

Hydro Risks and the Market Balance for Next Winter

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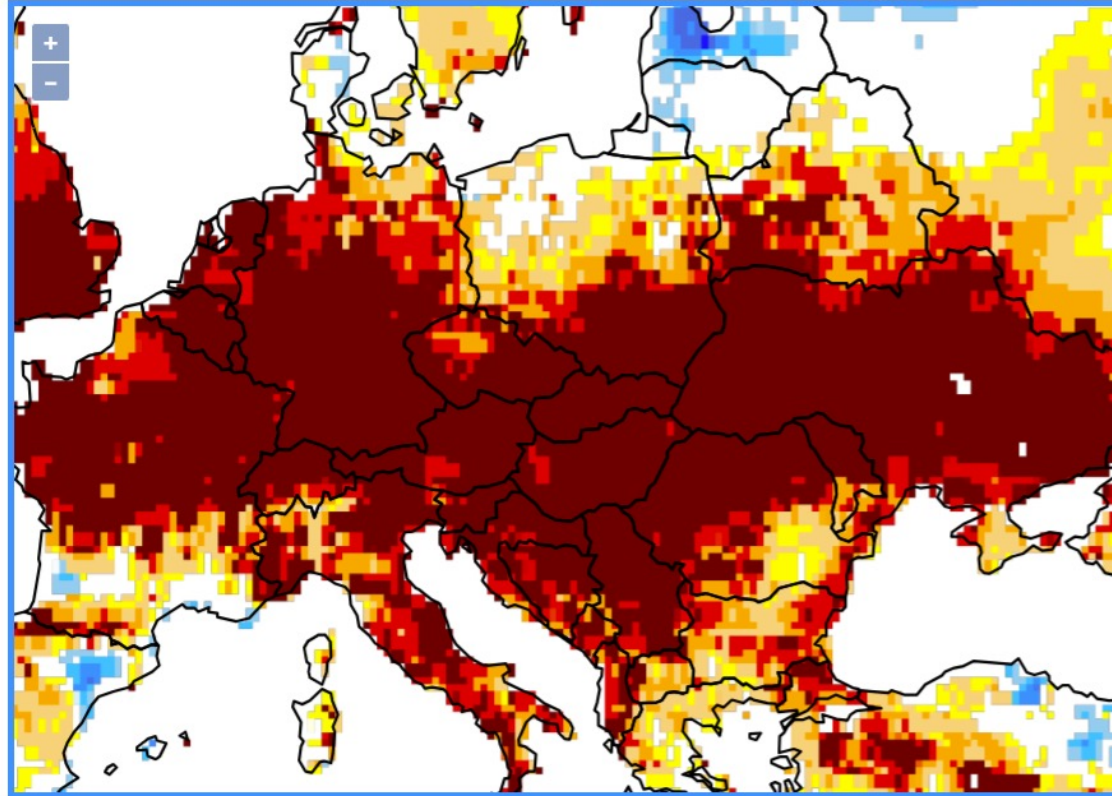
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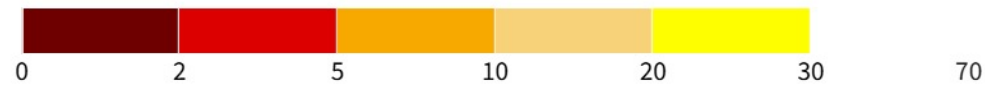


Regional Hydro Situation

Global Drought Conditions: Soil Moisture



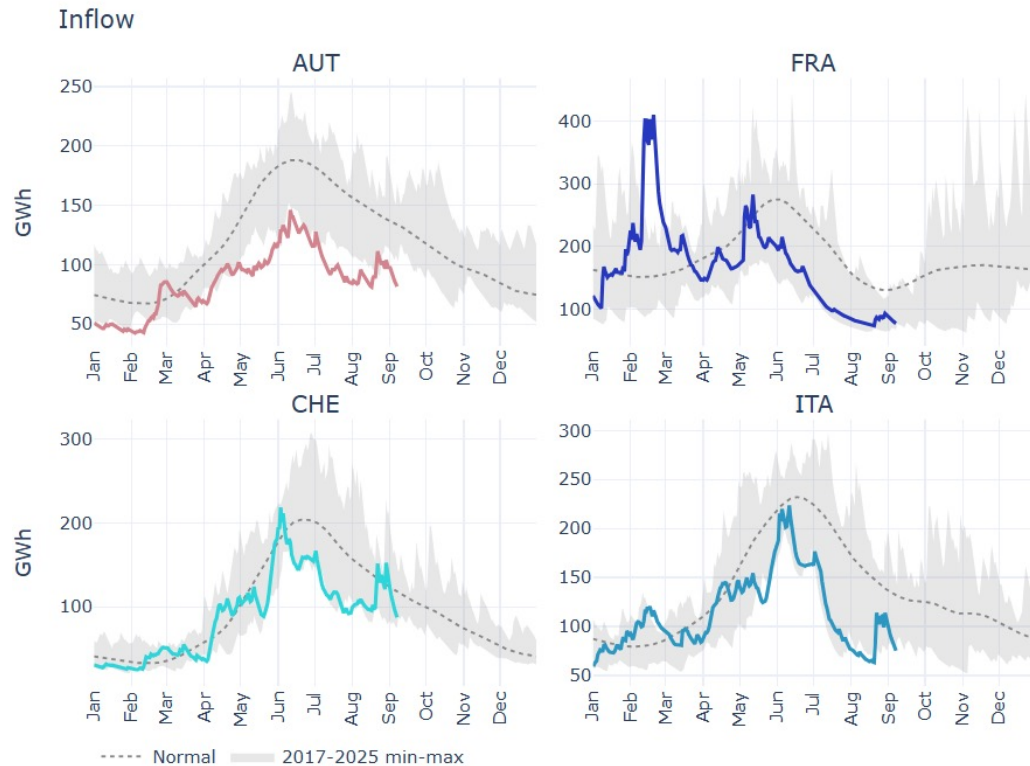
Surface Soil Moisture: Wetness Percentile



NASA GRACE-Based Surface Soil Moisture Drought Indicator describes the current wet or dry conditions of the top 2 cm of soil, expressed as a percentile showing the probability of occurrence within the period of record from 1948–2012. [International Drought.gov](#)

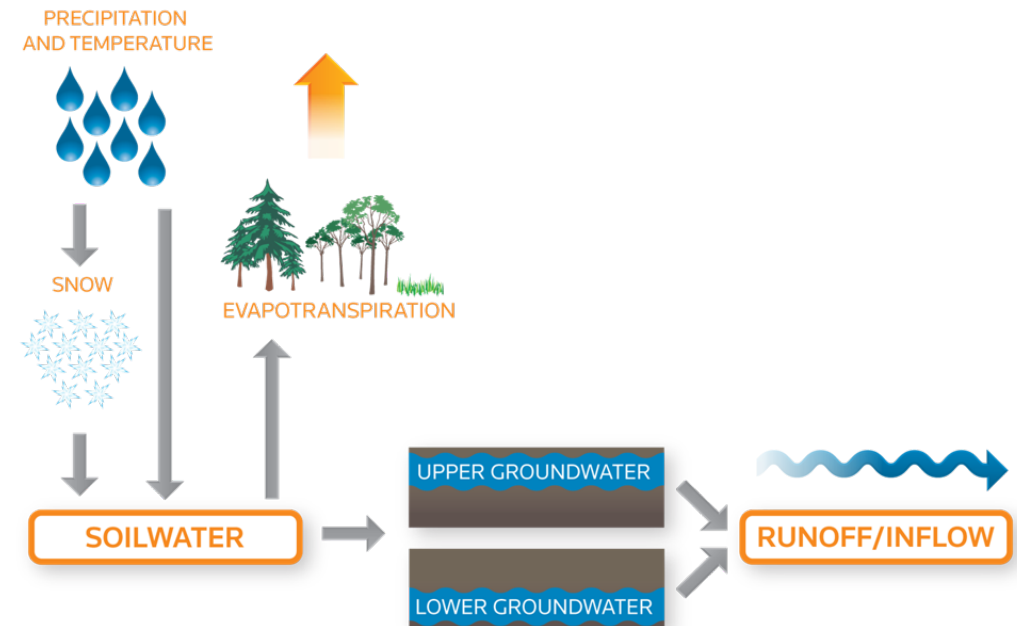
Regional Hydro Situation

- Drought conditions remain widespread across the region
- Austria is the most hydro-stressed market



Main hydro components YTD value 7th September
(P for percentile of 2017-2026)

Country	HydroBalance	SnowSoil	Reservoir	Inflow
Austria	-4,372 GWh P0 - Severe drought	995 GWh P0 - Severe drought	78.0 % P0 - Severe drought	81 GWh P0 - Severe drought
France	-7,012 GWh P11 - Drought	-7,068 GWh P11 - Drought	57.3 % P0 - Severe drought	77 GWh P11 - Drought
Switzerland	-2,978 GWh P0 - Severe drought	2,529 GWh P0 - Severe drought	71.8 % P0 - Severe drought	88 GWh P11 - Drought
Italy	-6,282 GWh P11 - Drought	3,173 GWh P0 - Severe drought	39.4 % P11 - Drought	75 GWh P0 - Severe drought



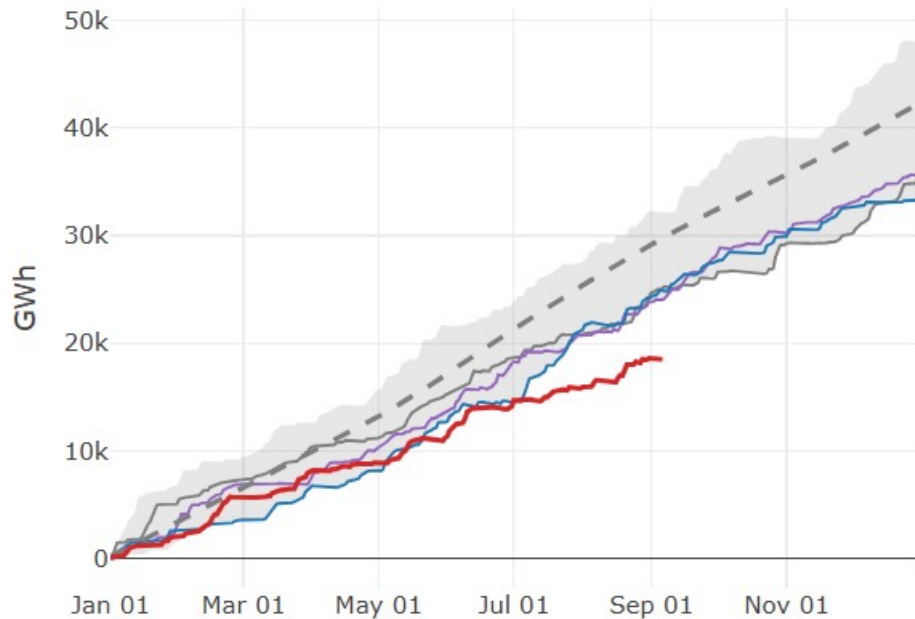
Austria Enters Winter from a Severe Hydro Deficit

- 38% below normal effective precipitation
- 22 consecutive months of below normal inflow
- 78% reservoirs content

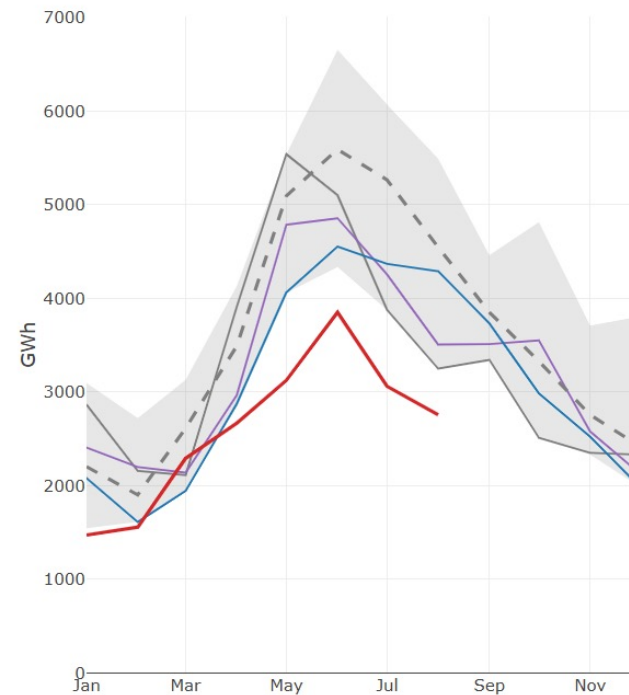
YTD Value (2026-09-07) * WEEK 36

Year	Inflow (GWh)	Reservoir (%)	Acc. Effprecip (GWh)
2018	129	84	25261
2022	107	85	24146
2025	128	80	24857
2026	81	78*	18534
Normal	134	83	29887

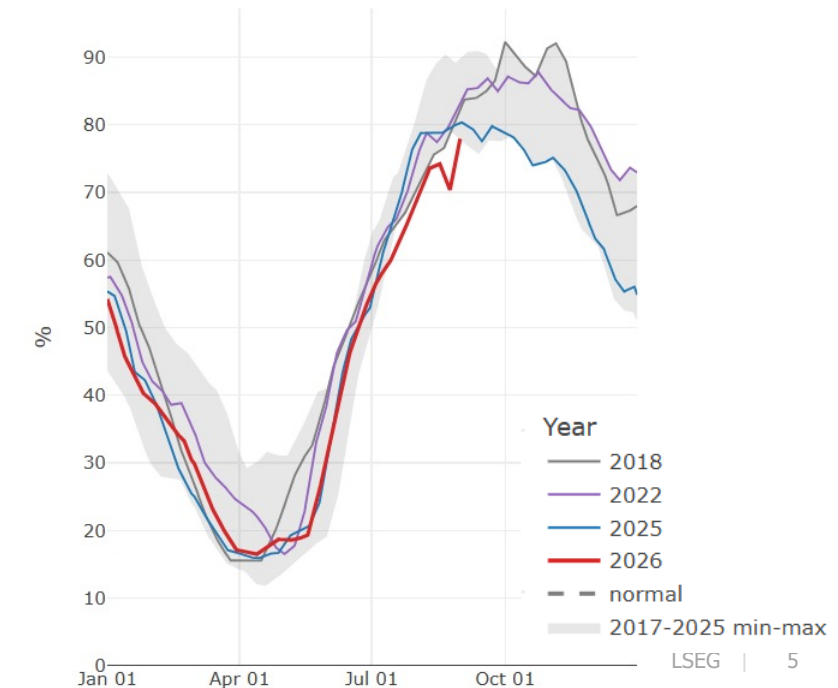
Effective Precipitation Accumulated by Year



Inflow



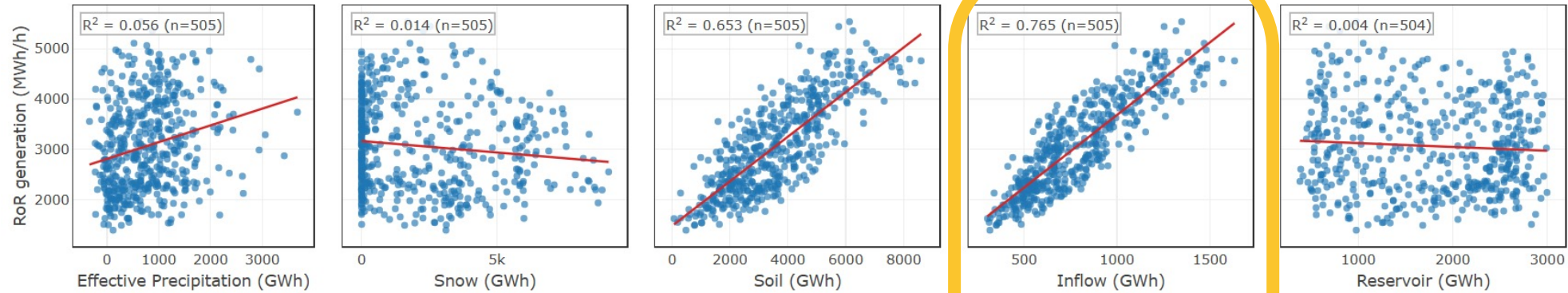
Reservoir



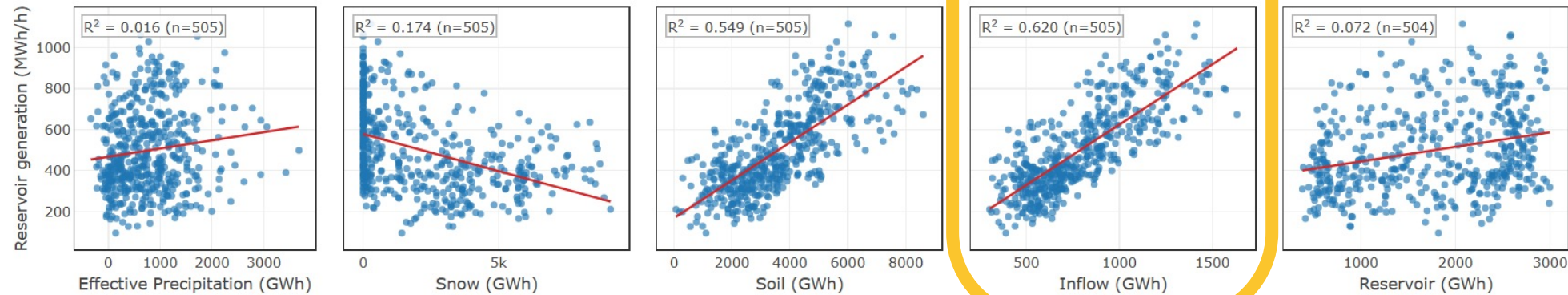
Inflow-driven system

Water entering the system matters more than water already stored

RoR



Reservoir



Weekly data 2017-2026. Generation: ENTSO-E. Hydro components: LSEG hydro energy model

Another Winter of Below-Normal Inflows

Base case: Long term forecast points to below normal Q4 & Q1

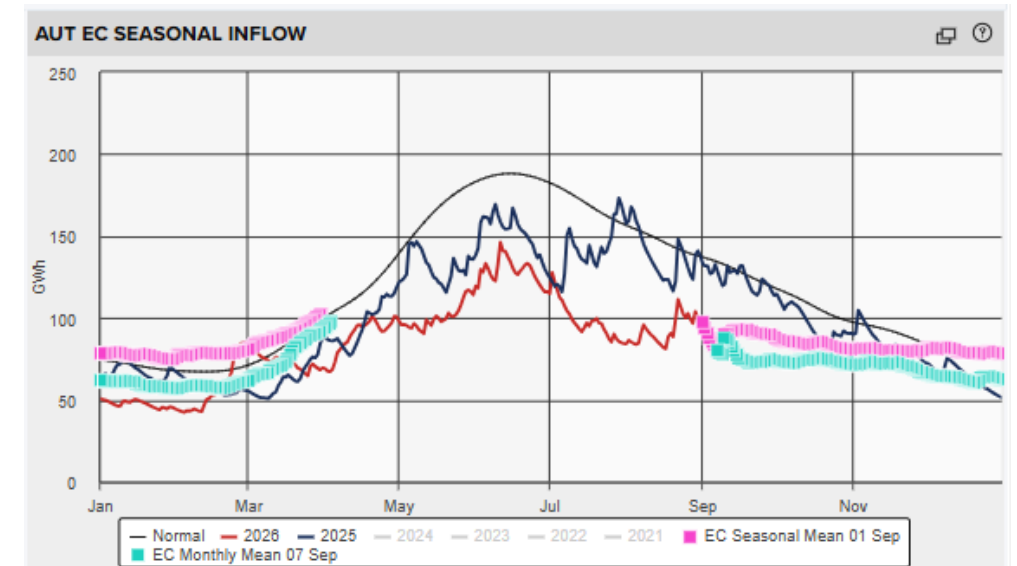
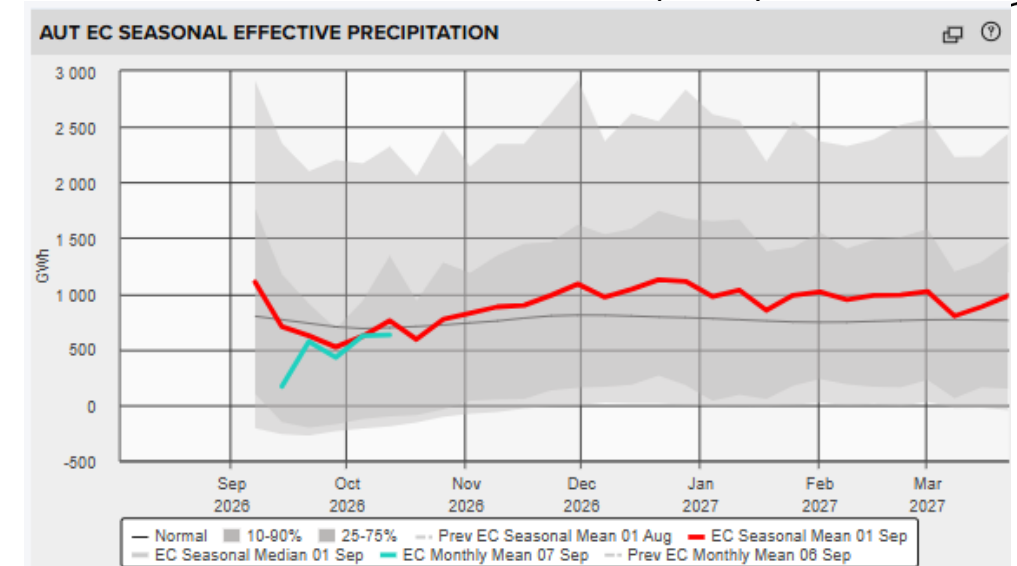
Wet scenario: EC Seasonal indicates potential inflow recovery during Q1

% of normal, LTF/ECS forecast (Median [P10, P90])

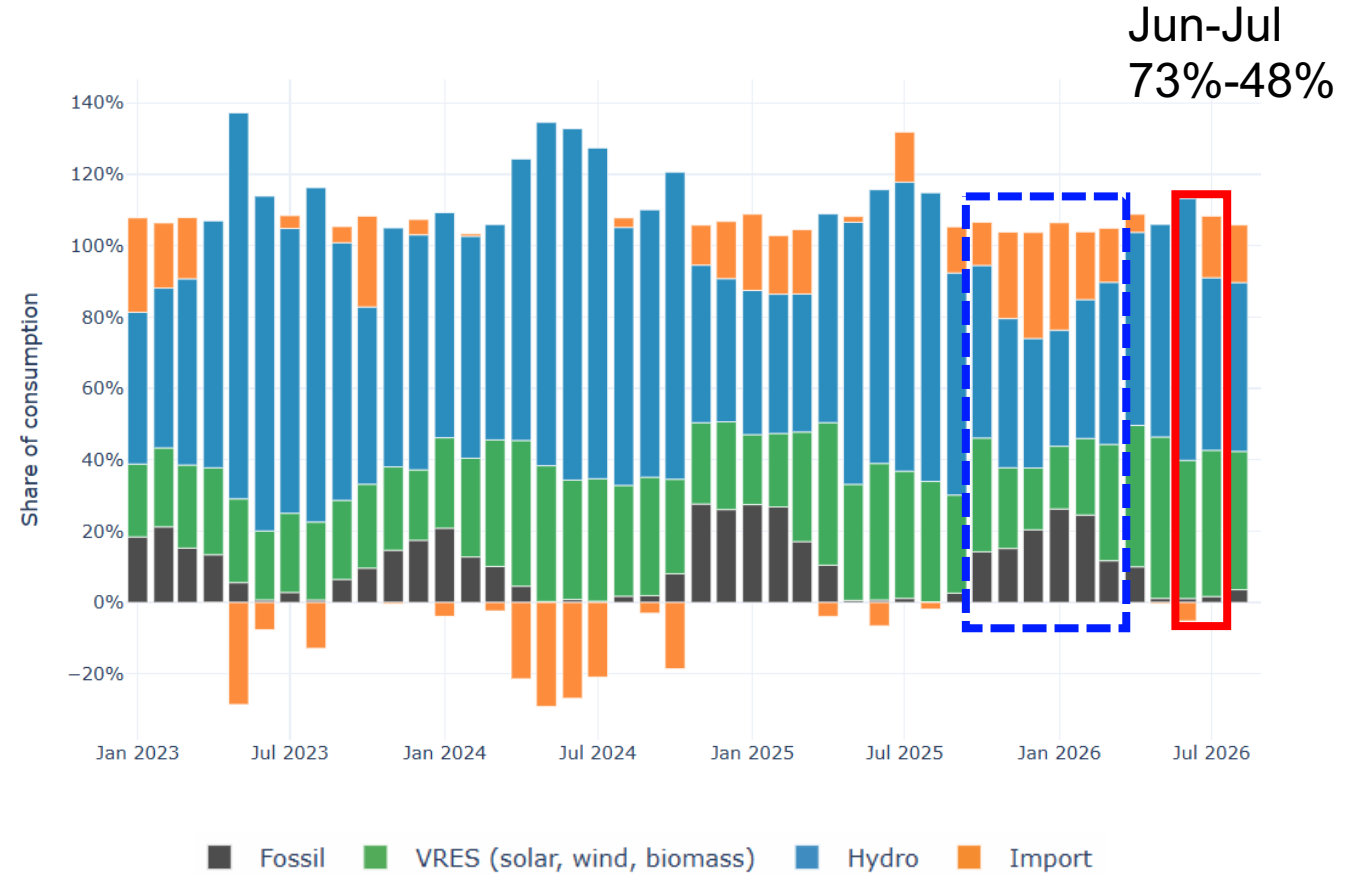
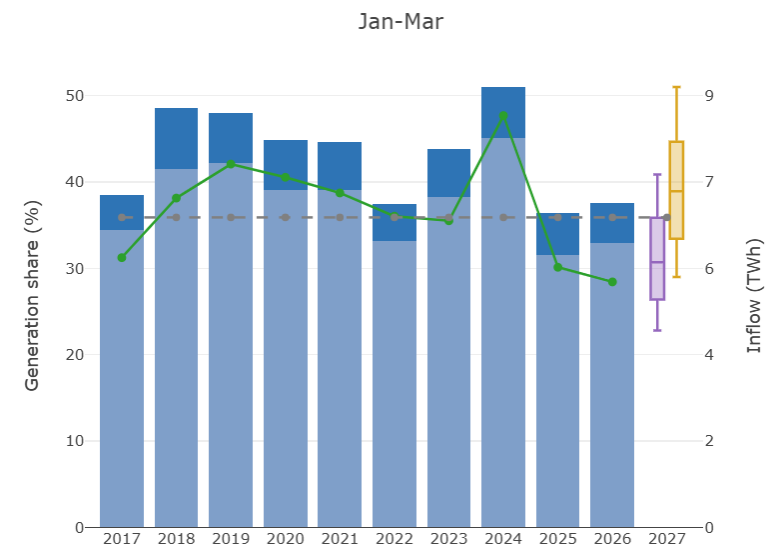
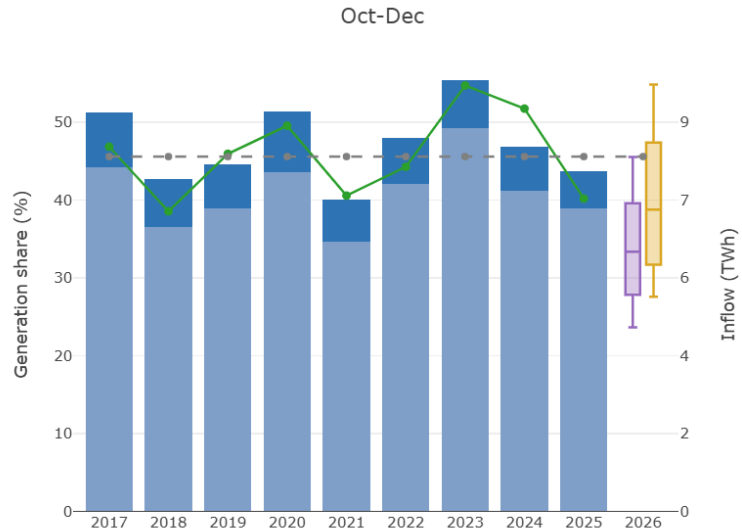
Month	2018	2022	2026	2026 LTF	2026 ECS	2027 LTF	2027 ECS
Jan	130%	109%	67%			82% [62%, 110%]	107% [79%, 144%]
Feb	113%	116%	82%			85% [63%, 112%]	113% [84%, 151%]
Mar	81%	82%	88%			89% [66%, 119%]	107% [80%, 134%]
Oct	75%	107%		66% [46%, 95%]	74% [52%, 109%]		
Nov	85%	94%		76% [53%, 103%]	85% [59%, 120%]		
Dec	96%	88%		80% [59%, 103%]	100% [74%, 137%]		

LTF: ECMWF Monthly forecast (7th Sep) + scenarios years: 1991-2020

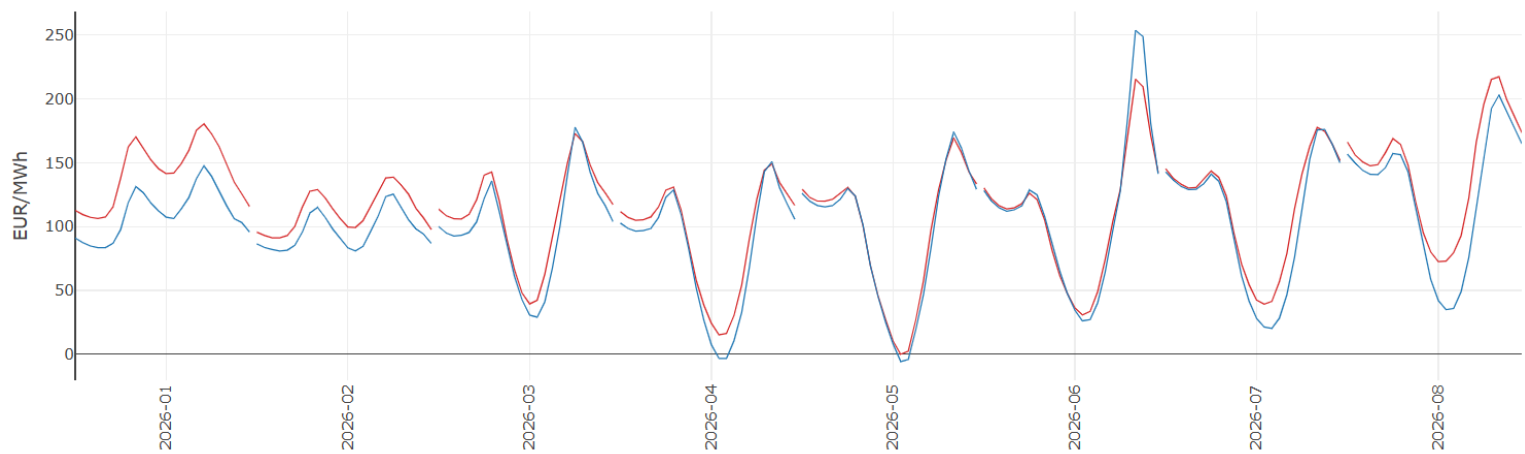
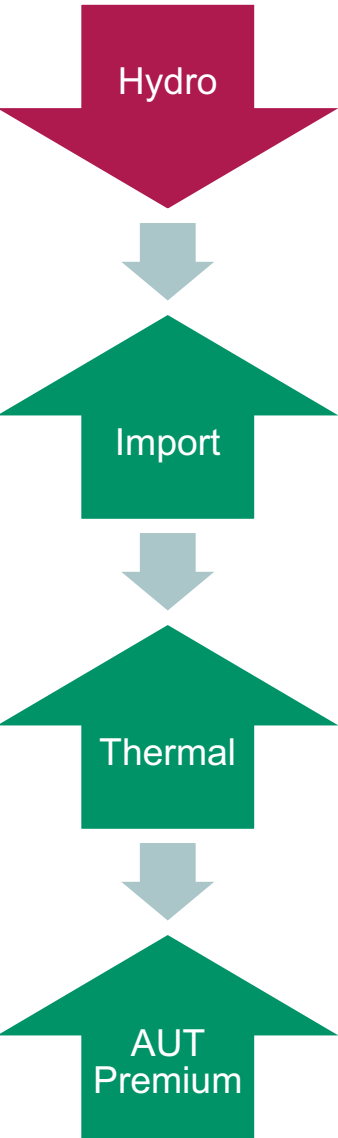
ECS: ECMWF Seasonal forecast (1st Sep)



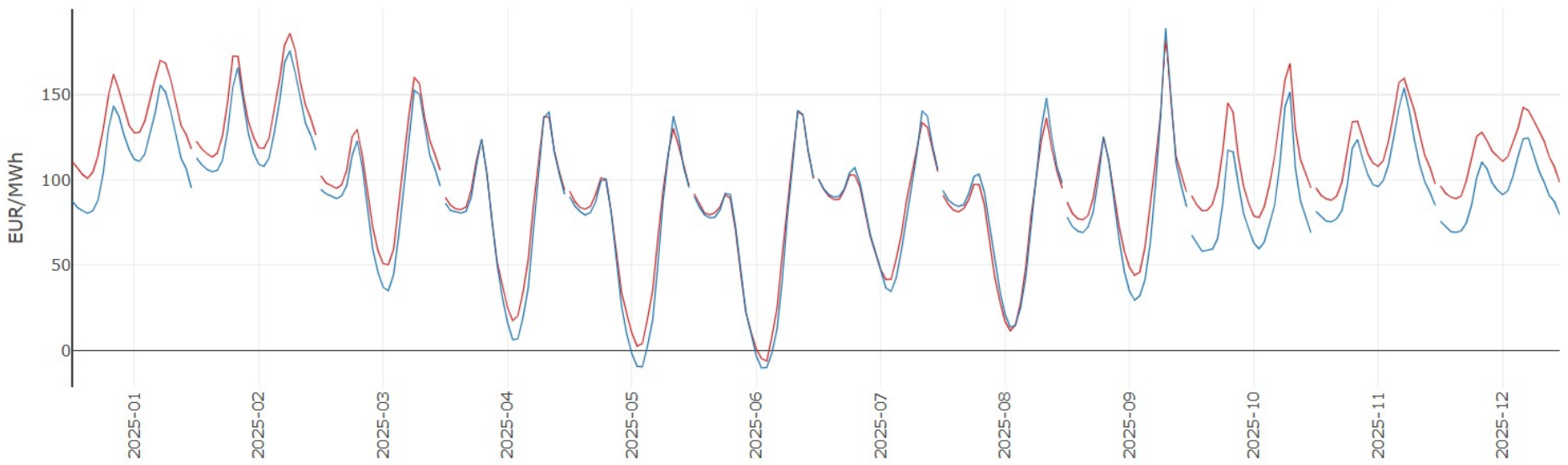
Hydro Shortfalls Increase Import and Thermal Dependence



AUT-DEU Price Coupling

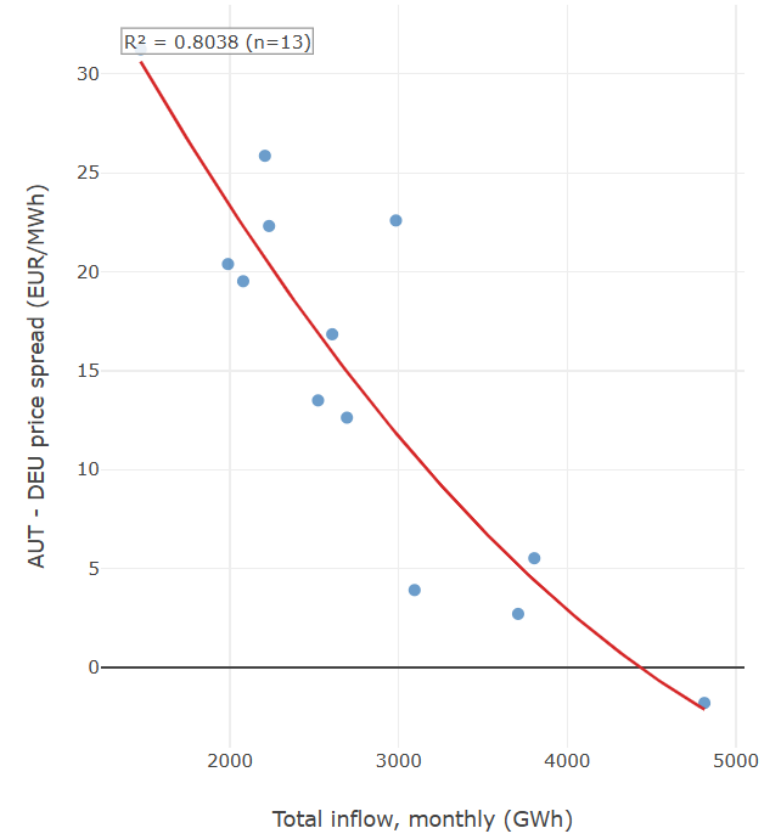
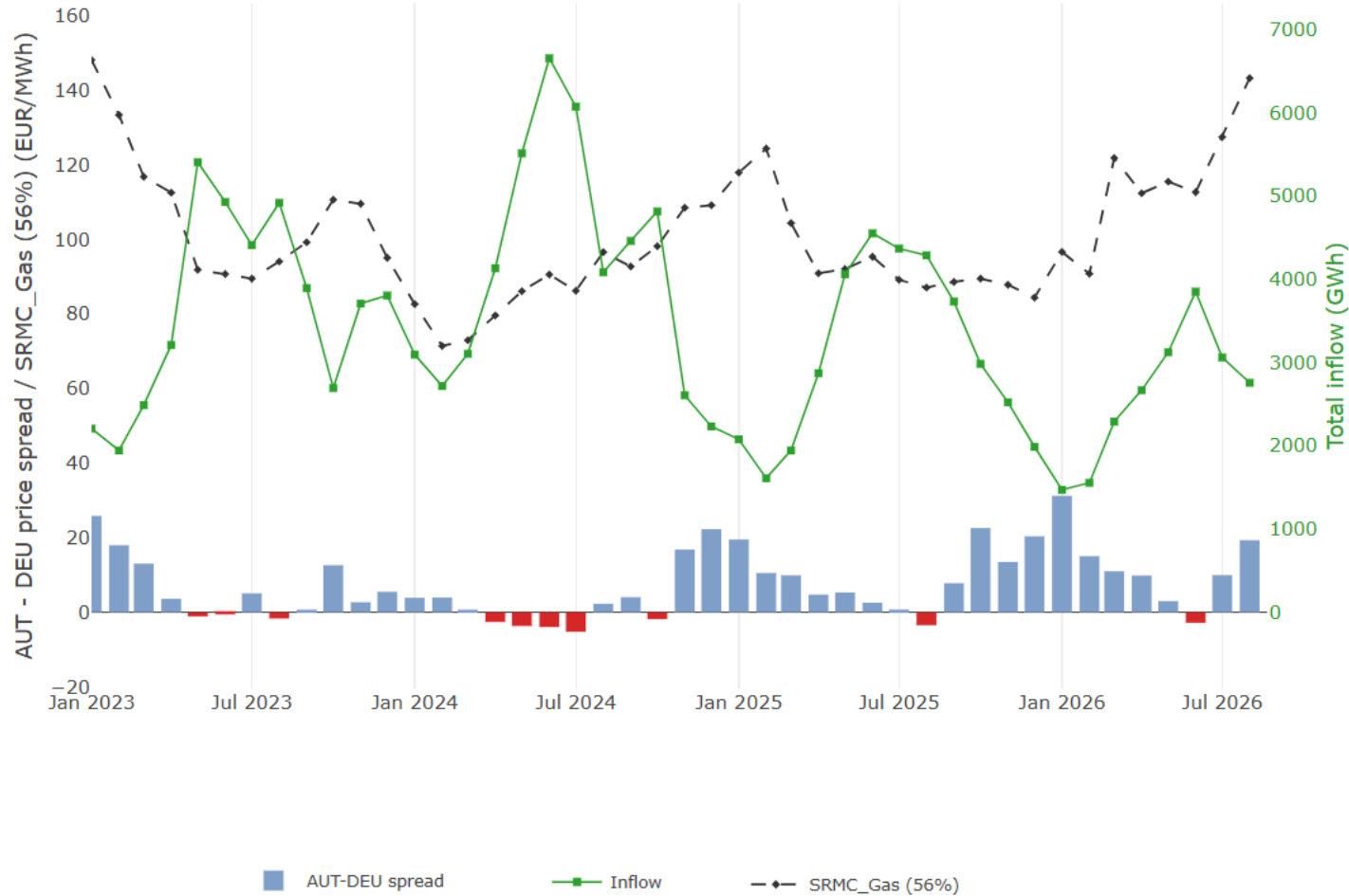


AUT price forecast =
DEU price +
AUT Premium



AUT
DEU

CORPORATE



Data points: 2023-2026, Jan, Oct, Nov, Dec

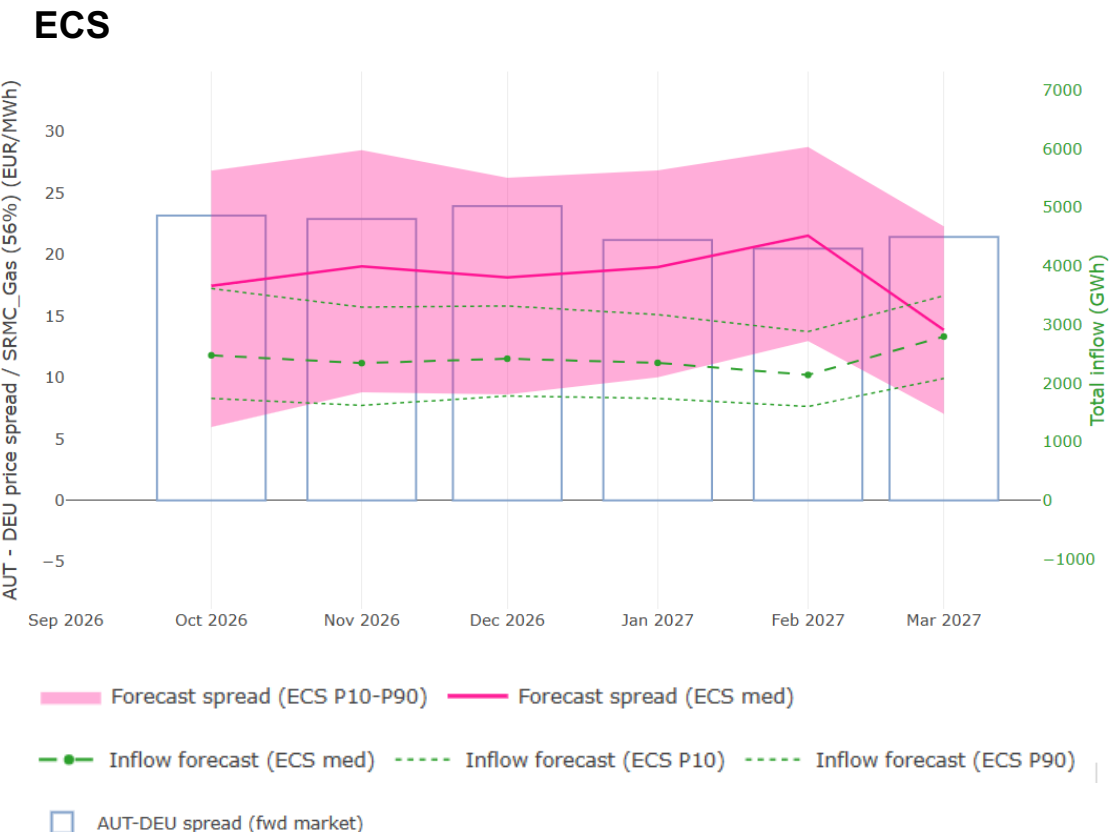
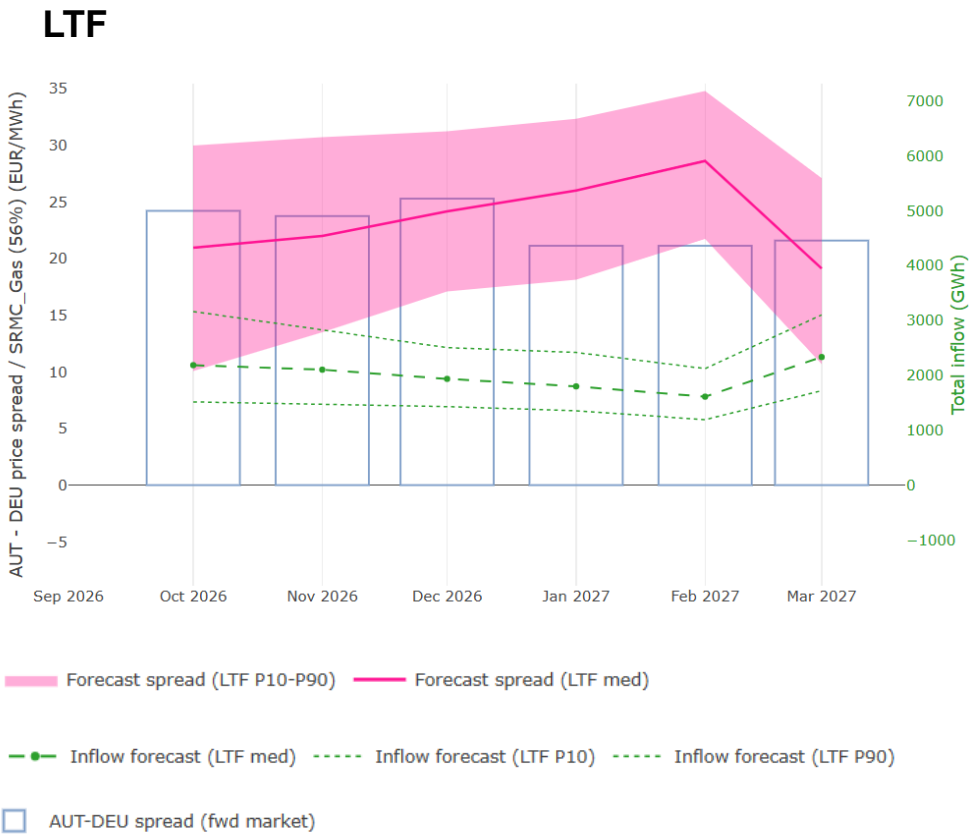
AUT Premiums Forecasts

Oct-Dec:
market premiums largely reflect underlying hydro risk

Jan-Feb:
market premiums may understate potential hydro risk

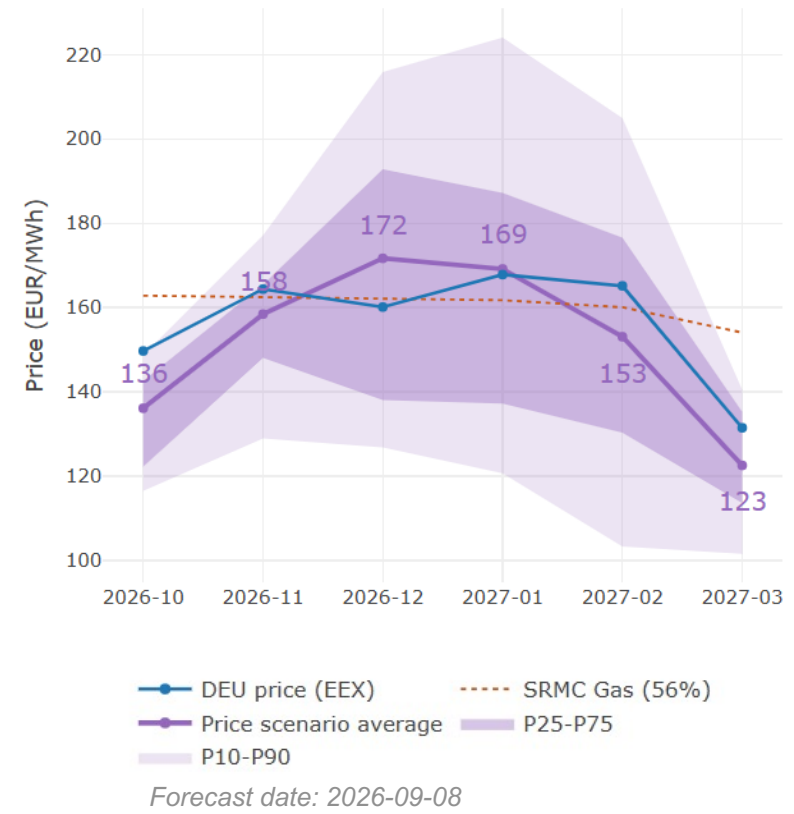
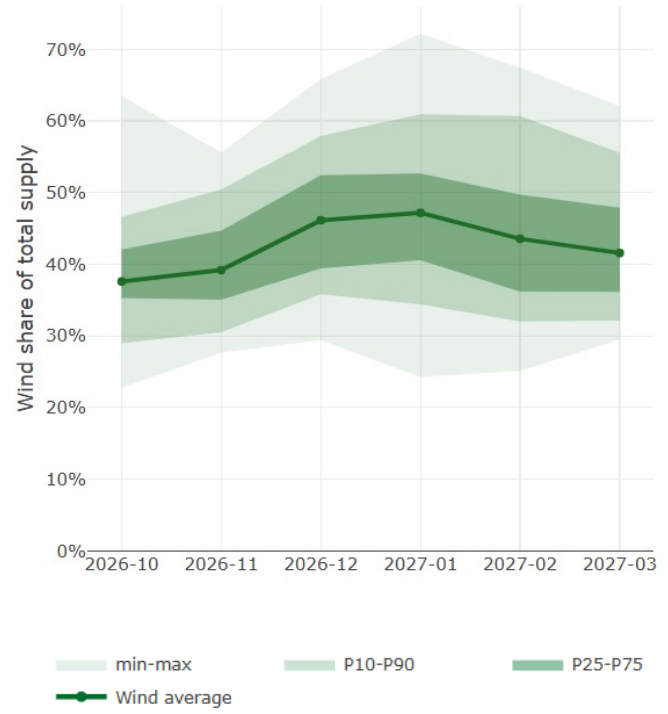
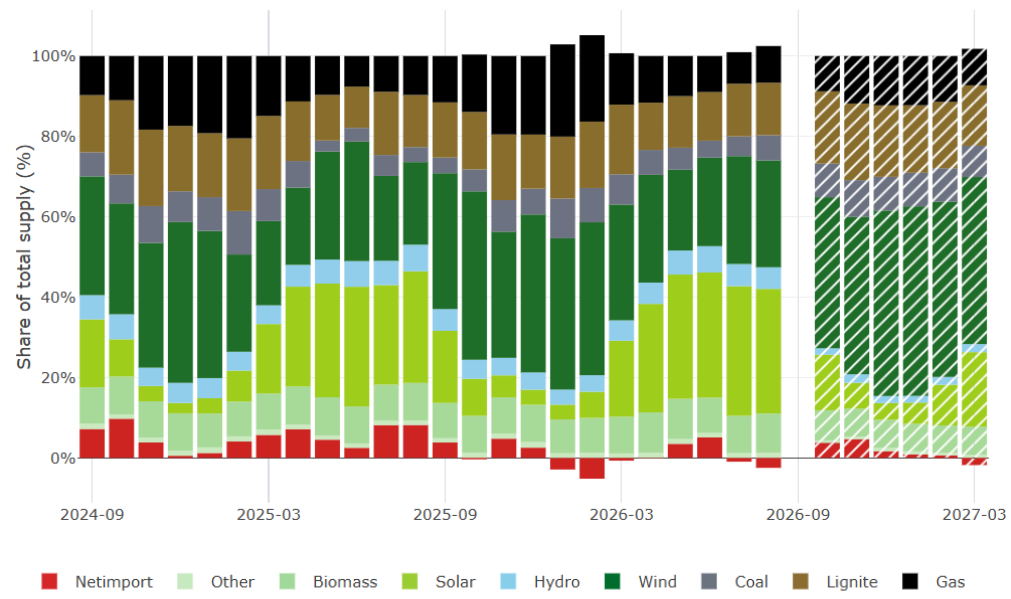
AUT-DEU spread forecast (Median [P10, P90], EUR/MWh)

Spread	2026-10	2026-11	2026-12	2027-01	2027-02	2027-03
Market	24	24	25	21	21	22
Forecast (LTF)	21 [10, 30]	22 [13, 31]	24 [17, 31]	26 [18, 32]	29 [22, 35]	19 [11, 27]
Forecast (ECS)	17 [6, 27]	19 [9, 28]	18 [9, 26]	19 [10, 27]	22 [13, 29]	14 [7, 22]



German Winter Outlook

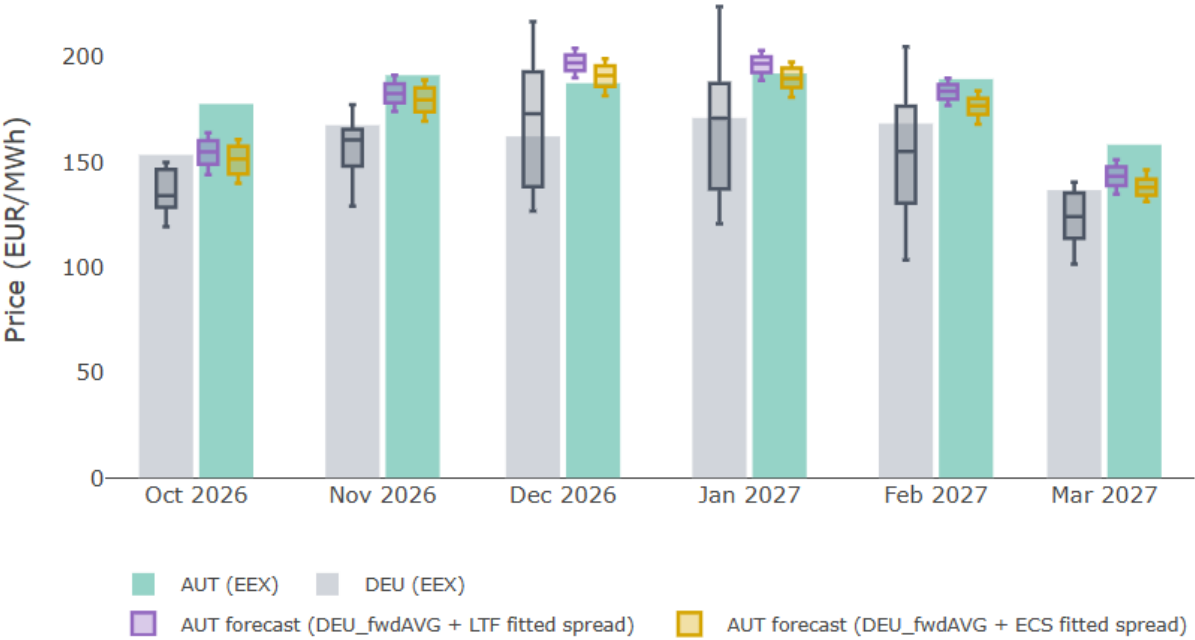
- Weather-driven volatility
- Gas dependency



Jan: Bullish
Austria premium upside risk

AUT and DEU forward price forecast (Median [P10, P90], EUR/MWh)

Price	2026-10	2026-11	2026-12	2027-01	2027-02	2027-03
DEU market	153	168	162	171	168	137
DEU forecast	134 [119, 150]	161 [129, 177]	173 [127, 217]	171 [121, 224]	155 [103, 205]	124 [102, 141]
AUT market	178	191	188	192	189	158
AUT forecast (LTF)	155 [144, 164]	183 [174, 191]	197 [190, 204]	197 [189, 203]	184 [177, 190]	143 [135, 151]
AUT forecast (ECS)	151 [140, 161]	180 [169, 189]	191 [182, 199]	190 [181, 198]	177 [168, 184]	138 [131, 146]



FWD Forecast date: 2026-09-08

Key Takeaways

- **Austria enters winter hydro-stressed**
- **Base-case inflows remain below normal**
- **Hydro risk is likely underpriced in Jan-Feb**
- **German fundamentals pose the main outright price risk**



Thank you

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