

2026Q3 SPANISH ELECTRICITY MARKET RESULTS

Spanish wholesale, PV and wind capture price projections (2026 – 2050)

Spain's rapid deployment of renewable capacity has fundamentally changed wholesale electricity price dynamics.

Increasing penetration of intermittent renewables has led to more low-price hours and growing cannibalisation of realised PV and wind prices. The Spanish government continues to pursue ambitious renewable capacity targets under the NECP which could push deployment beyond the market's economic saturation point.

- **How much additional PV and wind capacity can the market absorb before realised prices fall below LCOE?**
- **How will demand growth and lower gas and CO₂ prices affect renewable saturation points?**
- **When will wholesale and renewable capture prices recover, and what will drive that recovery?**
- **What policy support and system flexibility will be required if Spain is to achieve its NECP targets?**

EKON provides independent Spanish wholesale, wind and PV capture-price projections based on our proprietary Power Market Model (PMM). Our latest 2026Q3 results provide forecasts to 2050 under three scenarios, reflecting alternative assumptions for the key drivers of the Spanish electricity market. The modelling captures the interaction between demand, commodity prices, generation retirements, renewable deployment and investment economics.

Our bankable reports and price projections have been used by leading utilities, infrastructure funds, lenders and independent promoters in investment decision processes, negotiating debt or re-financing as well as in commercial and investor/state arbitrations.

Key 2026Q3 take-aways

- Spanish pool price projections.
- Wind and PV capture-price projections.
- Three market scenarios to 2050.
- Key assumptions underlying each scenario.
- Analysis of renewable saturation and price cannibalisation.

From record prices to renewable saturation? The Spanish market has changed dramatically since the energy crisis. Renewable capacity has continued to grow rapidly. Demand is now recovering, but increasing intermittent generation has resulted in many more very low-price hours and growing pressure on renewable capture prices. The key question is therefore shifting from how long high prices can persist to how much additional renewable capacity the market can economically absorb.

Demand growth is increasingly important. Electricity demand has started growing again, but its shape is also changing, with lower midday grid demand partly reflecting increasing self-consumption. Stronger underlying demand allows the market to absorb more renewable generation before capture prices are pushed towards investment-cost levels.

Thermal generation still matters. CCGT continues to play an important balancing role and its costs remain an important driver of prices. Lower gas and CO₂ prices can therefore reduce renewable capture prices and lower the amount of additional PV and wind that the market can economically absorb.

Will renewable additions push capture prices below LCOEs?

Increasing PV and wind capacity depresses capture prices. But this cannibalisation also provides an economic brake: once capture prices fall below the level required to support new investment, merchant deployment slows. Demand growth can subsequently create room for further capacity additions.

Can Spain meet its NECP targets?

Our modelling suggests that Spain's renewable targets are aggressive relative to market-led deployment. Achieving them will depend on stronger demand, renewable operating hours, exports and potentially additional policy support. How that support is designed will matter if deployment is pushed beyond the market saturation point.

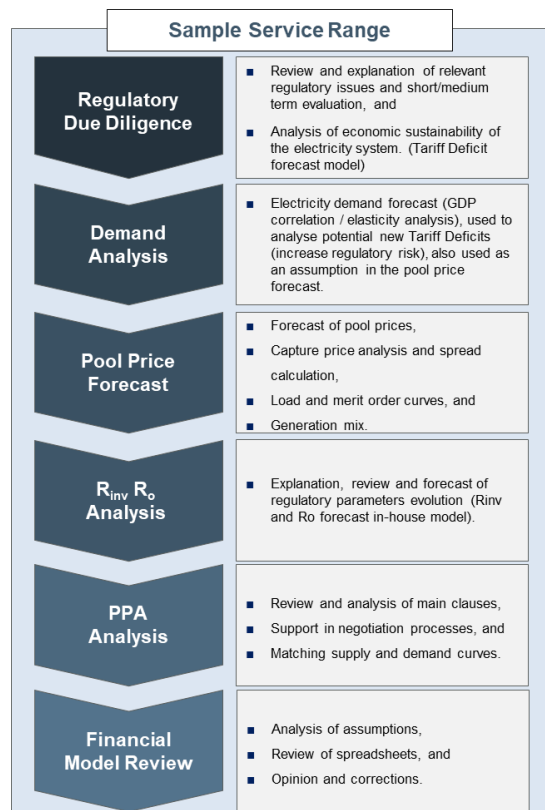
What is the role for flexibility? As renewable penetration increases, value progressively shifts from producing more MWh towards providing flexibility. BESS is part of that story, alongside flexible hydro, thermal generation, interconnection and demand response. Its value cannot be assessed from energy arbitrage alone.

Bespoke services. EKON can provide tailored price sensitivities using client assumptions, portfolio- and plant-specific capture-price assessments, lender base cases and other bespoke market analysis using our underlying modelling framework

PMM Power Market Model: Our wholesale and capture-price model uses deterministic dynamic linear programming to minimise the present value of fuel, CO₂, maintenance and capital costs. It simultaneously optimises dispatch and capacity expansion, producing projections of wholesale prices, wind and PV capture prices, generation, fuel use and capacity additions for each set of assumptions.

Our Philosophy

- Work on complex and large transactions, offering a full range of services from a high-level red-flag report, all the way through to complete advisory services to buyers and sellers of assets or energy related businesses.
- Leverage on our experience in both conventional and renewable generation (hydro, wind and solar), BESS, electricity and gas infrastructure (electricity distribution, gas pipelines and regasification terminals), PPAs (power purchase agreements) and GSAs (gas supply agreements).
- Offer proprietary in-house models for long-term wholesale and capture-price projections, dispatch and capacity expansion, allowing us to provide market analysis on an individual asset, portfolio or system-wide basis.
- Provide robust and traceable financial models that can be easily audited but also allow for complex valuations.
- Work closely with the client and their financial, legal and technical advisors in preparing the deal or assisting in the negotiation phase.



Selected References

Selected clients



Sample of recent transactions



Sell-side advisor, 899MW wind and PV portfolio sold to ENGIE SA and Crédit Agricole Assurances.



Sell-side advisor, 473MW PV portfolio in central and southern Spain sold to Glennmont Partners.



Sell-side advisor, 500MW PV portfolio sold to China Three Gorges Europe.



Sell-side advisor, 800MW CCGT in Spain to Castleon Commodities and White Summit Capital.

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