

How will low hydro reservoirs in Norway affect prices this autumn?



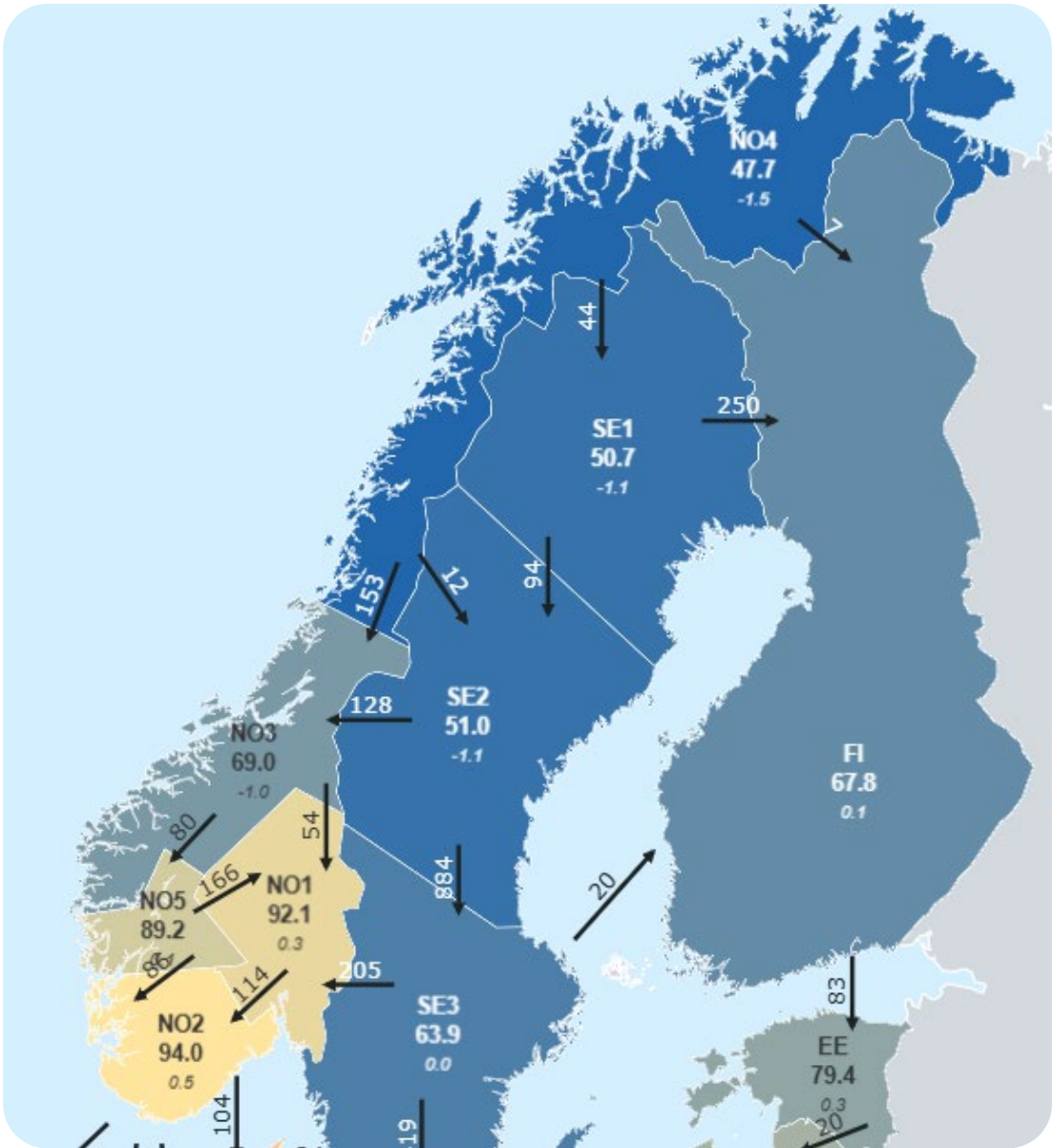
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Nordic hydropower system - regional numbers

Annual consumption and hydropower production

	Consumption	Hydro	Total prod.	Reservoir	Run-river
	TWh	%	TWh	TWh	TWh
Norway	138.9	99	137.2	109.3	27.8
Sweden	132.3	51	67.0	26.1	40.9
Finland	86.0	16	13.6	2.7	10.9
Denmark	40.6	—	0	0	0
Nord Pool	397.7	55	217.8	138.1	79.6



Hydro production capacity by region

Norway South
NO1, NO2, NO5

95.1TWh

69 % of country

Norway Mid/North
NO3, NO4

42.0TWh

31 % of country

Sweden North
SE1, SE2

55.5TWh

83 % of country

Sweden South
SE3, SE4

11.5TWh

17 % of country

Finland
FI

13.6TWh

100 % of country

Nord Pool
NP total

217.8TWh

All regions

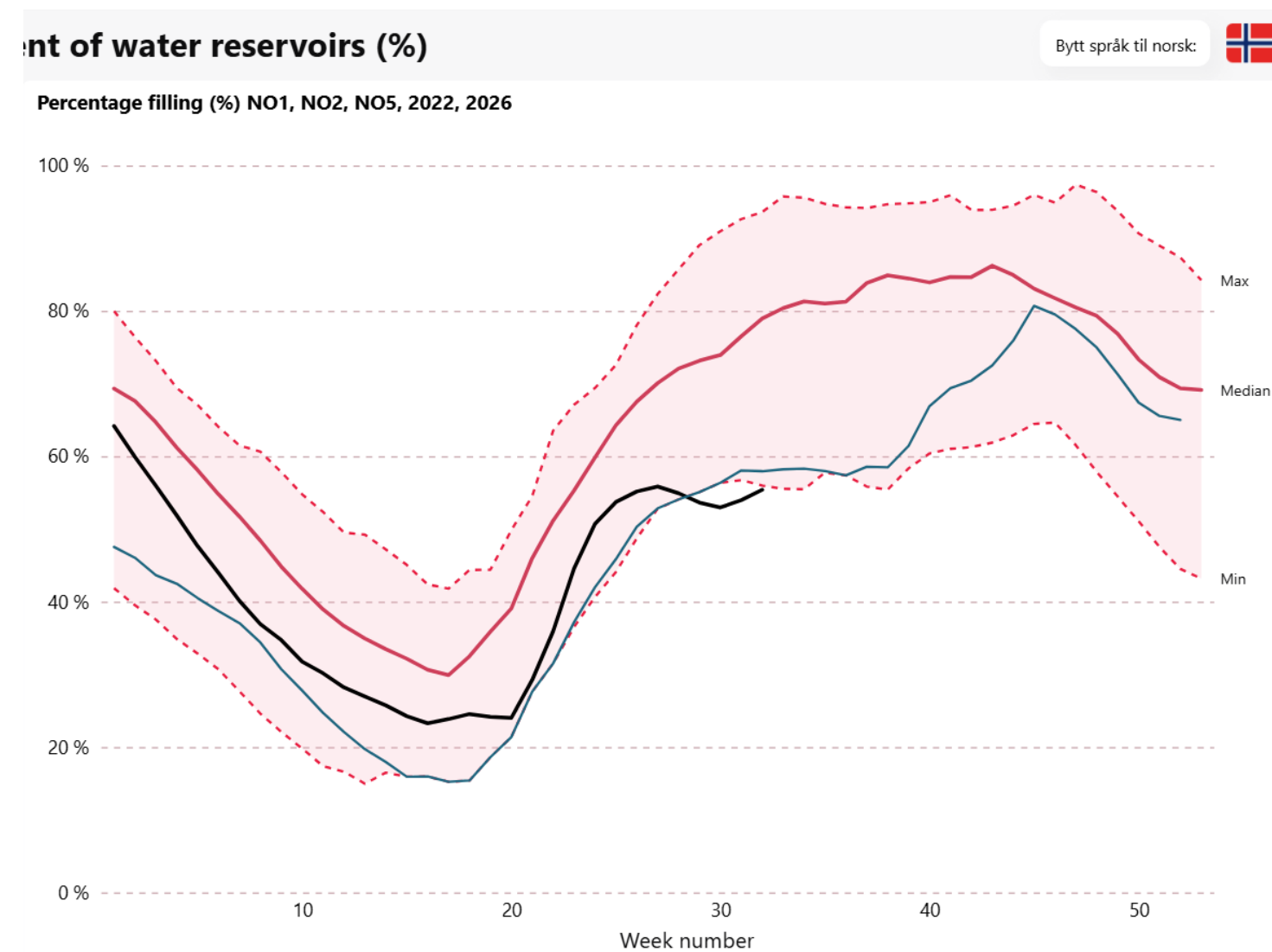
Hydro reservoir status Norway, end week 32 (9 Aug)

Source: NVE

No-South - NO1, NO2, NO5

Reaching a 20-year low, as in 2022

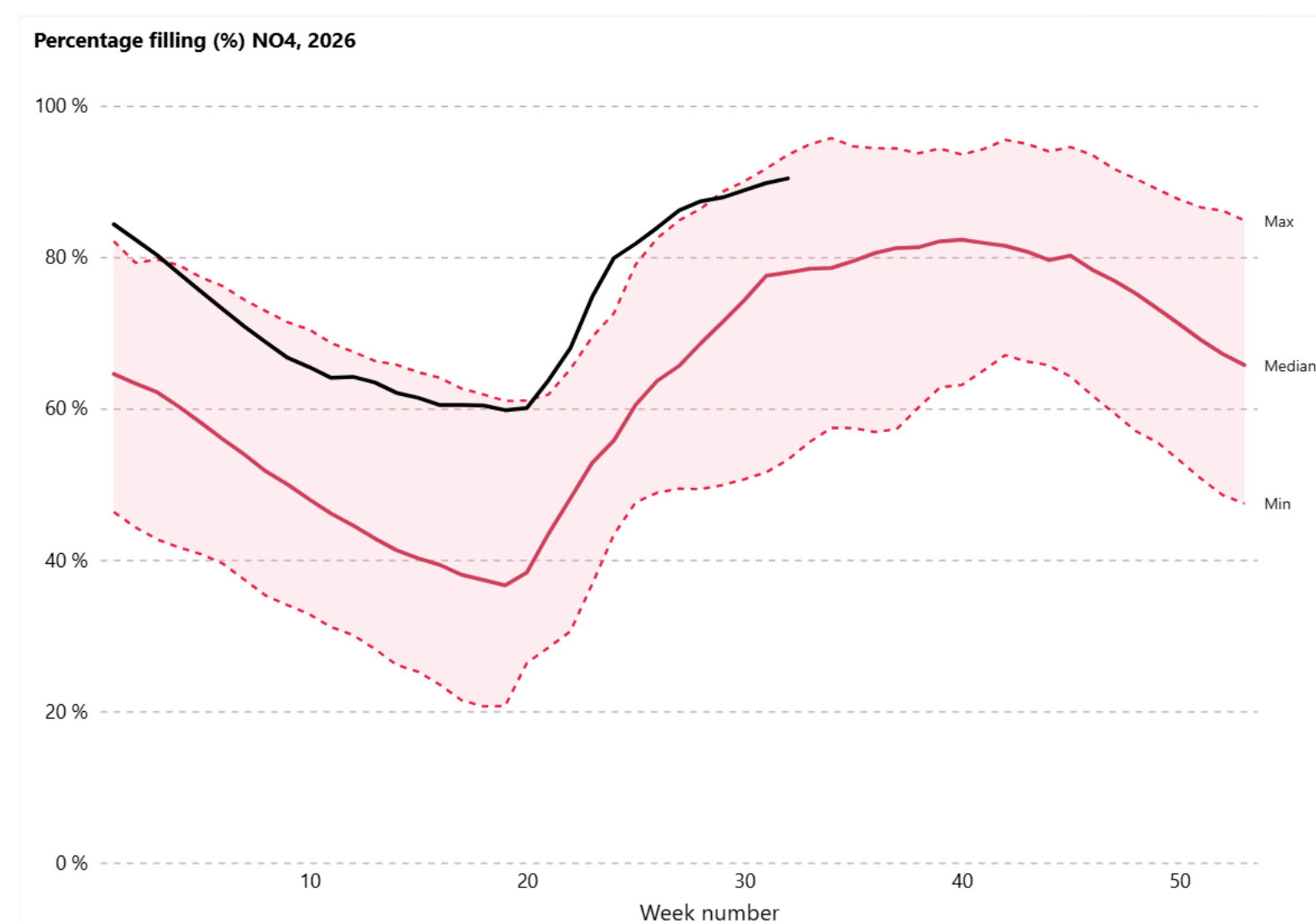
55.4 % filling · +1.4 pp last week



NO4

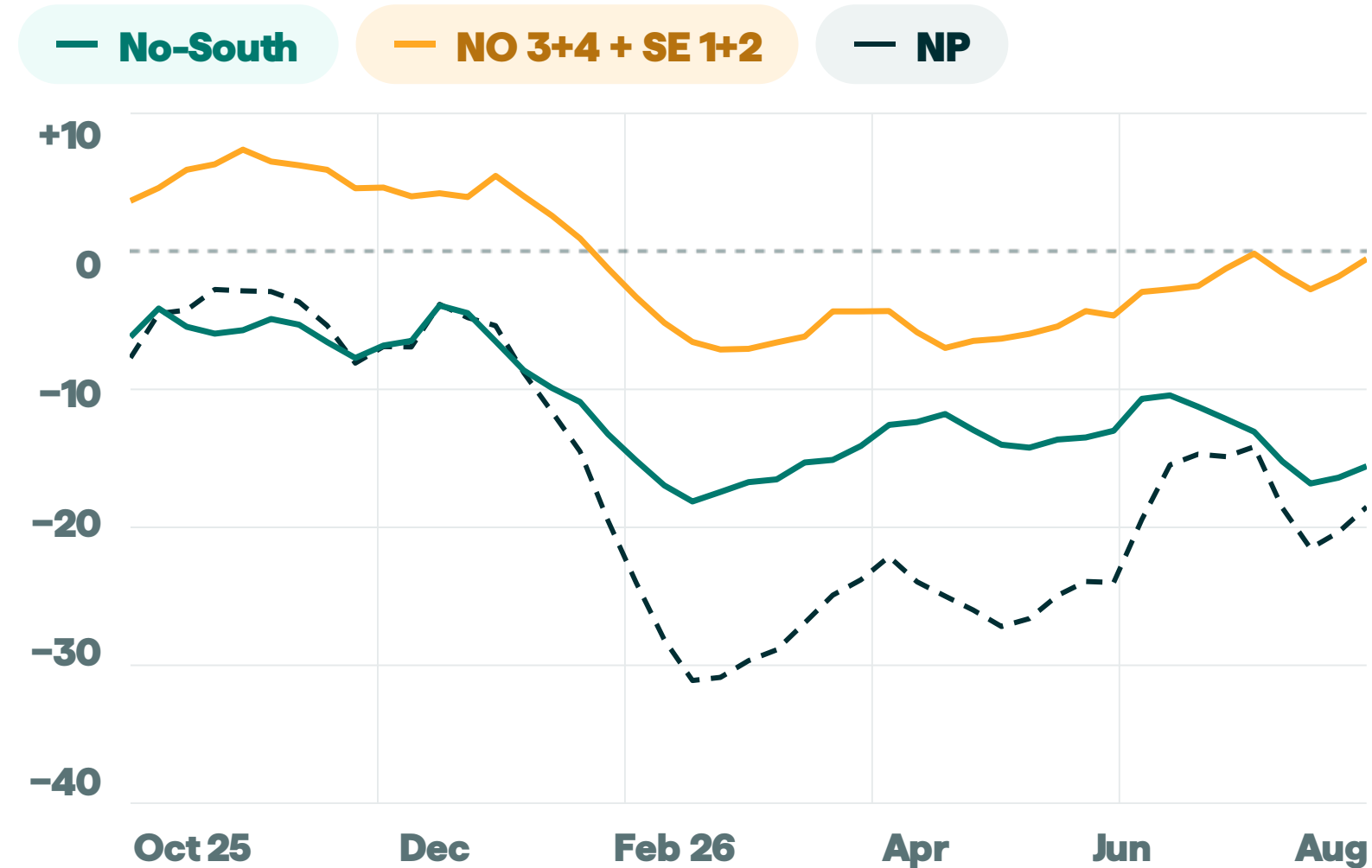
Still at an all-time high

90.4 % filling · +0.6 pp last week



Hydrological balance across NP regions, 2025/26 → Q1-27

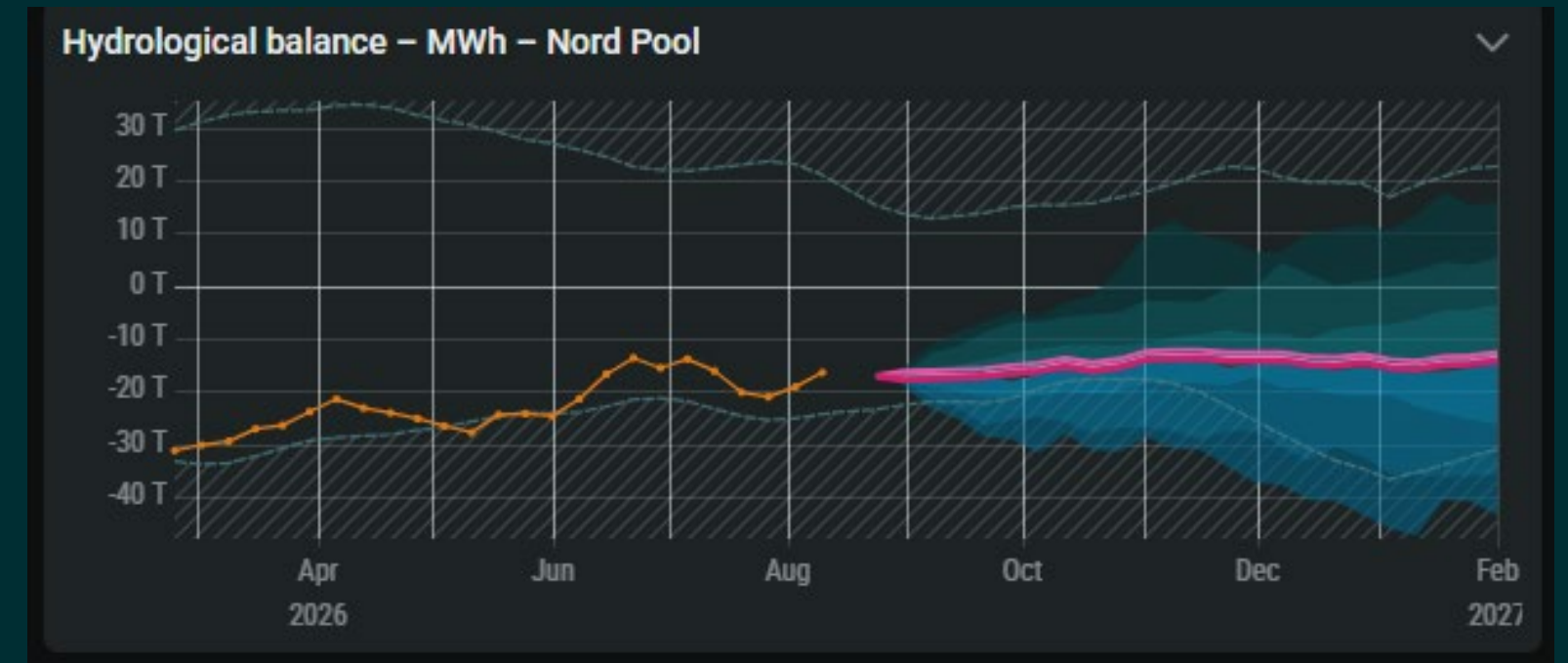
Weekly, hydrological year 2025–26 - TWh



No-South represents most of the deficit **-16 TWh**.

NP North (NO 3+4 + SE 1+2) close to normal.

Simulated hydrological balance, Nord Pool - towards Q1-27



No significant improvement as an average could reach an all-time low.

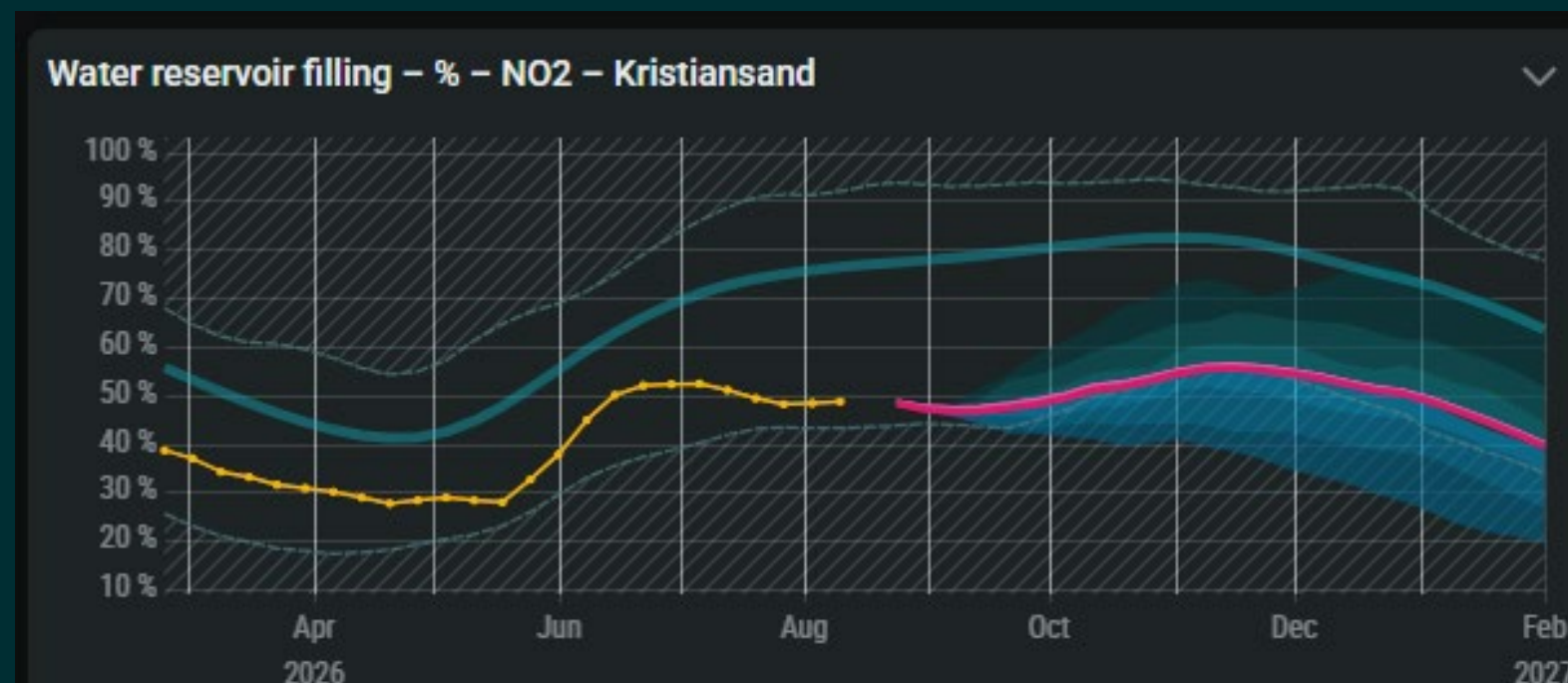
Simulated hydrological balance for the NP area towards Q1-27.

Reservoir outlooks compared - NO2 and SE2

→|← **Simulated water reservoir filling towards Q1-27**
average forecast with the full variation band, from the same model for both zones.

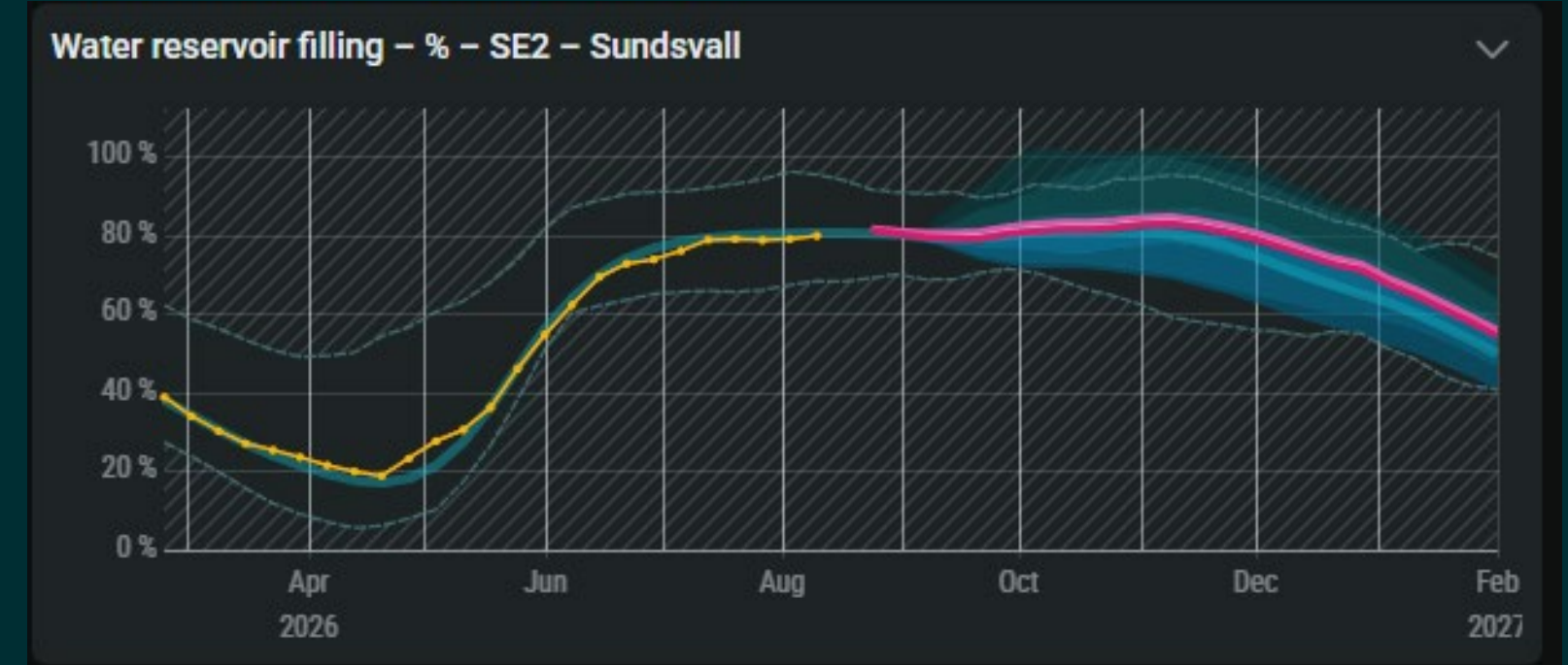
NO2 - Kristiansand

Average forecast close to a 20-year low
low scenarios significantly lower



SE2 - Sundsvall

Normal situation
variation band follows historical max and min

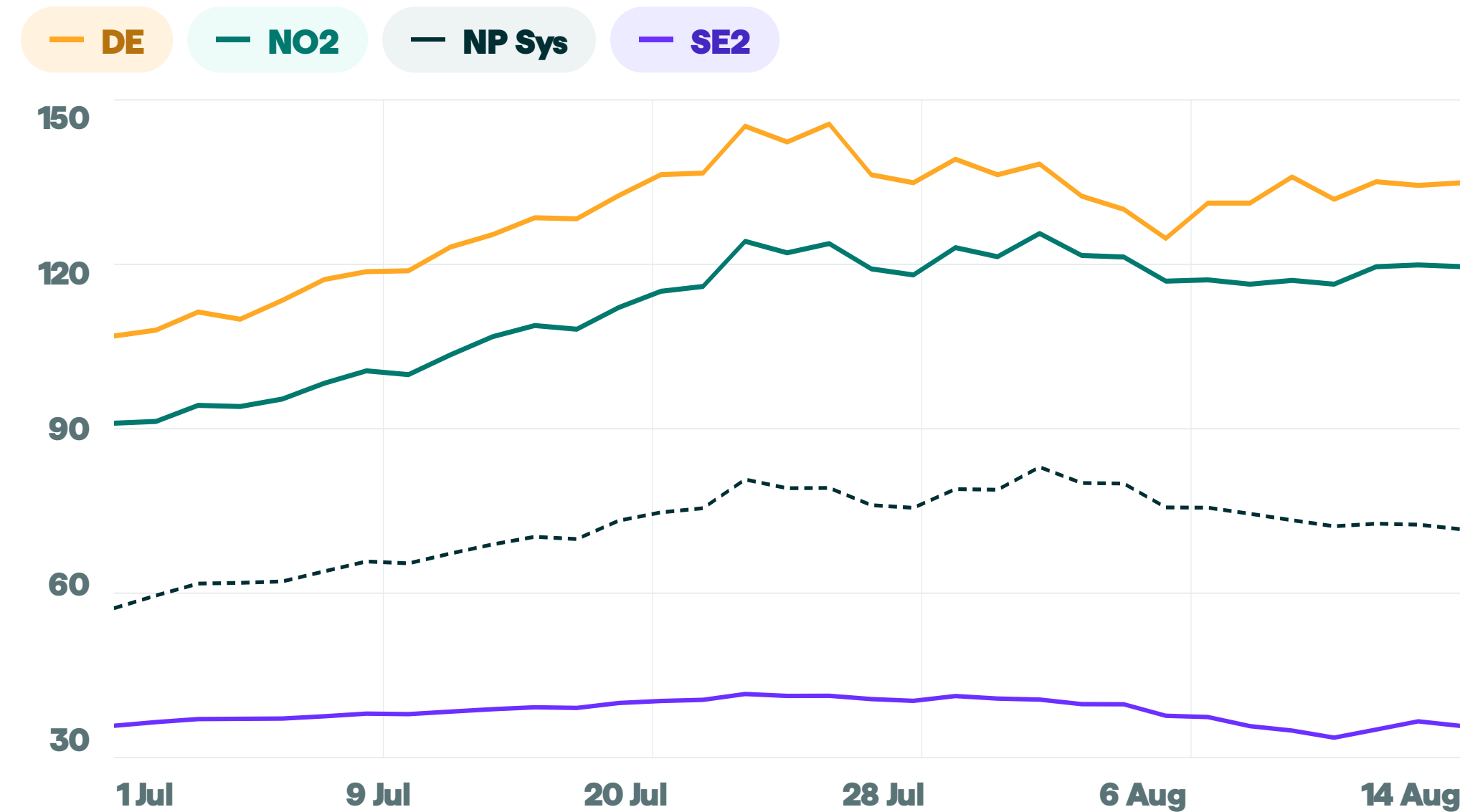


Large spreads between the NP areas

Traded September contract across areas (NO2, NP Sys, SE2, DE) since 1 July.

NP hydrological balance low, but rather stable: $-16 \text{ TWh} \pm 3 \text{ TWh}$

September FWD across price zones — €/MWh



NO2 price is very sensitive to German prices at today's low hydrology and reservoir levels.

Strong exchange capacity from NO2 reduces price volatility from hydrology in today's situation.

NP price is lower, with slightly lower correlation to the German market.

SE2 is quite isolated from changes in the German market.

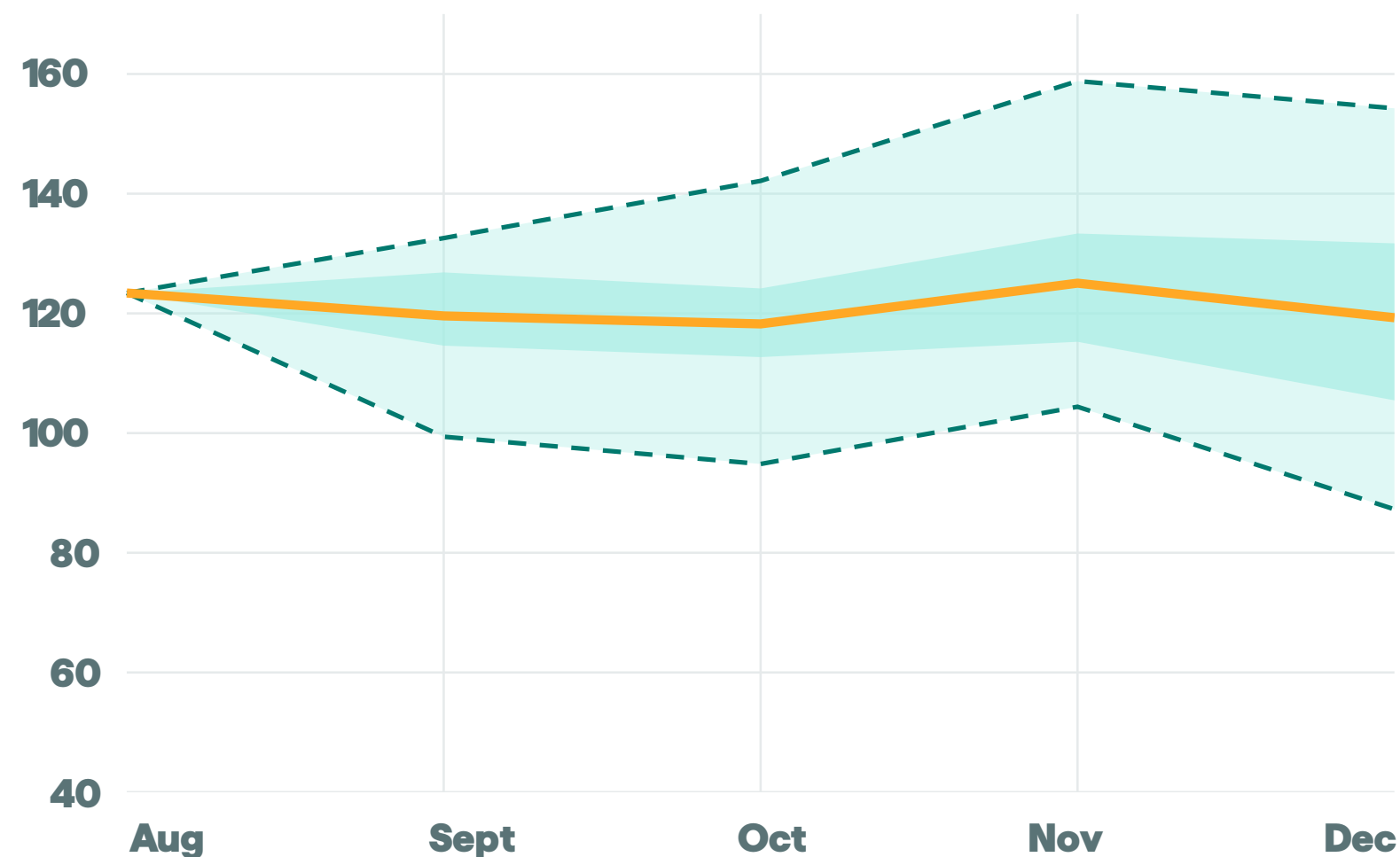
Simulated monthly prices this autumn - NO2 vs DE

— Market price

25-75 %

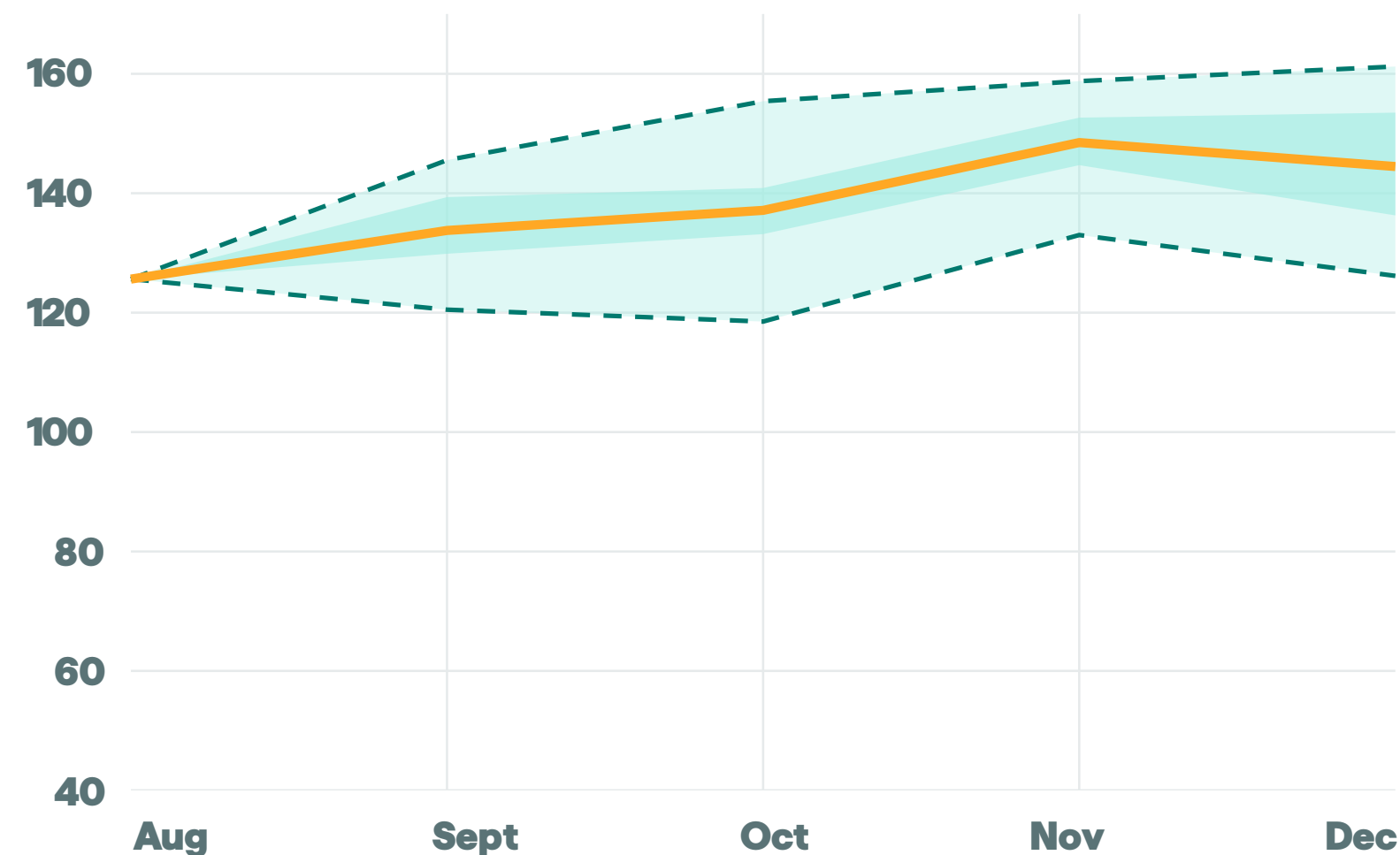
5-95 %

NO2 FWD monthly, autumn 2026 - €/MWh



The NO2 price looks somewhat underestimated compared with the German market.

DE FWD monthly, autumn 2026 - €/MWh



The DE variation band is not hydrology-dependent it is mainly varying wind power.

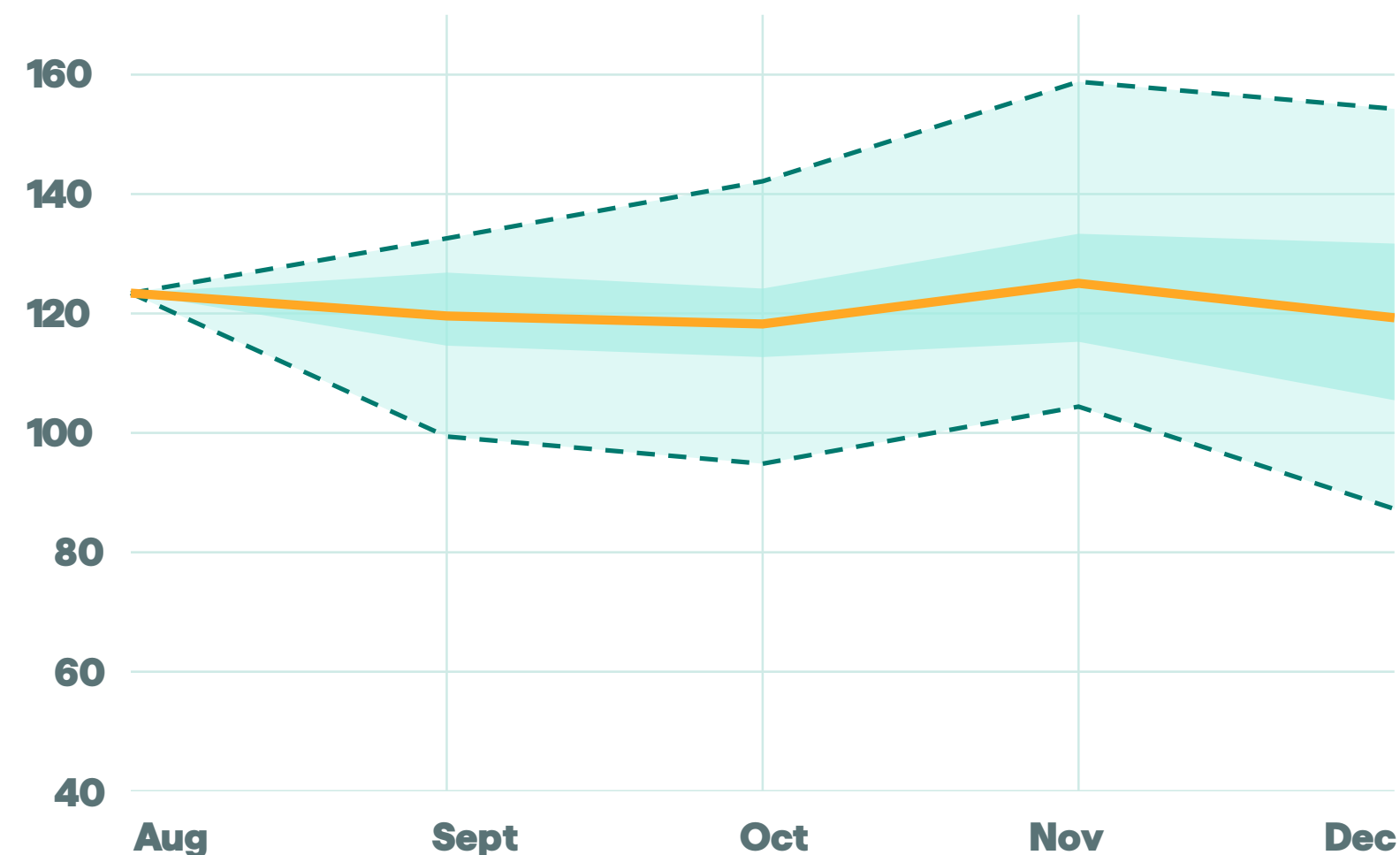
Simulated monthly prices this autumn - NO2 and NP Sys

— Market price

25-75 %

5-95 %

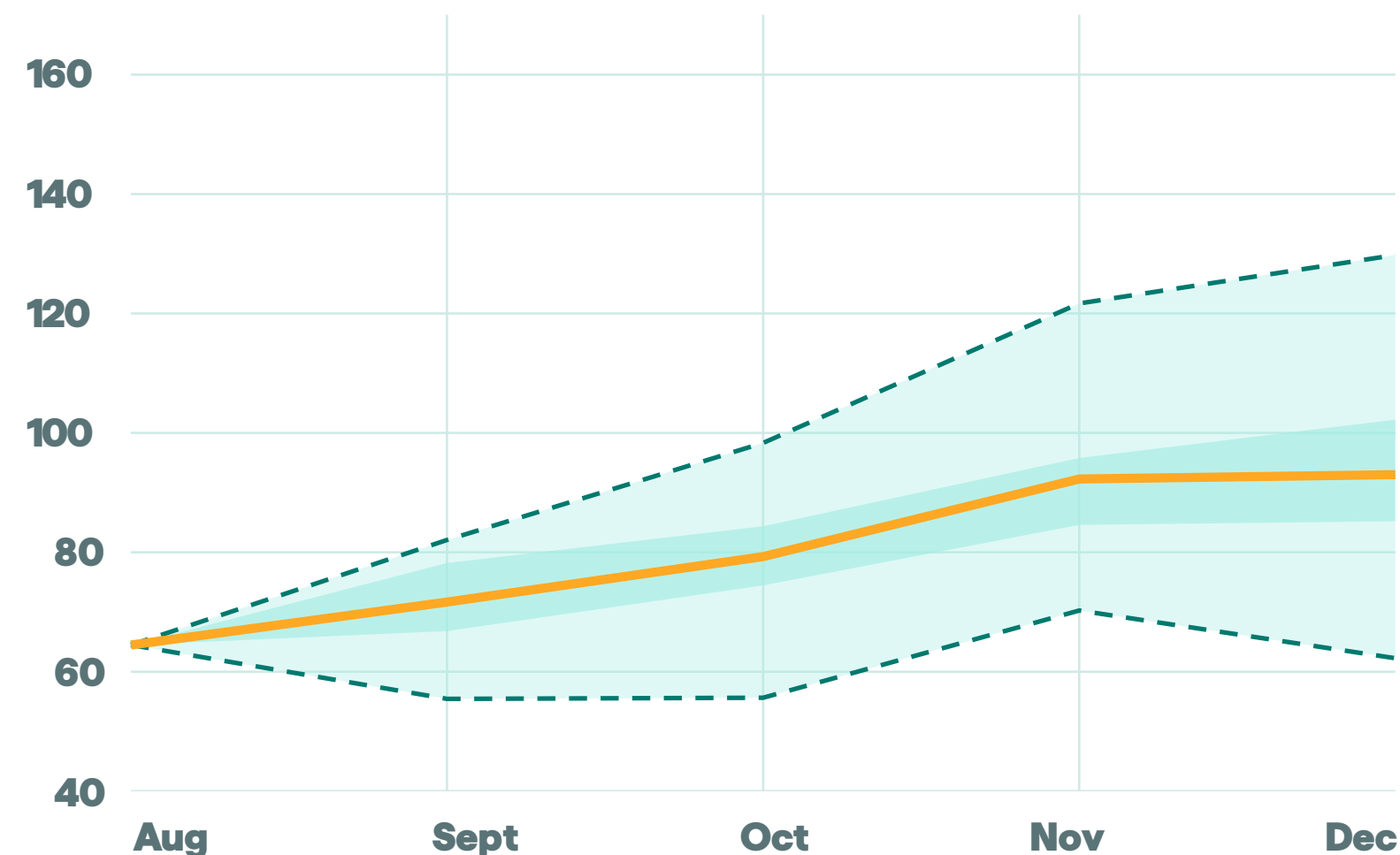
NO2 FWD monthly, autumn 2026 - €/MWh



Rather flat market profile

124 €/MWh on average, variation band ± 30 €/MWh.

NP Sys FWD monthly, autumn 2026 - €/MWh



Increasing NP Sys

65 → 92 €/MWh, variation band ± 30 €/MWh.

Autumn 2026: focus on NO2 spreads due to the low hydrology

Spot prices July–Aug: NO2 very close to DE.

Based on trading behaviour and spot prices since 1 July, NO2 will most likely come closer to DE prices than traded in the market for autumn 26 (14.08.26).

A spread reduction of **10 €/MWh** is not unrealistic.

Historical spread NO2–DE (2021–25) is –33.00 €/MWh (Q4 product).

By a potential increase of NO2 towards DE, NP Sys will not be as sensitive as NO2.

Decreased hydrological balance in NO2 will to a large extent be compensated by imports, which look a bit underestimated in the simulations .

Month	NO2	DE	NP Sys	NO2–DE	NO2–NP
€/MWh					
Spot prices July – Aug					
July	103.85	105.45	51.26	–1.60	52.59
Aug	123.38	125.59	64.46	–2.21	58.92
FWD prices Sept → Dec 2026 (Set on 14th of August)					
Sept	119.58	134.87	71.67	–15.29	47.91
Oct	118.23	137.13	79.25	–18.90	38.98
Nov	125.02	148.47	92.25	–23.45	32.77
Dec	123.00	144.44	93.00	–21.44	30.00
Q4-26	122.08	143.35	88.17	–21.26	33.92
Historical comparison Q4 (2021–25) - average					
Q4 2021–25	96.95	129.95	74.23	–33.00	22.72