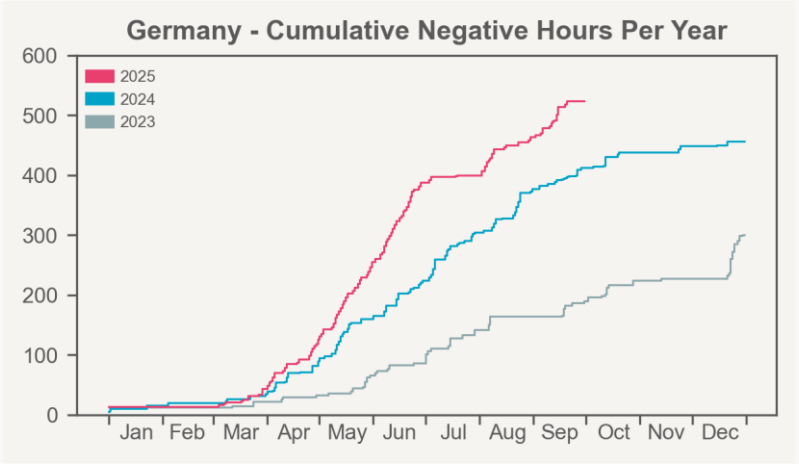
- Utility-scale renewable generation with government subsidies make up a large portion of generation in GB.

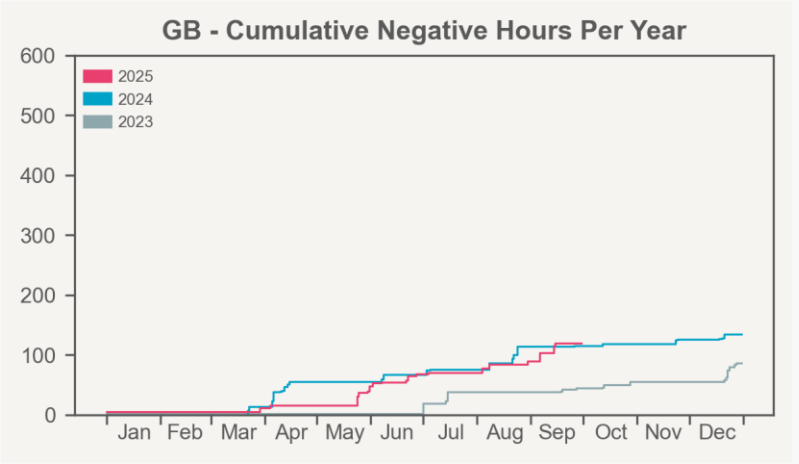
- Assets in Spain were incentivised to floor their prices at zero, although other effects can still lead to negative prices.

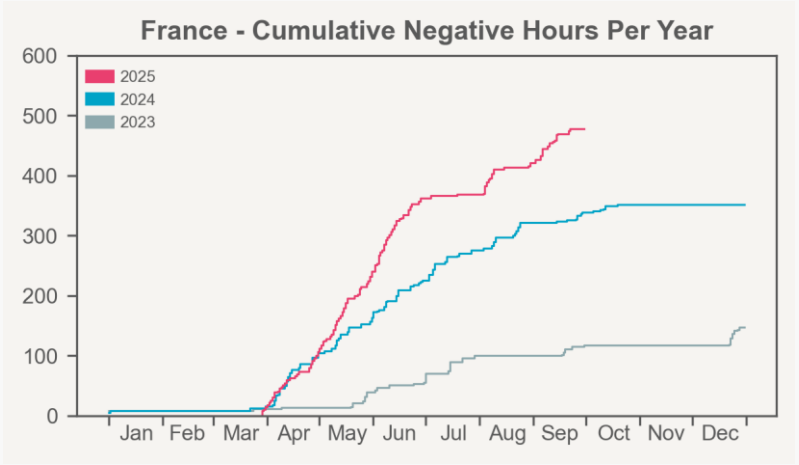
- Rules in Germany have prevented behind the meter storage from charging from the grid..

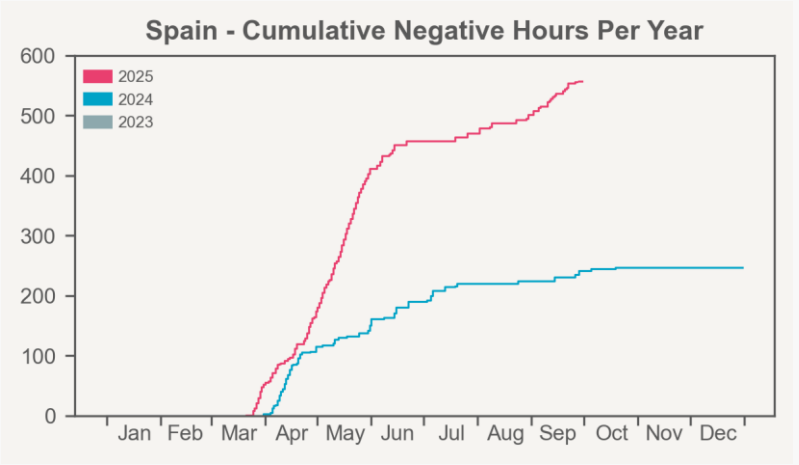


Despite their different generation mix, Germany and France have the most similar pattern









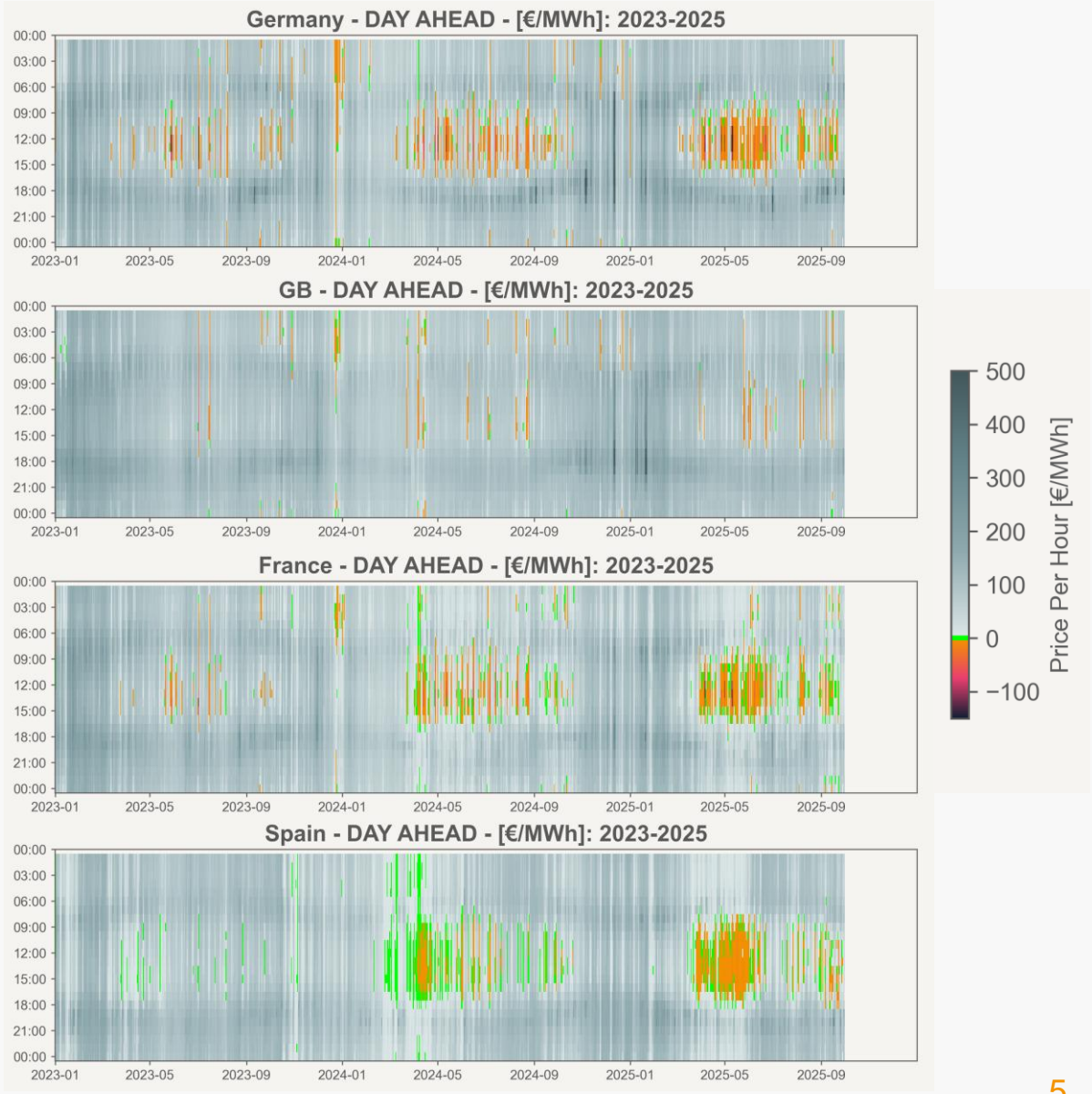
Seasonal and diurnal patterns vary between countries

- Negative prices mostly occur during the day and in summer, driven by solar generation. Weekends are particularly affected.

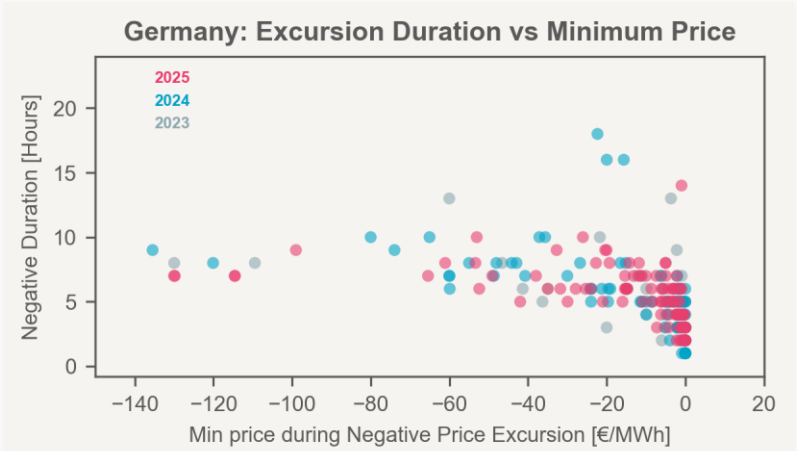
- Wind generation in GB means more negative prices in Autumn and Winter mornings. Lower demand during the Christmas holidays can also lead to negative prices.

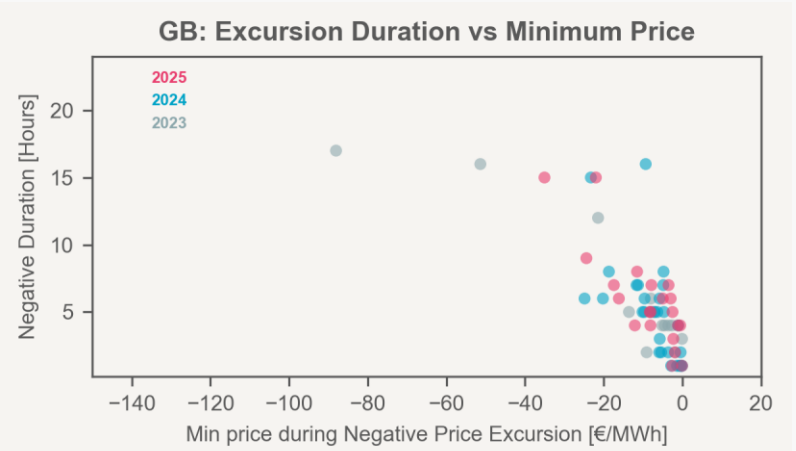
- France doesn't have as much of a rebound either side of negative prices.

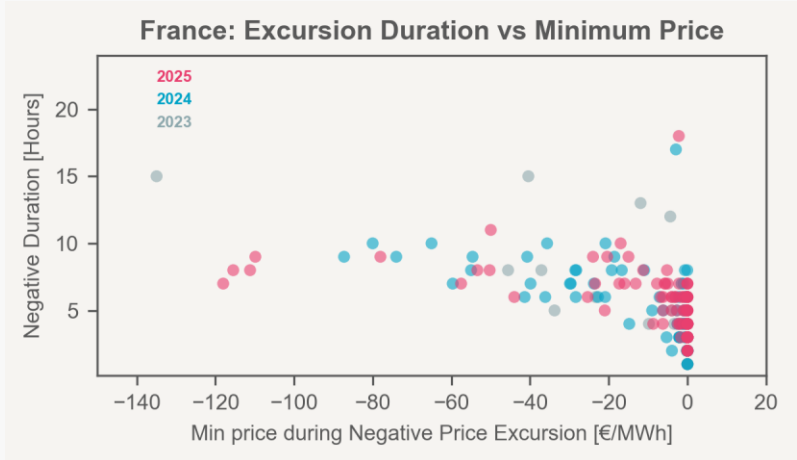
- Spain saw a change in 2024, and more physical curtailment after the blackout.

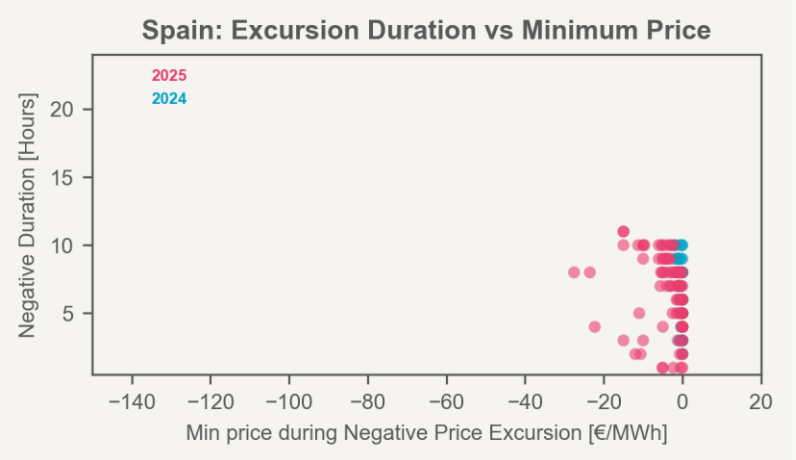


France and Germany see lower negative prices; GB longer durations of negative pricing

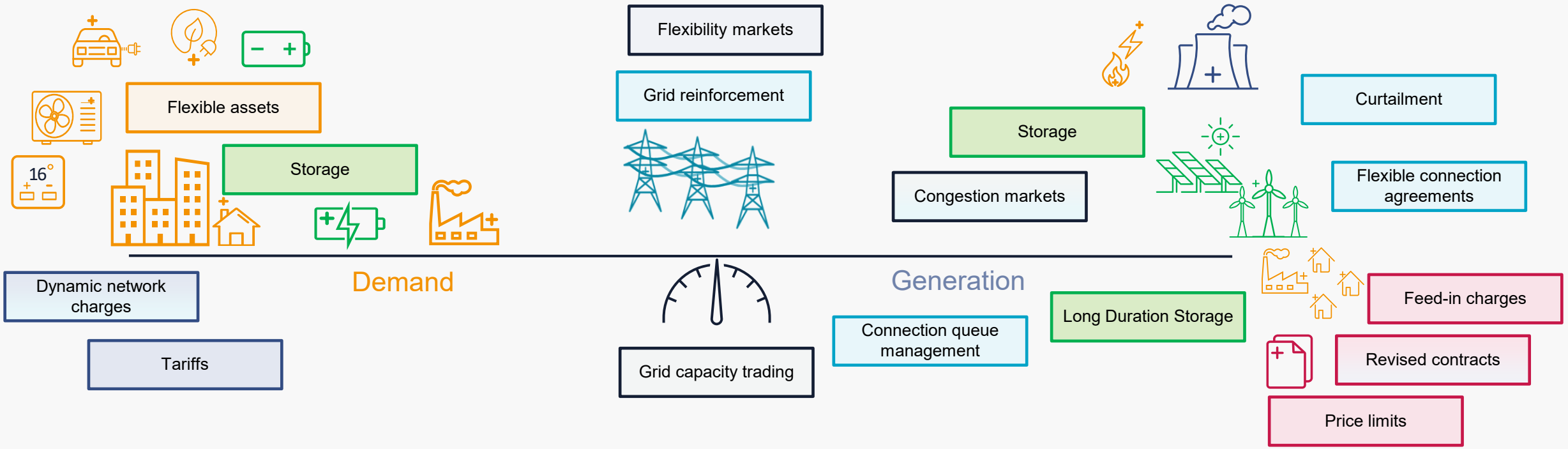








Regulators and network operators are taking action



And investors and innovators are responding to market signals

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