Electricity

EcoLibrium

Wednesday 26 November 2025

Peak before Christmas?

***EU ETS**: The ETS price has risen to well above EUR 80/tonne, mainly as a result of speculative long positions in response to the 2040 climate target. The high number of long positions also increases the risk of sudden profit-taking, which is associated with downward price pressure.*

***Electricity/natural gas**: Despite the first cold spell of the year, the TTF price fell below EUR 30/MWh. This was mainly due to increased LNG supply, mild weather forecasts, and the peace negotiations between Ukraine and Russia. Furthermore, due to a mild start to November, net gas from stocks was only used late in the month. However, due to the high number of short positions, the market remains sensitive to short covering.*

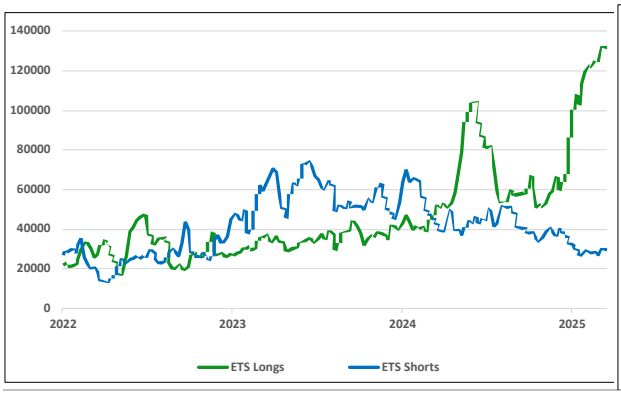
***Also in this update**: COP30 did not result in any binding agreements on the phasing out of fossil fuels, but instead set in motion a voluntary international process. The World Energy Outlook 2025 stated that global growth in electricity production from solar and batteries is accelerating, while in the Netherlands this only applies to battery capacity.*

EU ETS: excessive positions call for vigilance

In recent months, the price of EU ETS allowances has risen to well above EUR 80/tonne, approaching the technical resistance level of EUR 84-85/tonne. The main reason for the price increase was optimism surrounding the setting of the EU Climate Target for 2040. Anticipating this, market speculators have significantly expanded their long positions (speculating on further price increases) to new record highs. It is striking that these long positions have led to some upward price pressure, but that this has not pushed the price above the level of last February.

EU ETS longs reach new records...

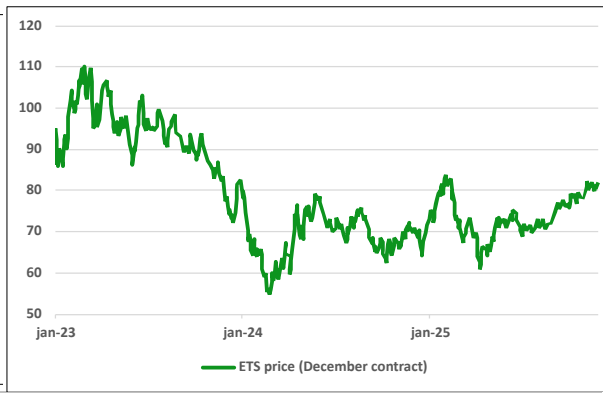
Open contracts



Source: LSEG Eikon

...but EU ETS price increase is limited

TWh



Source: LSEG Eikon

The 2040 target, which was slightly less ambitious than initially thought, has not yet led to the tightening of – or prospect of – a substantial adjustment towards the next phase of the EU ETS. Phase V runs from 2030 to 2040 and will be determined next year.

Emissions for electricity generation this year appear to be higher than last year, based on figures from H1 2025[1] . If this trend continues in the second half of the year, demand for emission allowances will remain higher than previously expected in the coming period. Another price-driving effect could come from periods when fossil fuels, such as coal and gas, play a greater role in electricity generation due to lower-than-expected wind yields.

[1] Source: Ember Global electricity mid-year insights 2025

For more information about this update or other services offered by EqoLibrium, please contact:

Hans van Cleef – hans.vancleef@eqolibrium.com / 0031- 6 30 90 33 76
Bart van der Pas – bart.vanderpas@eqolibrium.com / 0031 – 6 36 52 95 51
Fabian Steenbergen – fabian.steenbergen@eqolibrium.com / 0031 - 6 18 55 34 46
Marije Willigenburg – marije.willigenburg@eqolibrium.com / 0031 – 6 21 91 83 03
Guusje Schreurs – guusje.schreurs@eqolibrium.com / 0031 – 6 29 49 81 39