ENTSO-E Market and Balancing Reports 2026

30 June 2026

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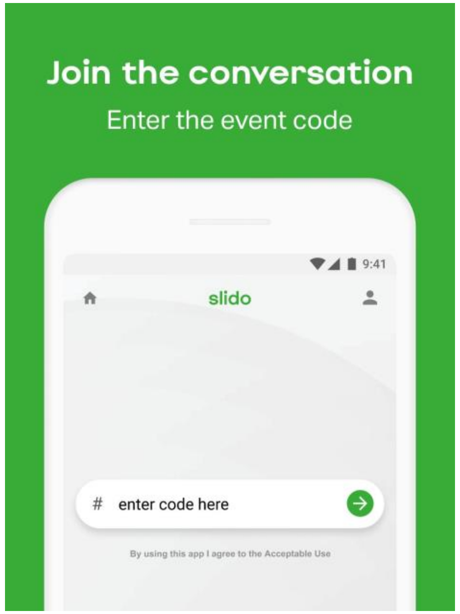
CONNECTING EUROPE,
ELECTRIFYING THE FUTURE

Housekeeping Rules and Q&A

- Please note that the webinar will be recorded.
- Questions can be posted in SLIDO anytime during the webinar and will be answered at the end of each segment as well as at the end.
- To post your questions:

1. Go to **www.slido.com**
2. Insert the **#1636697**event code



Or simply scan the QR

Main Achievements 2025-2026

From 60 to 30 min cross border gate closure time in Intraday

Advanced Hybrid Coupling in the Nordic and Core Region in Day Ahead

15 min MTU in Day Ahead and Intraday markets across most of Europe

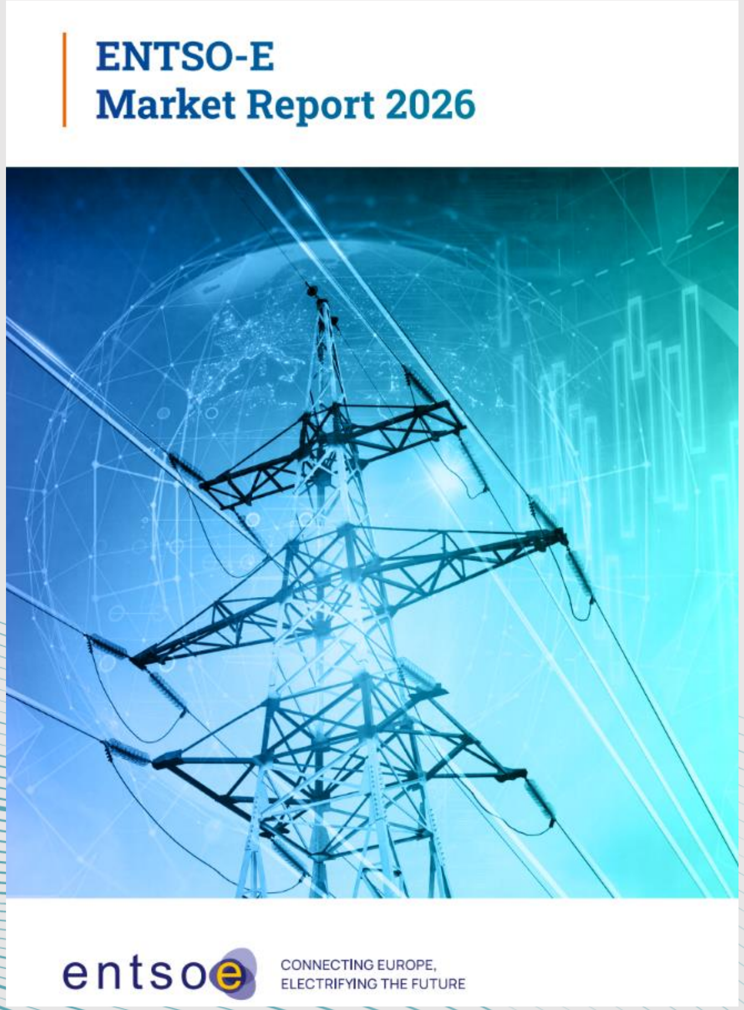
Long Term auction platform and collateral improvements

Accessions to balancing platforms by multiple TSOs

>32 billion of welfare in Day Ahead Coupling*

> 1 billion of welfare via balancing platforms*

*In 2025



Market Report 2026

Background & Overview – Yearly Market Report is the 'Flagship' of ENTSO-E's Market Monitoring Activities Covering All Timeframes

ENTSO-E has **40 member TSOs from 36 countries**

ENTSO-E´s Market Report 2026 covers the period from **June 2025 to May 2026**

Every year, **ENTSO-E monitors the progress of the integration of European electricity markets** in accordance with:

- Forward capacity allocation (**FCA**) regulation[1]
- Capacity allocation and congestion management (**CACM**) regulation[2]
- Electricity balancing (**EB**) regulation[3]

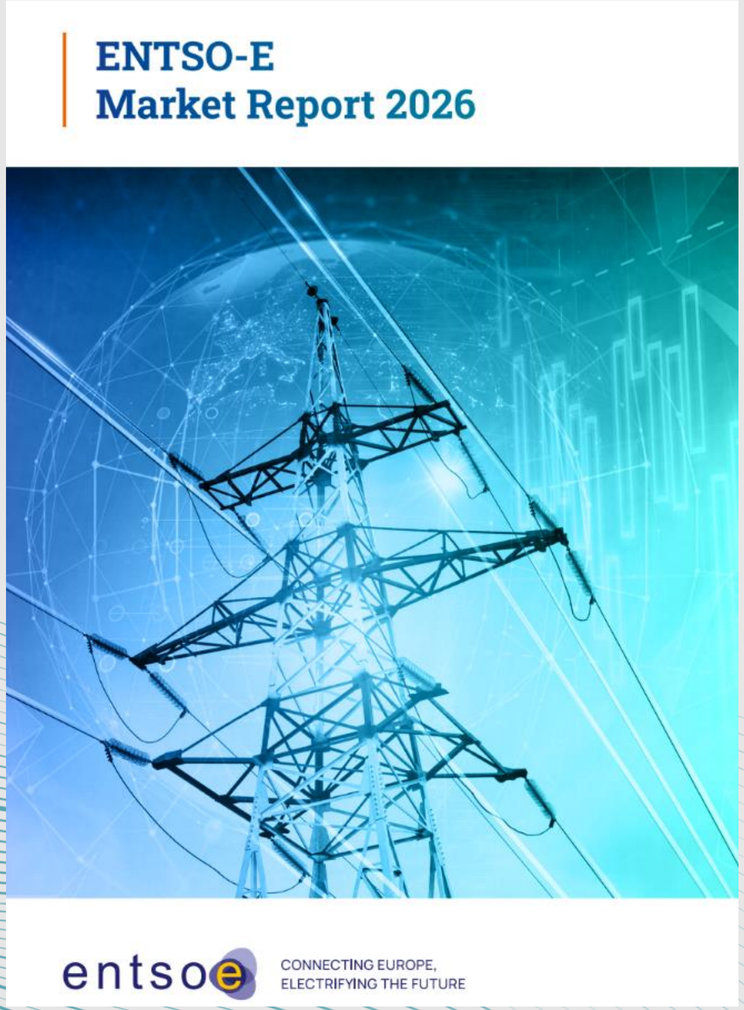
Topics covered:

1. Implementation progress across **all time frames**
2. Overview of the **long-term** electricity trading and transmission capacities processes
3. Current status of the single European **day-ahead and intraday** coupling process
4. Harmonisation and integration of European **balancing** markets

[1] Commission Regulation (EU) 2016/1719 of 26 September 2016
[2] Commission Regulation (EU) 2015/1222 of 24 July 2015
[3] Commission Regulation (EU) 2017/2195 of 23 November 2017

Agenda

9.30	**Introduction and Opening Notes**	*Adrian Curtze-Rodriguez* (ENTSO-E Reporting on Market Integration WG Convenor) *Thijs van Leeuwen* (ENTSO-E Market Committee Vice Chair)
9:45	**Long-Term markets**	*Paulina Becker* (ENTSO-E LT Expert Member & Member of LTFBA Project Group)
10:00	**Day-Ahead & Intraday**	*Ludivine Marcenac* (ENTSO-E Market Deputy & Market Integration Manager) *Emma Vila I Lopez de Recalde* (MCSC Com TF Convenor) *Katrin Protard* (ENTSO-E PT art. 16 Convenor)
10:50	**Balancing markets**	*Jose Ignacio de la Fuente* (ENTSO-E Balancing Monitoring Convener) *Daniel Abreu Costa* (ENTSO-E Market Specialist)
~11:10	**Q&A and Closing Notes**	Moderation by *Mariavittoria Rancan* (ENTSO-E Reporting on Market Integration WG Advisor)



Long-Term markets
FCA

Long-Term Markets – JAO a Cross-Timeframe Service Provider

The **Joint Allocation Office (JAO)** acts as the single allocation platform (SAP) operator for FCA

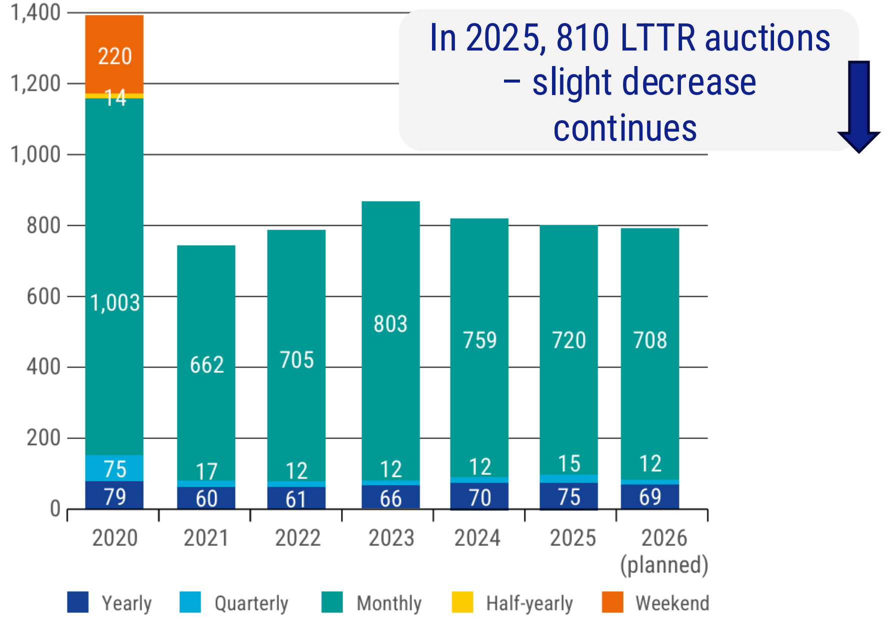
In operation as of 1 November 2018

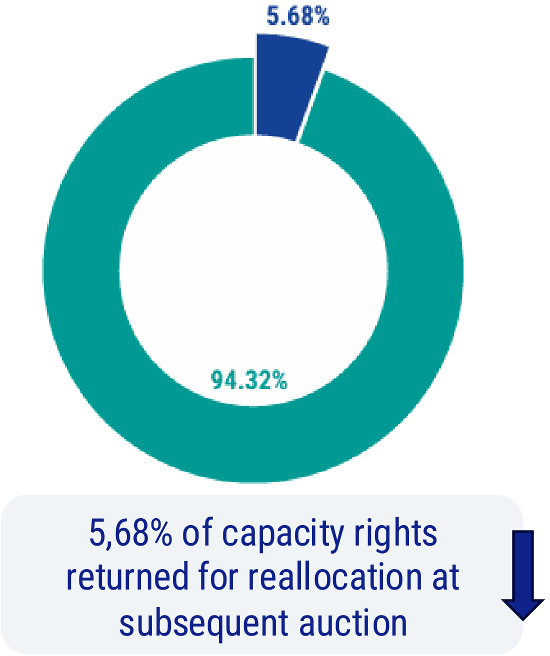
It auctions cross-border transmission capacity rights

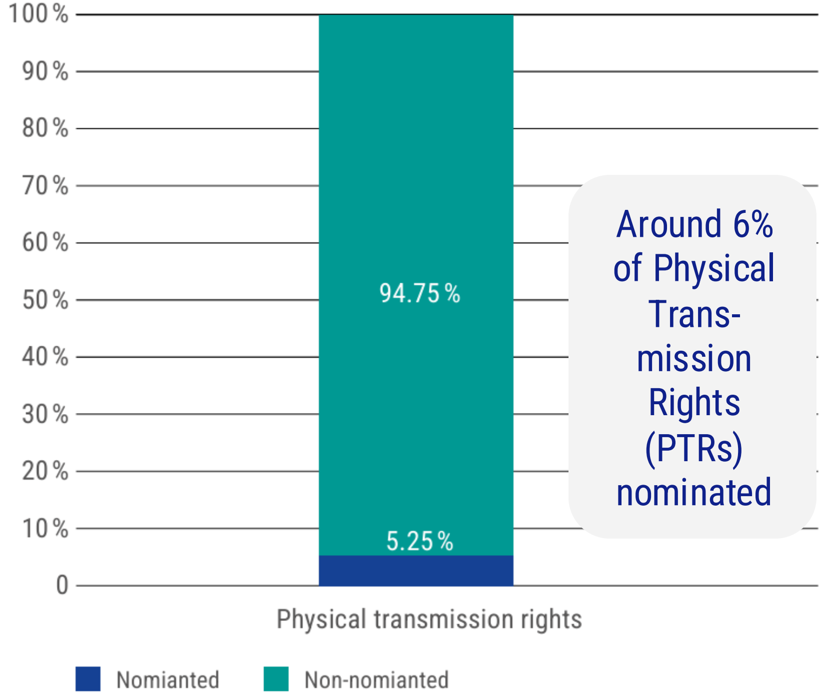
As of 2026 it covers 67 bidding zone directional borders and has 540+ active market participants

More than 7 200 auctions have taken place since SAP operations began

Long-Term Market - In 2025 Demand of LTTRs Exceeds Supply







Long-Term Markets – Single Allocation Platform (SAP) is Constantly Developed Further

Operations – Implementation of new capacity-auction platform Orion

- Orion will enhance performance, transparency and flexibility across all auction timeframes while creating a modern and secure user experience.

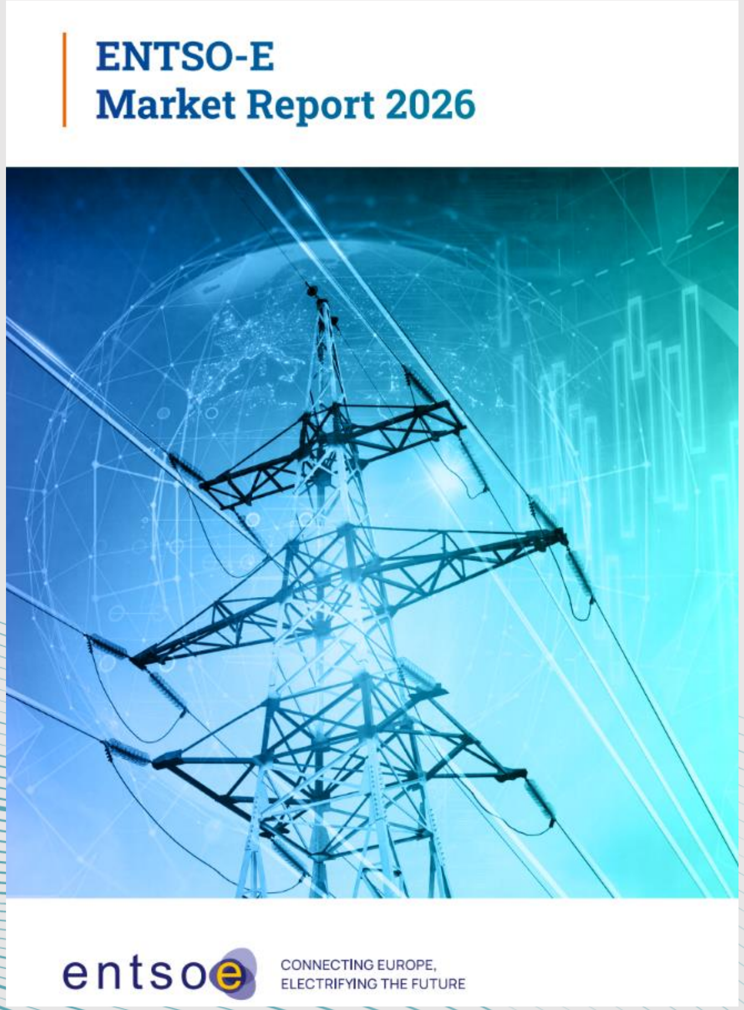
Regulation – Harmonised Allocation Rules (HAR) and Single Allocation Platform Methodology (SAP) amendments

- HAR amendments were submitted to ACER in June 2026, including updates from improved collateral management processes mentioned below. A decision is expected until end-December. Additional amendments address clarifications on contestation period, curtailment cap on DC borders, changes related to new auction tool and REMIT II.
- SAP amendments were also submitted to ACER in June 2026 covering collateral management improvements and changes related to Evolved Flow Based.

Implementation – Long-Term Flow-Based Allocation (LTFBA)

- TSOs and JAO are progressing with the implementation of the LTFBA project for go-live in the Core and Nordic CCRs
- Go-live is planned for end of 2026, covering yearly and monthly products for 2027
- Several stakeholder workshops* have been held to present project progress and expected outcomes.
- TSOs are also assessing improvements to collateral processes to be implemented after the LTFBA project go-live. The improvement focuses on optimized bid filtering avoiding unnecessary bid rejections among other things.

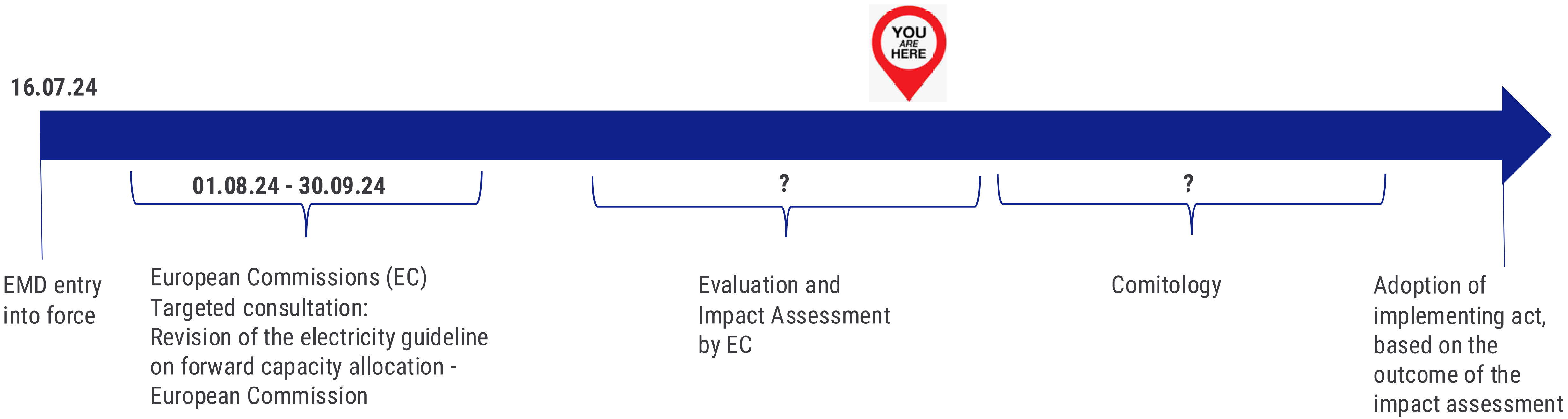
*Recordings and slides of workshops can be found under FCA related publications: Forward Capacity Allocation



Long-Term markets FCA 2.0

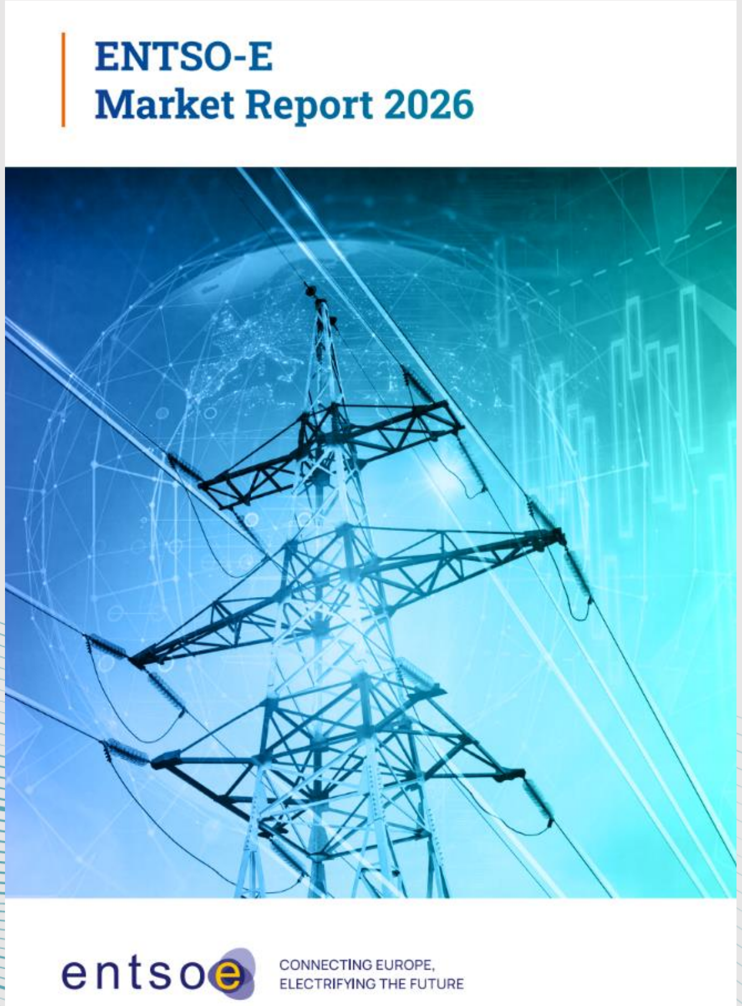
Forward Capacity Allocation 2.0

The Forward Capacity Allocation update is expected to be revealed in 2026



Forward Capacity Allocation 2.0 - Main points from TSOs FCA 2.0 advocacy papers

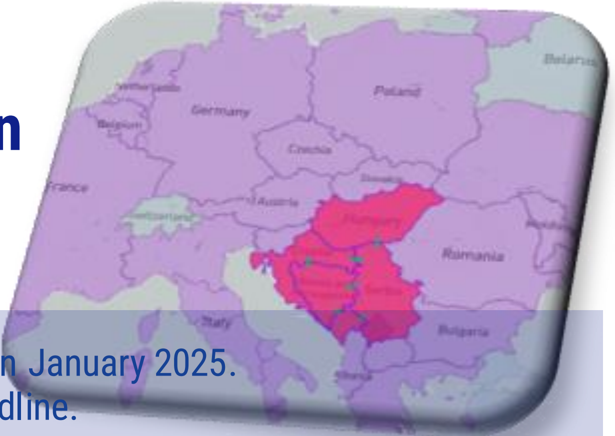
Policy Papers	Key Messages	Concepts for FCA2.0
TSOs call for alternatives to the virtual hub model	Current possible shortcomings […] should not be addressed in legislative acts by imposing disruptive **regional Virtual Hubs**, which are **untested solutions** that are **not supported by market participants**.	No regret measures identified, present in all models ➢ More frequent auctions. ➢ Longer maturities (2 years).
Collaterals	Potential **costs of collateral requirements** on TSO's trading financial derivatives are a **concern for TSOs** and need to be **carefully considered** in proposals for TSO involvement in the forward market design going forward.	➢ Feedback loops for financial reasons (collateral level and revenue adequacy). ➢ Financial validation principle.
Volume Determination	Due to its impact on diverse aspects **(hedging needs from market participants, TSO revenue adequacy, collaterals)**, the **volume determination** process is a **key topic** that needs to be thought through carefully.	➢ Ensuring that TSOs are not auctioning beyond their natural hedge (i.e. size of DA congestion income). ➢ Transparent price formation and valuation to create a safety net against undervaluation.
Hedging Analysis	Instead of mandatory LTTRs issuance, NRAs should **first assess hedging needs and opportunities within each bidding zone,** before deciding upon which financial instruments to be used to support forward markets. Other entities can support / facilitate the implementation of the measures and TSOs may not be involved.	➢ Fundamental analysis, based on factors such as production data and hedging ratios. ➢ Market equilibrium approach, comparing expected net trade flows to hedging volumes. ➢ Market surveys, capturing MPs' preferences.



Short-Term Markets Day-Ahead & Intraday

CACM & Regulatory changes

Updates on TSOs Projects According to CACM – Redesign of CCRs, Gate Closure Time, Congestion Income Distribution



Determination of the Capacity Calculation Regions
(Art. 15)

- A request to amend the Determination of CCRs accordingly has been sent by ACER in January 2025.
- All TSOs are performing the required steps to deliver the amendment by the set deadline.
- **Final submission was done on 31 July 2025 and ACER approved the proposal submitted in December 2025.**

Intraday gate cross-zonal gate opening and intraday cross-zonal gate closure time methodology (IDCZGCT)
(Art. 59)

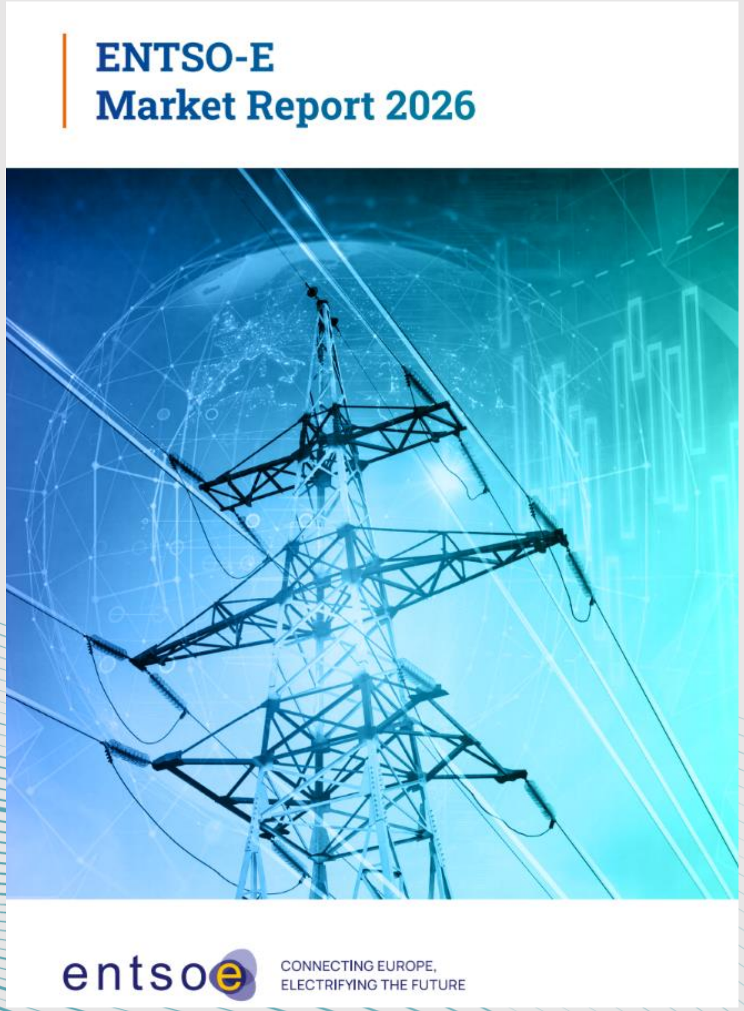
- As required by the EMD Regulation, from 1 January 2026, the intraday cross-zonal gate closure time (IDCZGCT) shall not be more than 30 minutes ahead of real time.
- The draft proposal mainly focuses on the time change to 30 minutes.
- **The final submission was done on 2 July 2025**.
- TSOs proposal was approved by ACER on **19 December 2025.**
- **On 14 January 2026, the first European borders went live.** The transition will continue gradually, with the remaining borders joining in over the next years. By 2029, most European borders are expected to apply the 30-minute IDCZGCT.

Congestion Income Distribution (CID)
(Art. 73) – Cross CCRs Congestion Income Distribution Project

- **After the TSOs implementation of the methodology, in coordination with JAO, the project successfully went live in May 2026.**
- The aim of the project is to implement a tool to automatically distribute the Congestion Income arising from commercial flows within and between CCRs and deal with unintuitive flows.

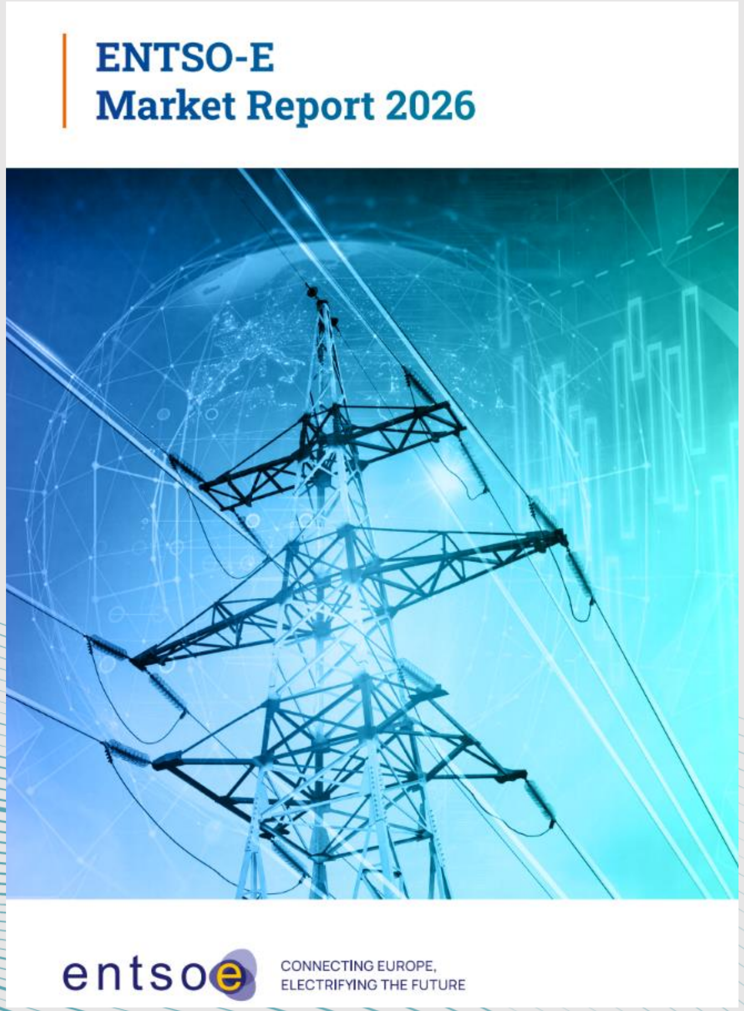
Updates on NEMOs’ and Joint NEMO-TSOs’ Projects According to CACM

Joint NEMO-TSO deliverables	**CACM annual report** (Annex I to the ACER Decision 04/2020)	• On 24 September 2025, the All NEMO Committee organised its third Annual Conference. Part of this conference was dedicated to the key findings from the **‘CACM Annual Report 2024’ that was delivered on 1 July 2025**. The report focused on demonstrating the safe navigation of an energy crisis, showcasing the effectiveness of market coupling during difficult times.
	SDAC and SIDC costs (Art. 80)	• 2025 CACM cost **report was published on 29 June 2026**.
NEMO deliverables	**Harmonised Maximum and Minimum Pricing** (Art. 41)	• ACER issued its **decision on Harmonised Maximum and Minimum Pricing (HMMCP) on 4 February 2026.** • The amendment, following NEMOs’ proposal, focuses on: (1) increasing and decreasing maximum prices, if they occur. (2) This condition was met in April and May and led to a reduction in the SDAC minimum price limit from –500 EUR/MWh to –600 EUR/MWh, effective from 28 May 2026.



Short-Term Markets Day-Ahead & Intraday

Operations and System Changes



MCSC – Governance Deliverables

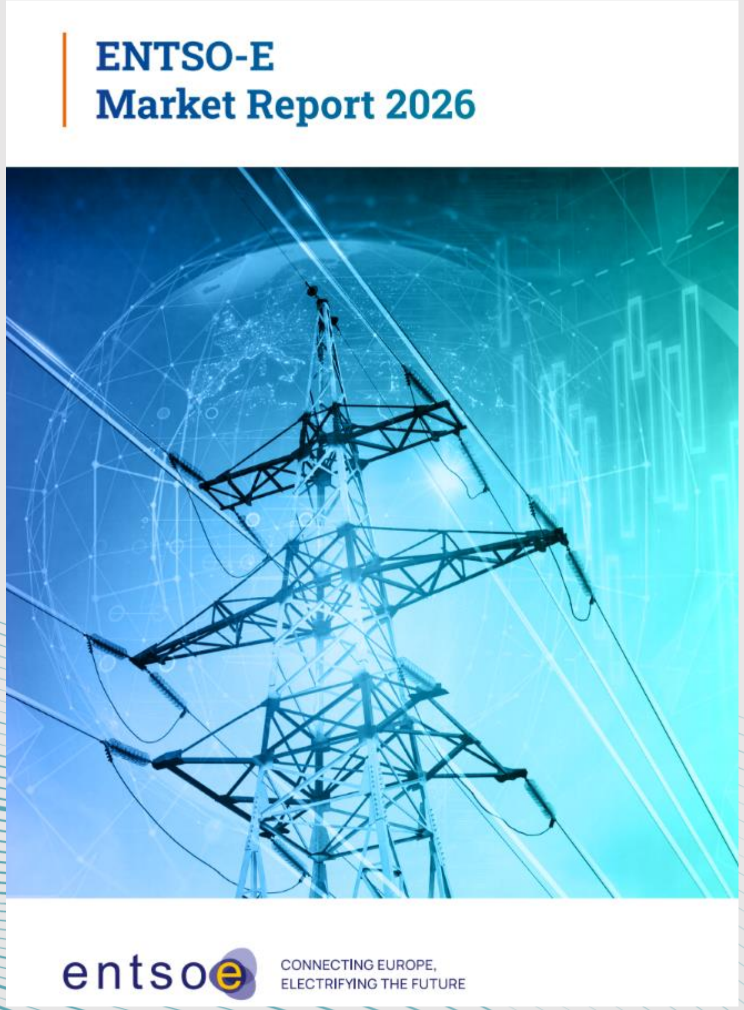
Key Achievements from Market Coupling Steering Committee (MCSC)

- ✓ <u>**Membership developments**</u>: observership status in both **SDAC** and **SIDC** has been granted so far to **6 Power Exchanges** and **5 Transmission System Operators** from the **Energy Community Countries**, which are expected to **join market coupling** in the upcoming years.

- ✓ <u>**Stakeholder engagement**</u>: the **Market Coupling Consultative Group (MCCG)** keeps serving as the main forum for discussing developments with **market participants**. It was established in **2022** and to date, **11** sessions with **hundreds of market participants** have been held and next week the **12th session** will take place. → <u>Further details available here</u>.

- ✓ <u>**Market design developments**</u>: in **2025**, the **MCSC** created the **Fallback Expert Group (FEG)** with the aim to **streamline discussions** on **alternatives** to the current **fallback allocation mechanisms** for **SDAC**.

- ✓ <u>**Legal framework developments**</u>: following the expiration of the 10-year Non-Disclosure Agreement in February 2026, a **new NDA entered into force** ("CACM NDA"). This revised agreement 1) **clarifies provisions** on information sharing with observers, 2) establishes a **rotating TSO–NEMO administrator model**, and 3) **streamlines the adherence process** of new parties.



Market Coupling – Day-Ahead Timeframe

Key Achievements in the Day-Ahead Timeframe (2025–2026)

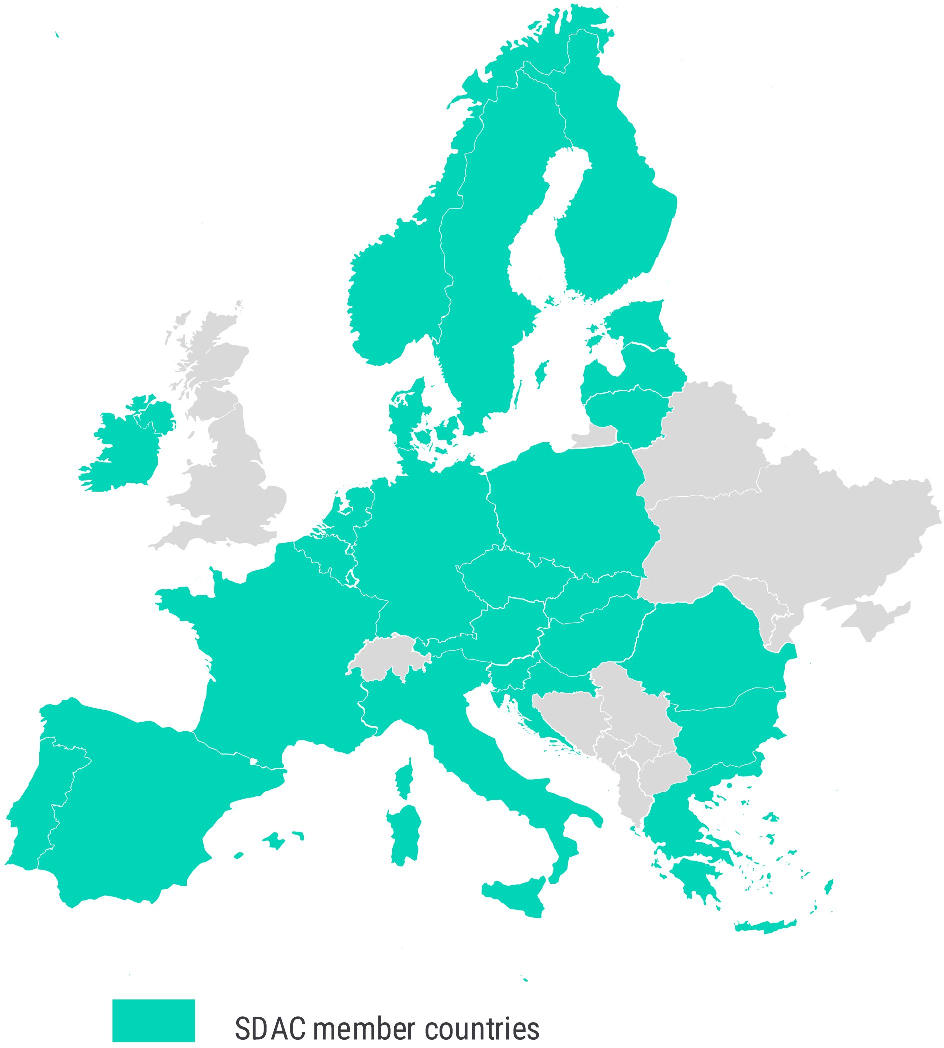
Since October 2025, the **15-minute Market Time Unit (MTU)** has been implemented across all of **Europe**.

Next to that, **in January 2026, EXAA** accessed the **French, Belgian, and Dutch bidding zones**, increasing competition**.**

Furthermore, **since June 2026, Advanced Hybrid Coupling (AHC)** has been implemented at the **external borders of the Core CCR** towards the Hansa, Nordic, and South East Europe CCRs.

Alongside AHC and **since May 2026**, TSOs from CCRs that are mutually affected by cross-border allocation mechanisms **are sharing congestion income across the different CCRs.**

In Q2 2026, the **EUPHEMIA algorithm,** which underpins day-ahead market coupling, **has been upgraded** with the solutions **EUPHEMIA 12** and **PMB 14**.



The Day-Ahead Market Continues to Expand and Innovate

Multi NEMO Arrangements (MNAs)

EPEX expansion into
Estonia

EPEX expansion into
Latvia

EPEX expansion into
Lithuania

BSP expansion into
Croatia

CROPEX expansion into
Slovenia

Nordpool expansion into
Slovenia

Nordpool expansion into
SEM

New Operational NEMOs

SDAC

ETPA operational in
The Netherlands

EUPHEMIA Lab Programme (R&D)

Software Improvements

PMB 14.1

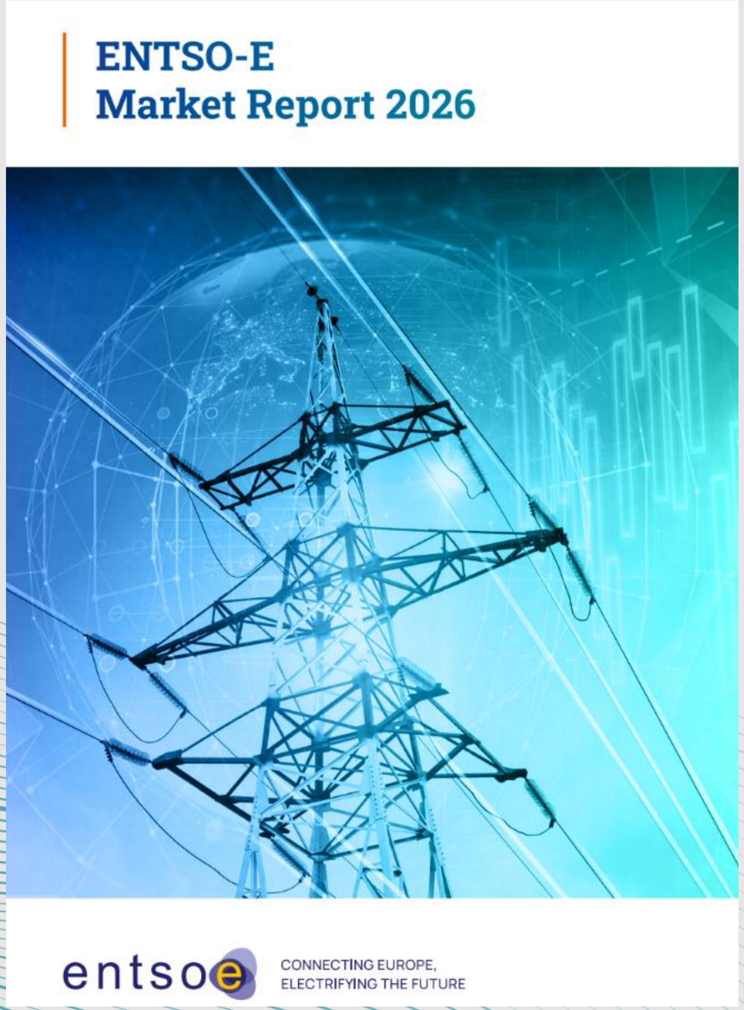
EUPHEMIA 12.1

Further R&D Initiatives

Euphemia Improvemens

New SDAC Solver

Storage Orders



Market Coupling – Intraday Timeframe

Key Achievements in the Intraday Timeframe (2025–2026)

Since March 2025, the **15-minute Market Time Unit (MTU)** has been implemented across all of **Europe.**

Next to that, in **November 2025, EPEX Spot** became **operational in the Baltic CCR** with regards to intraday **continuous trading**.

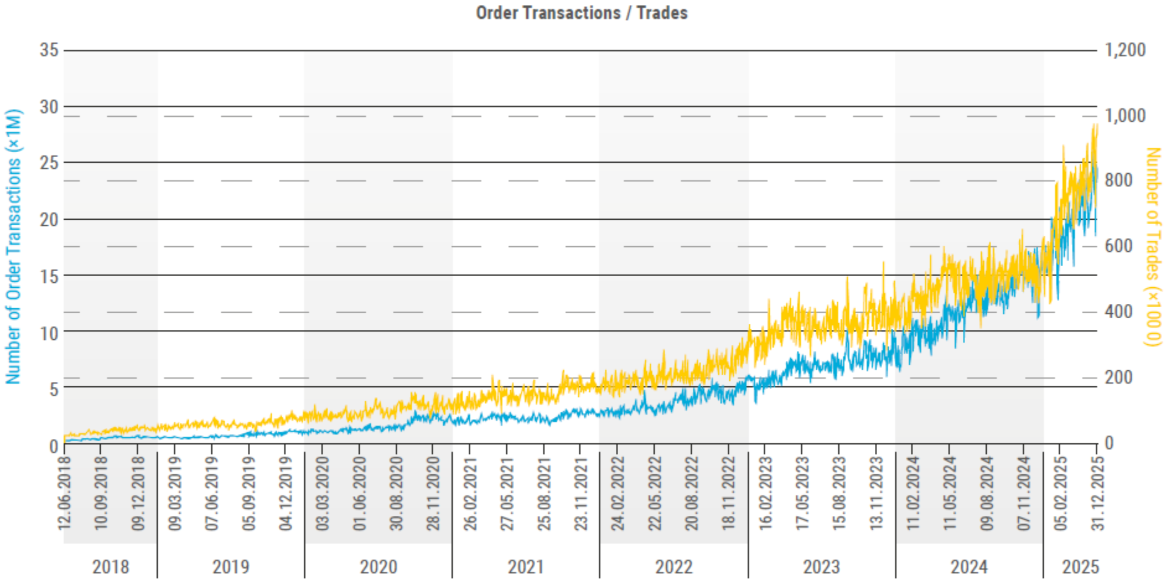
Furthermore, since **January 2026**, the **Intraday Cross-Zonal Gate Closure Time (IDCZGCT)** has been **reduced from 60 to 30 minutes in 14 bidding zone borders**, enhancing market flexibility.

During the past weeks and months, the **systems** behind continuous trading and Intraday Auctions (IDAs) have undergone **infrastructure upgrades** (with the versions **XBID 5.0** and **CIP 2.1**). **Further upgrades** are expected during this **2026** and in **2027.**

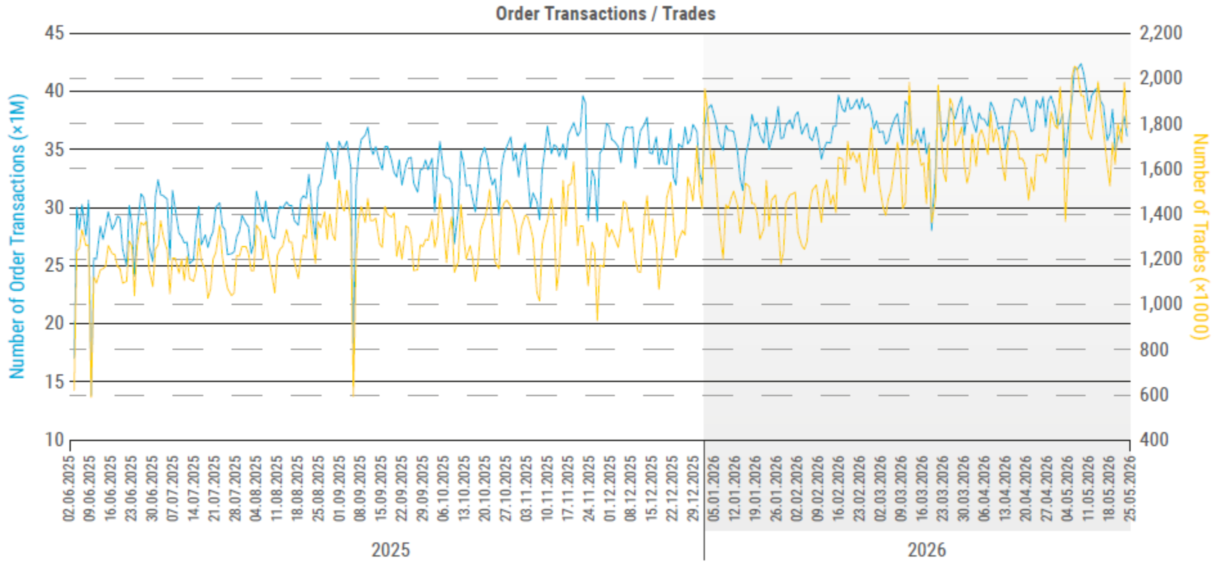
The flow-based design for **SIDC IDAs** has been **progressing well**, with a **planned go-live in 2027**.

The Intraday Continuous Market Continues Its Strong and Steady Growth!

Evolution of order transactions and numbers of trades in continuous trading between 2018 - 2025



Evolution of order transactions and number of trades in continuous trading between 2025 - 2026



As of today, around **2 million trades** are being processed **daily** in **continuous trading**, reflecting the exponential growth since the market launch.

Continuous Trading

Intraday Auctions

The Intraday Timeframe Continues to Expand and Innovate

Multi NEMO Arrangements (MNAs)

BSP expansion into Croatia

CROPEX expansion into Slovenia

Nordpool expansion into Slovenia

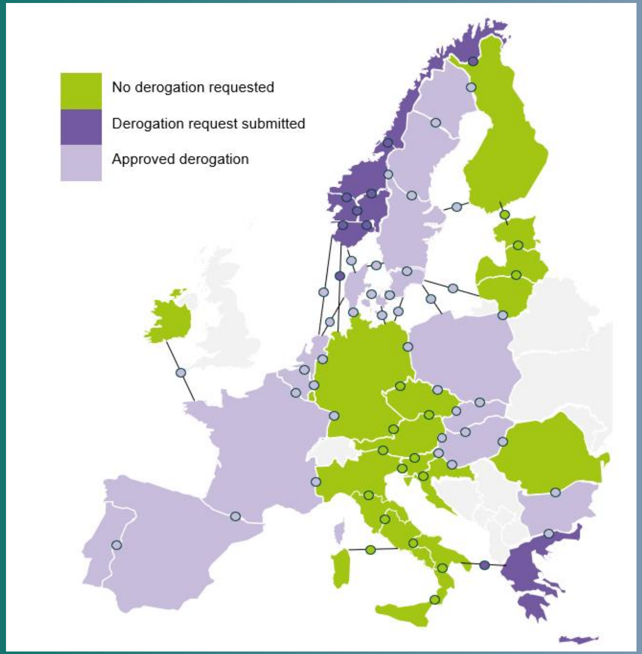
Nordpool expansion into SEM

EPEX expansion into Estonia

EPEX expansion into Latvia

EPEX expansion into Lithuania

30 Minute IDCZGCT



XBID & CIP System Upgrades

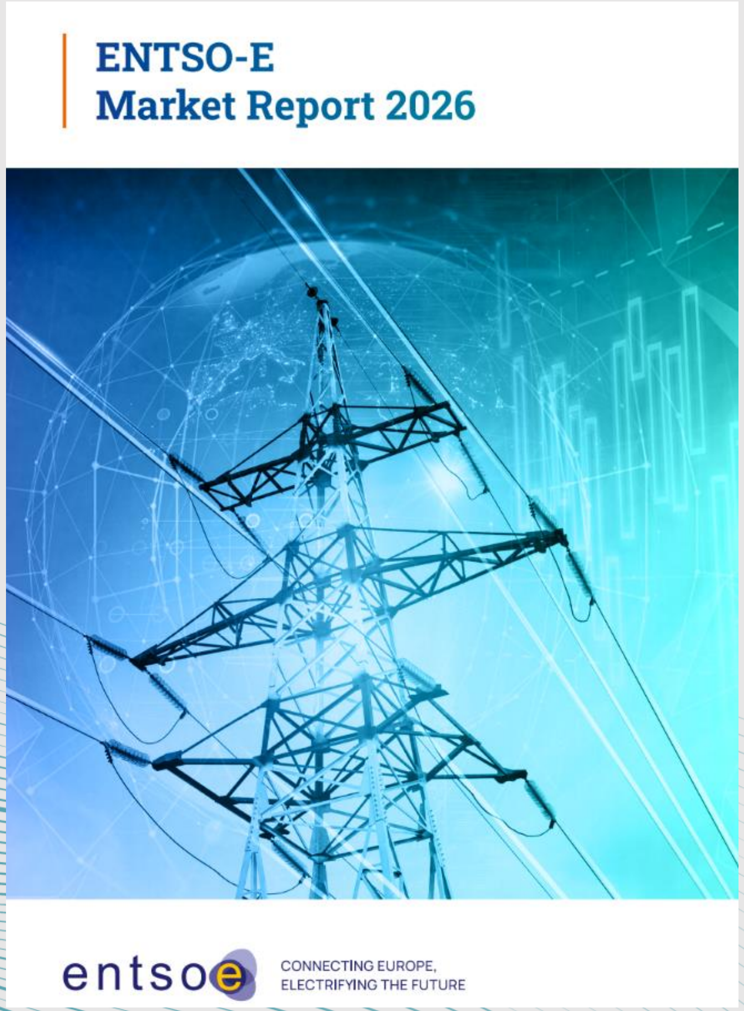
R5.0 → R5.1 → R6

CIP 2.1 → CIP 3.0

Flow Based Allocation

Continuous Trading

IDAs

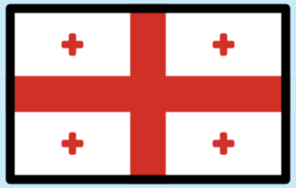


MCSC – Future Developments

The Next Geographical Growth Phase of SDAC & SIDC: Energy Community Countries


Albania


Bosnia Herzegovina


Georgia


Kosovo

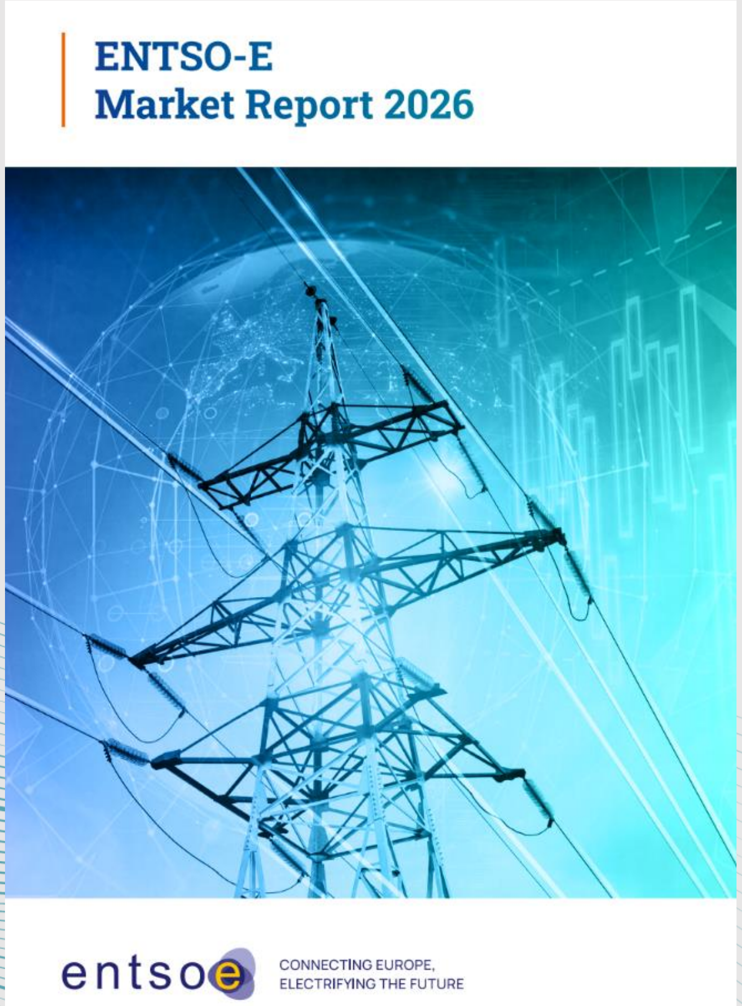

Moldova


Montenegro


North Macedonia


Serbia


Ukraine



Day-Ahead & Intraday

Implementation of CEP70 minimum capacity targets

What is the CEP 70 requirement about?

Article 16 (8) of the EU Electricity Regulation:

requires European TSOs to make **at least 70 % of the transmission capacity (respecting operational security limits)** available for cross-zonal electricity trading.

To be implemented **by end of 2025 at the latest**:

- Member states could invoke an **action plan** in case of structural congestion
- TSOs can request **temporary derogations**, also beyond 2025 provided technical justification and analysis that ensuring 70% would endanger operational security
- **Last resort measure:** reductions following validation step in capacity calculation i.e. if the potential of available remedial actions is not sufficient to secure the grid

Min. 70 %

Who monitors the progress?

Who monitors the progress?

Who monitors the fulfilment?

Assessment of compliance subject to NRA approval

(based on TSOs contributions)

Why do several monitoring reports exist?

Individual assessments by NRAs: Application of a national **compliance** methodology

ENTSO-E market report hosting joint assessments by CCRs: Joint assessment by TSOs/CCRs based on a joint, comparative analysis of national methods

ACER Market Monitoring Report: Application of a uniform ACER methodology

What is the status of implementation in the Year 2025?

Joint assessment results per CCR

- Transparently visualized assessment e.g. by using categories of national methods
- Explanation of the results i.e. why were deviations from the target value necessary?
- Joint CCR statements

Country fact sheets

with detailed descriptions of national method and applicable targets in 2025

Results of the joint assessment (based on the national monitoring results) for 2025 compared to the applicable value

Explanatory presentation for CCR Core for Year 2025

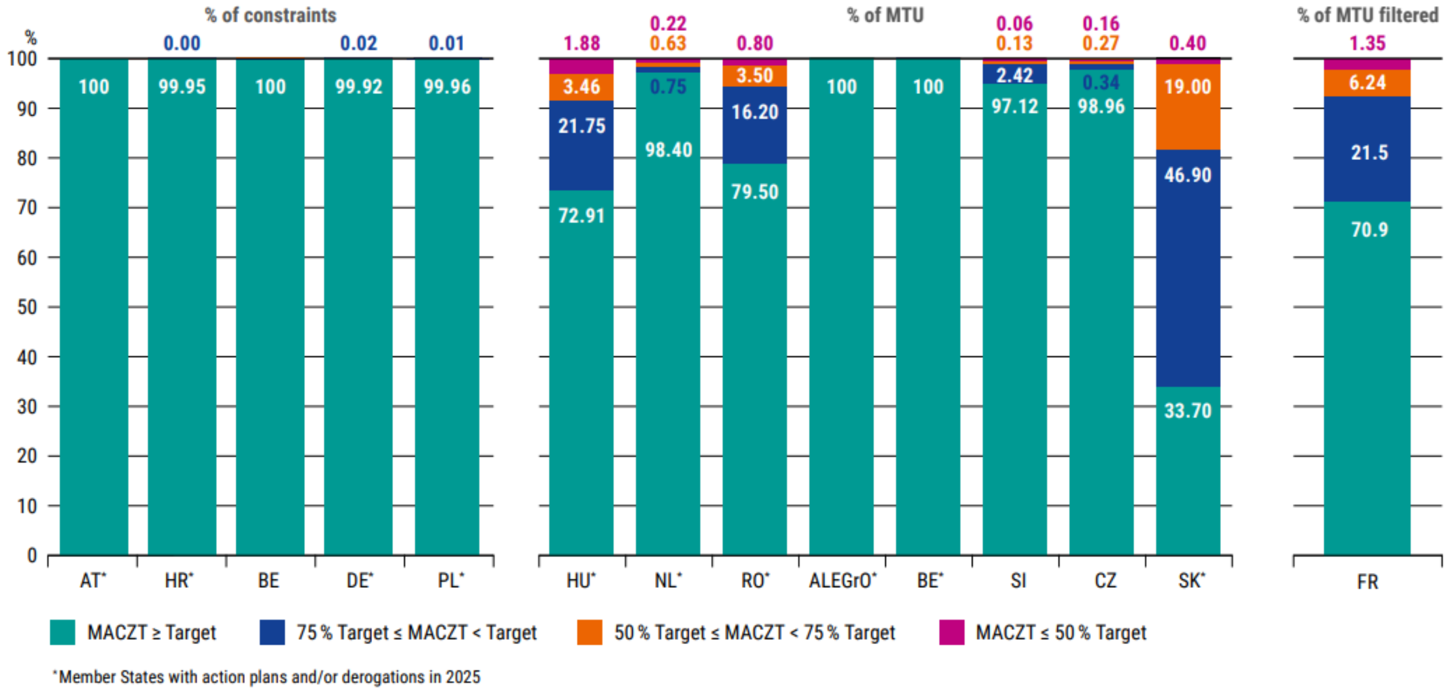


Figure 2.7: Results of the joint assessment (based on the national monitoring results) for 2025 in the Core CCR compared to the applicable values under derogations and action plans.

- **Results with regard to the applicable targets in 2025**
  - ✓ Action plans & derogations highlighted
- **Joint assessment based on national methods**
  - ✓ To ensure transparency & improve comparability: grouping of methods (% of constraints / of MTU / of MTU filtered)
- Colours indicate percentage of time in 2025 during which MS reached - or partly reached - its applicable target value

- ➢ **For explanatory reasons, only quantitative results for CCR Core are shown here**
- ➢ Interested in more? Our market report provides detailed results and explanations for all CCRs.

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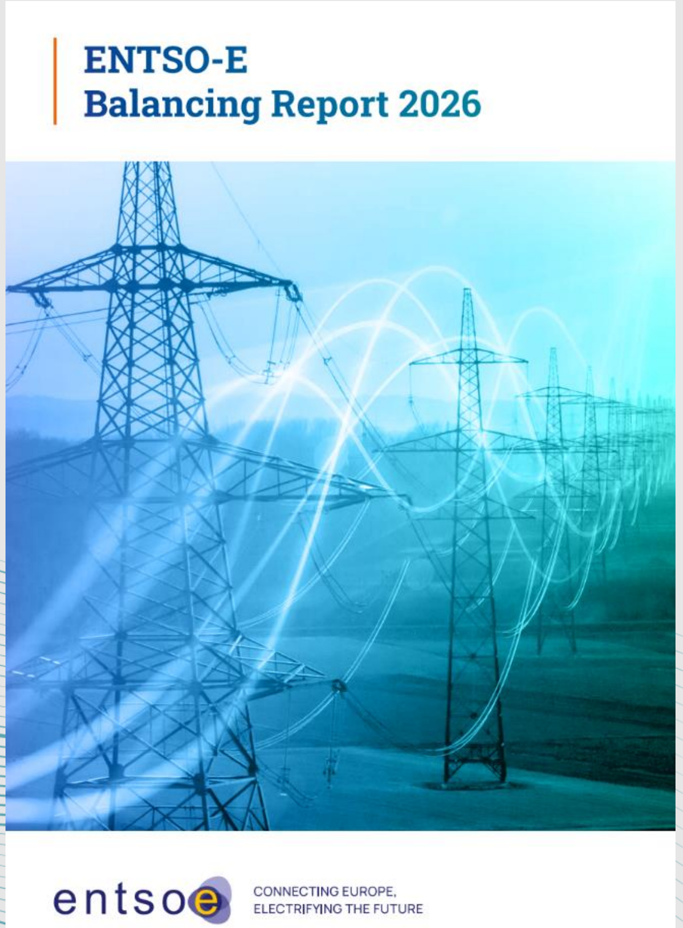
Explanatory country fact sheet



Balancing Markets

Regulatory Updates

Background & Overview – Latest Developments in European Balancing

Highlight: European Balancing Energy and Reserve Platforms continue their expansion

- *Balancing energy platforms:* Meeting each country's upward/downward balancing demand through **netting of needs** and activating the **most efficient bids** in Europe.
- *Balancing reserve platforms:* regional sharing/exchange market driven platforms.
- Both types of platforms (energy/reserve) aim at considering **operational security constraints** & **increasing the security of supply** in Europe while maximizing total economic surplus.

The balancing chapter covers the period from **June 2025 to May 2026**, and associated Performance Indicators chapter (PI´s covering the calendar year 2025). The biyearly respective TSO´s Executive Summaries are provided in Chapter 7.

To comply with the obligations of the Article 59 **EB Regulation**[1], ENTSO-E publishes, on a yearly basis, a **European report on integration of balancing markets** (extensive biennial report in the case of even years).

In 2026, the biennial Balancing Report 2026 provides an in-depth perspective to the most recent developments in the European balancing market.

The **Balancing Report 2026** describes the **design and implementation of balancing markets** at pan-European, regional and national levels, emphasizing on:

- **Development and harmonisation of methodologies:** aFRR & mFRR IFs amendments for the harmonisation of Terms and Conditions for BSPs, Imbalance Settlement Harmonisation Methodology (ISHM) being assessed in 2026.
- **Balancing energy platforms:** Developments (including TERRE shut-down) and respective accessions
- **Balancing capacity platforms:** ALPACA go-live, COBRA Project

Assessment of standard and specific balancing products (covering suitability, evolution, harmonisation, and continued use) also included in the 2026 Balancing Report.

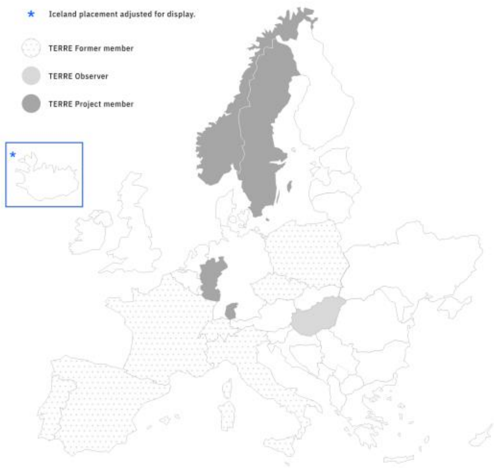
[1] Commission Regulation (EU) 2017/2195 of 23 November 2017

Balancing Markets – EU Balancing Platforms to Increase Security of Supply and Economic Efficiency of Balancing Activities in Europe

TERRE (RR)

Article 19 EB regulation

Due to the evolution towards intraday GCT of 30 min, on 1st January 2026, TERRE platform ceased operations



IGCC (IN)

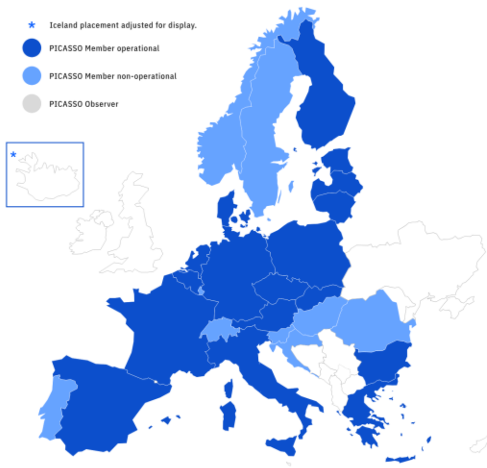
Article 22 EB regulation

As more TSOs join PICASSO, the volume of IGCC nettings will decrease while higher level of implicit netting will be accomplished by PICASSO

PICASSO (aFRR)

Article 21 EB regulation

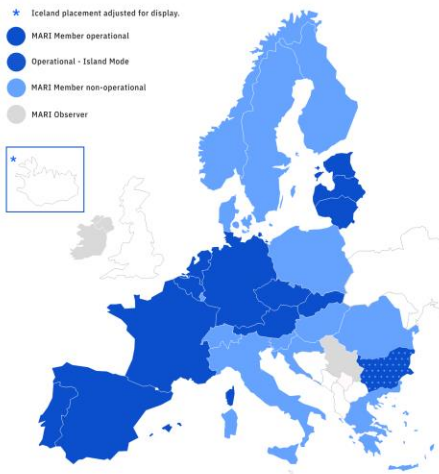
Go-live and first cross-border exchanges in June 2022. Ongoing connection of TSOs which will improve economic and technical efficiency of the platform



MARI (mFRR)

Article 20 EB regulation

Go-live and cross-border exchanges in October 2022. Ongoing connection of TSOs which will improve economic and technical efficiency of the platform



Balancing Cooperations lead to Significant Economic Surplus in 2025

TERRE

Economic surplus: 316 M€ (2025)
(from 458 M€ in 2024; lower due to progressive TSO´s shutdown along 2025)

PICASSO

Economic surplus: 464 M€ (2025)
(from 170 M€ in 2024, due to more TSO´s acceding PICASSO effect)

MARI

Economic surplus: 104 M€ (2025)
(from 11.7 M€ in 2024, due to more TSO´s acceding MARI effect)

IGCC

Economic surplus: €301 M€ (2025)
(from 814 M€ in 2024 due to more TSO´s acceding PICASSO effect, and less IGCC)

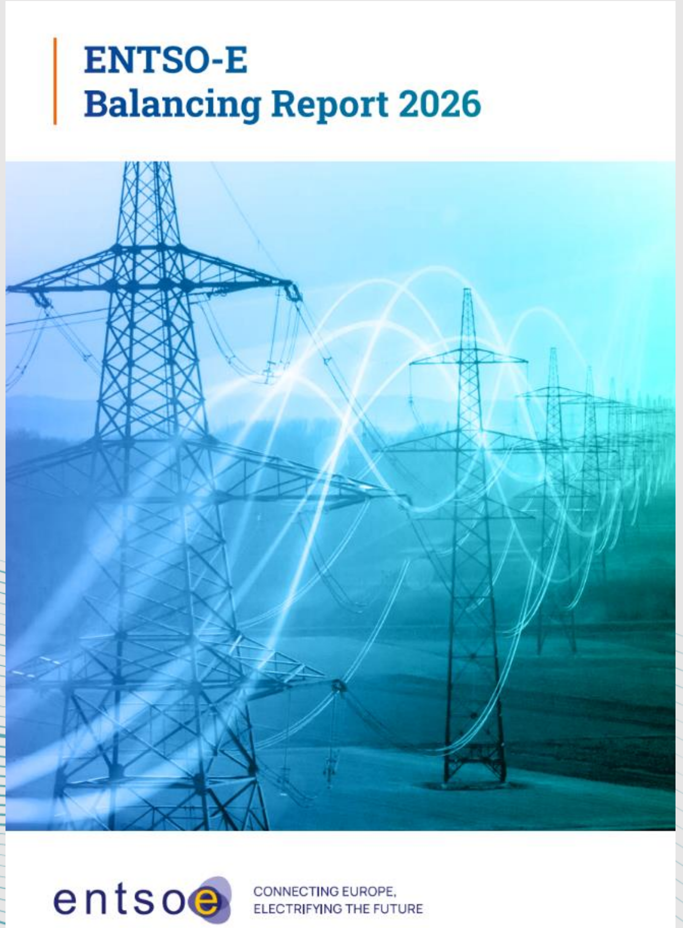
ALPACA

Economic surplus: € 12.86 M€* (2025)
(from 10 M€ in 2024, from DE-AT BCC)

FCR

Economic surplus: 146.2 M€ (2025)
(from 101 M€ in 2024)

*Launched in September 2025; surplus includes DE-AT Cooperation Cost Savings until then.



Balancing Markets

Operational Updates

Performance indicators for 2025

Electricity balancing performance indicators are a tool that allows the analysis and assessment of the results of the integration of balancing markets.

The Chapter 6 highlights the performance indicators for the calendar year 2025.

ENTSO-E has published a Dashboard to accompany the report.

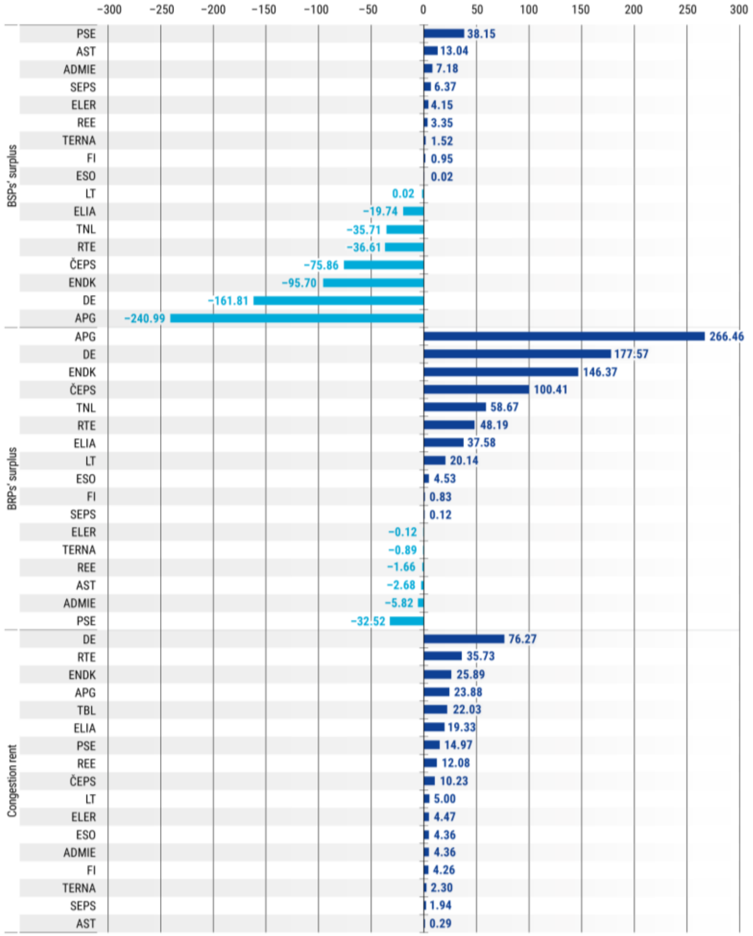
6.2 Social welfare impact due to exchange and sharing of reserves and activation of balancing energy platforms

This indicator measures the economic benefits arising from balancing energy activation by comparing coupled and decoupled market results. It captures BSP surplus, TSO savings or surplus, and TSO congestion income.

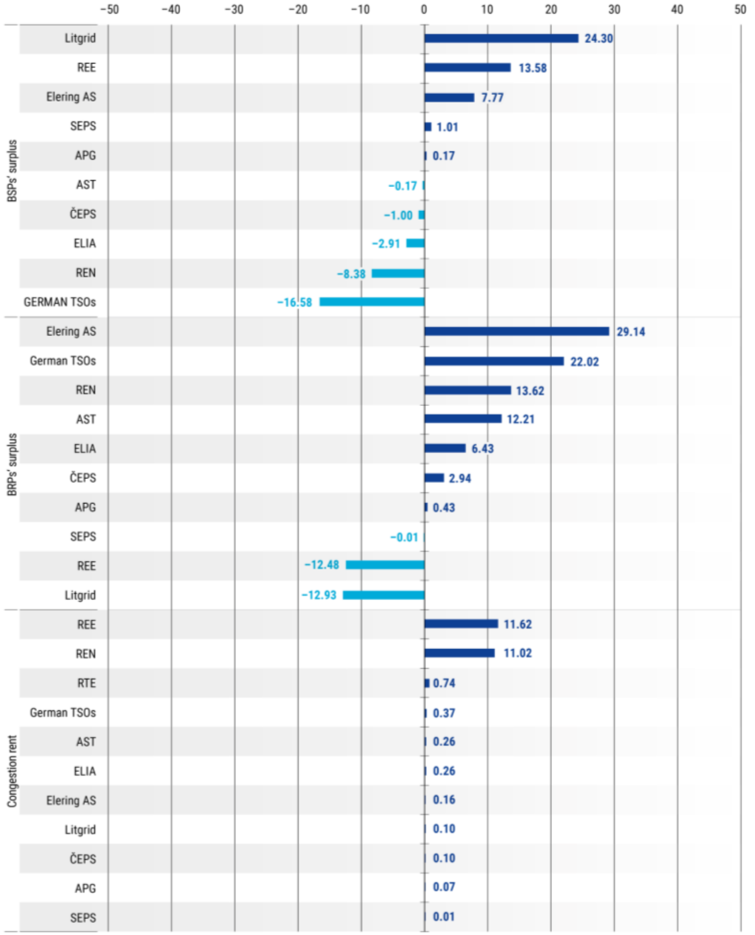
Reported yearly at platform level, the indicator highlights how regional integration enhances market efficiency across Europe.

Social welfare impact at platform level (incremental)

PICASSO: Surplus and rent (MWh/EUR)



MARI: Surplus and rent (MWh/EUR)



Q/A Session

Audience Q&A

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Any more questions?

If you have any remaining question, please send it to market@entsoe.eu

Please, connect to the following link:

https://www.surveymonkey.com/r/7776J3Z

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Thank you very much for your attention!

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