



13 July 2026 – 2:00 p.m.

Market update | Strategy in action | Deep dive: Interview on Alpiq's first large-scale battery for Switzerland

Dear Reader,

Welcome to the summer issue of “Watt’s the story?” and our latest analysis of the current market flows.

To begin this second edition of 2026, we would like to thank all of you who took part in our survey in May. Your feedback has given us valuable first-hand insights and will help us to continue to improve the newsletter. While the Market update and Deep-dive sections remain largely unchanged, we have refreshed the middle section. Going forward, it will highlight how we are putting our strategy into action. In this edition, we look at how the latest acquisition strengthens Alpiq’s position on the European map as a leading provider of flexibility solutions.

In the Deep Dive, we turn our attention to a new Alpiq project: the company has just unveiled its first battery energy storage system (BESS) in Switzerland. What role does the project play for Alpiq and for Switzerland’s security of supply? And how is the Swiss BESS market developing? We explore these questions in depth in our interview with Amédée Murisier, Head of Assets and a member of Alpiq’s Executive Board.

We also take a closer look at the implementation of Alpiq’s strategy and the progress made to date.

But first, let's begin with an overview of developments on the energy markets over the past three months.



Market update

Starting with the gas market, the Iran conflict was clearly the dominant macroeconomic driver throughout Q2, disrupting ~20% of global LNG supply via the Strait of Hormuz. Price action was extremely headline-driven, with front-month prices for gas delivery at the Title Transfer Facility (TTF) benchmark fluctuating between ~€38/MWh (following ceasefire announcements) and ~€52/MWh (during periods of conflict escalation). Each geopolitical development moved gas prices – and, to some extent, power prices – in lockstep.

Nevertheless, gas prices never reached the levels seen during the energy crisis, and it is worth taking a brief detour to explain why.

In short, the key factor is the expected duration of the disruption. In 2021, prior to the outbreak of the Russia-Ukraine war, Russia supplied around 35 billion cubic metres (bcm) of gas per quarter to Europe (EU-27 plus the UK). Between Q1 2022 and Q3 2022, imports dropped to just 12 bcm per quarter as Russia curtailed flows via Nord Stream 1, halted deliveries through the Yamal-Europe pipeline via Belarus and Poland, and sharply reduced transit volumes through Ukraine. With no end to the disruption in sight, TTF prices reached an all-time high of €320/MWh in August 2022.

By comparison, Qatari gas production was running at close to 300 million cubic metres per day before the outbreak of the Iran conflict. With the Strait of Hormuz largely blocked for almost three months and Qatari gas production shut in, the supply disruption has amounted to approximately 25 bcm so far. In other words, the loss of overall gas volumes in Q2 2026 is similar in magnitude to that experienced in Q3 2022. Had the prospects for ending hostilities appeared significantly worse, we would almost certainly have seen a much stronger reaction from the gas market.

This time around, however, there are several mitigating factors for Europe. The interruption in the Qatari gas supply had an immediate impact on South-East Asian countries that rely heavily on imports from Qatar. As gas demand contracted sharply in those countries, the impact on the overall gas market – and therefore on Europe – was more muted. Another significant difference is the additional LNG export capacity that has come online in the United States since late 2025. Compared with 2022, this has added approximately 160 million cubic metres per day of supply during the first five months of 2026.

So, when can we expect the Strait of Hormuz to reopen fully? Following the announcement of a US-Iran peace agreement on 15 June, prospects for a quicker resolution brightened and front-month gas prices retreated towards €40/MWh, the lower end of the trading range seen during Q2. The positive spirits gained further momentum when the first round of US-Iran talks concluded at the Lake Lucerne Summit, with the aim of turning the current 60-day ceasefire into a lasting peace. A number of contentious issues remain unresolved and following several ceasefire violations, US President Trump declared the memorandum of understanding with

Iran null and void on 7 July. And over the weekend of July 11 and 12, the conflict – marked by mutual attacks between the U.S. and Iran – escalated once again. In other words, we are not out of the woods yet. To be continued...

Turning back to the Russian gas deliveries to Europe, volumes have remained low since the beginning of the war in Ukraine but are still far from zero. Following the cessation of the remaining transit flows through Ukraine in 2025, TurkStream (with a European string capacity of 15.75 bcm per year) became the sole pipeline route to Europe, serving Hungary, Slovakia, Serbia, Romania, Greece and the Balkans. Under the EU's roadmap to phase out Russian energy imports, all remaining Russian gas imports – both pipeline gas and LNG – are scheduled to be phased out between 2026 and 2028.

Turning to power markets, aside from the impact of gas prices, Q2 2026 was characterised by a sharp contrast between an oversupplied spring market with deeply negative prices (April to early May) and a tight, weather-driven surge in prices into June.

The second quarter opened with significant downward pressure on prices, particularly over the Easter weekend (4–6 April). April saw a record number of negative prices in Switzerland and all neighbouring markets for that month. A combination of low demand, record solar generation (Germany peaked at 53.4 GW on 8 April) and strong wind output pushed prices deeply into negative territory across Central Western Europe. In response, European power exchanges lowered the hourly price floor from –€500/MWh to –€600/MWh with effect from 29 May, after the previous floor had been breached twice.

The prevalence of negative prices did not continue into May, however. The month saw fewer negative-price occurrences than the same period last year, mainly due to exceptionally dry weather conditions and low snow reserves in the Alpine regions, which resulted in very low run-of-river hydro production and lower forced reservoir production.

The dry conditions, combined with low Alpine snowpack, have also constrained reservoir refilling. Swiss hydro reservoir levels stood at just 42.7% on 6 July, the lowest level recorded over the past twenty years (minimum was 47.6%, year 2013) and remaining well below the twenty-year average of 58.7%.

Despite these challenges, renewable generation capacity is expected to continue expanding at a rapid pace. Indeed, part of the political response to the energy crisis was to accelerate the build-out of renewable energies in order to reduce dependence on gas and weaken the link between power prices and gas prices. As a result, additional solar and wind capacity is likely to enable 2026 to set new renewable generation records. As solar deployment has outpaced wind, the divergence between summer and winter power prices continues to widen. Summer prices are increasingly decoupling from gas and CO₂ prices, while winter prices remain highly sensitive to both.

That said, there are limits to how much renewable capacity can be added without corresponding growth in flexible generation or power demand. The captured price ratio for photovoltaic (PV), which expresses the value of a solar production profile relative to the baseload power price, fell to just 25% in Germany during April, an all-time low (29% in Switzerland). Supported by the more favourable market conditions, the ratio recovered to 39% in May, but remained at very depressed levels. This suggests that renewable projects relying purely on merchant terms are becoming increasingly unattractive unless market conditions change.

As the energy transition progresses, power demand is expected to grow as power increasingly replaces fossil fuels in transport (electric vehicles), heating (heat pumps) and

industry. During the first quarter of 2026, power demand had started to show pockets of strength, driven by an industrial activity rebound in Italy as well as growing contributions from electric vehicles and data centres. However, this positive momentum seems to have weakened again in May, with eurozone business surveys pointing to a marked downturn in activity and suggesting that overall GDP may once again be contracting. To avoid a deeper economic downturn with potentially far-reaching consequences, Europe would also benefit greatly from a reopening of the Strait of Hormuz sooner rather than later. Much will depend on developments in this regard over the coming months.



Strategy in action

Alpiq's strategy to expand its flexibility business is gaining strong momentum. Through [the acquisition of a 90% stake in Harmony Energy](#) – a successful battery energy storage system (BESS) developer with a proven track record across European markets – Alpiq has taken a significant step toward strengthening its position as a leading provider of flexibility solutions for the European energy system.

Combined with the 130 MW of BESS already in operation, a further 230 MW currently under construction, and recently announced and acquired projects, this transaction significantly advances Alpiq's ambition to build a multi-gigawatt portfolio by 2030. It also strengthens the company's project development capabilities and broadens its access to key markets, including the UK, thereby creating further opportunities for portfolio growth. In Switzerland, Alpiq has also recently announced its first BESS project in Niedergösgen, in the canton of Solothurn. You can find out more about this in the 'Deep Dive' interview with Amédée Murisier in this newsletter.

Alpiq's strategy is firmly aligned with a clear market trend: increasing demand for flexibility, driven by the increasing share of renewable energy and the resulting volatility in European power markets. To capture this opportunity, Alpiq is expanding its portfolio of flexible assets, including batteries and pumped hydro, while also scaling its customer-focused flexibility solutions.

While traditional generation assets will remain a key pillar of Alpiq's earnings, future growth is expected to be increasingly driven by flexibility-focused technologies. Supported by an expanded portfolio of customer offerings, the Energy Solutions division is well positioned to become the company's second major growth engine.

The acquisition of Harmony Energy is a clear demonstration of Alpiq's commitment to accelerating this strategic expansion.



Deep-dive

Large-scale battery storage for Switzerland: Alpiq plans project in Niedergösgen

Alpiq has already successfully commissioned its first battery energy storage systems (BESS) in Finland and France. Now, the company is planning its first large-scale battery storage project in Switzerland. A 300 MW / 1,200 MWh battery is set to be built in Niedergösgen. In this interview, Amédée Murisier, Head of Assets and member of Alpiq's Executive Board, explains why battery storage is becoming increasingly important even in Switzerland – often referred to as Europe's "water castle" – what role the country can play in the future energy system, and what lessons Alpiq has learned from its BESS projects abroad.



**Amédée Murisier,
Head of Assets and member of Alpiq's Executive Board**

Amédée, Alpiq is moving ahead with its first battery storage project in Switzerland, located in Niedergösgen. Why is this project strategically significant?

The project in Niedergösgen, in the canton of Solothurn, is very important to us because it perfectly illustrates how we see the role of BESS in Switzerland. We are planning a large-scale battery with an output of around 300 MW and a storage capacity of approximately 1,200 MWh at a key node in the Swiss transmission grid, located close to both the Gösgen nuclear power plant and the Gösgen run-of-river hydropower plant. The project is currently in the planning phase. We recently signed a framework agreement with Swissgrid covering the grid connection, which marks an important milestone. The approval process will begin shortly. Particularly in Switzerland, obtaining the necessary approvals is a decisive factor in determining whether projects like this can be realised.

What does this development mean for Switzerland? What role can BESS play here in the future?

Our aim is to help make the electricity system more flexible, more stable and better prepared for the integration of renewable energy. This will be essential to support, among other things, the ongoing expansion of solar power in Switzerland. Switzerland already benefits from strong existing flexibility thanks to its hydropower resources, but hydropower alone will not be sufficient. BESS can complement it perfectly, particularly by providing very short-term

flexibility wherever additional storage capacity can relieve pressure on both the grid and electricity markets.

What specific benefits do BESS bring to the flexibility and stability of the Swiss electricity system?

Across many countries, flexibility has become a key success factor for the energy transition. As the share of electricity generated from solar and wind continues to grow, short-term fluctuations in both generation and prices become more pronounced. This is precisely where BESS comes into play. They can absorb electricity whenever large amounts of renewable energy are available and feed it back into the grid exactly when it is needed – for example during the evening peak or when short-term frequency deviations occur. This makes them an ideal complement to an energy system that is increasingly shaped by weather-dependent generation.

This capability is becoming more important in Switzerland as well. Solar capacity is expanding rapidly, while demand for grid-supporting and system-supporting flexibility continues to grow. As a strategically important energy hub with a direct connection to Switzerland's transmission grid, the Niedergösgen site will also be able to contribute, to a certain extent, to stabilising north-south electricity flows.

Alpiq currently operates two BESS facilities in Finland and France. What have you learned from these projects?

Our first projects have confirmed that BESS is not only strategically important for Alpiq but also operationally and commercially attractive. In Finland, we commissioned our first fully owned battery storage system in Valkeakoski in October 2025. The facility has an output of 30 MW and a storage capacity of 36 MWh. It is a technologically remarkable project and one of the first battery systems in the Nordic region to meet the requirements for grid-forming operation. This means it can actively support the electricity grid continuously, instantaneously and without external control measures – even in the event of disturbances or grid outages. The project also marked the launch of Alpiq's proprietary BESS Accelerator, our in-house optimisation and trading platform for BESS. Based on weather forecasts, consumption patterns and market signals, the platform continuously optimises the battery's operation and adapts it to changing conditions.

In France, we reached another important milestone with the acquisition of the Cheviré BESS facility in Nantes. With an output of 100 MW and a storage capacity of 200 MWh, it is one of the largest operational battery storage facilities in the country. Projects like these clearly demonstrate the contribution BESS can make to grid stability and security of supply. For Alpiq, they also create value by allowing us not only to own these assets but also to further strengthen our expertise in operating, optimising and commercialising flexible energy solutions.

What is the next step in Alpiq's growth strategy for expanding its BESS portfolio?

In a relatively short period of time, we have built up a substantial BESS portfolio, and we intend to strengthen our position even further. A clear example is Alpiq's recent decision to acquire a majority stake in Harmony Energy, one of Europe's leading developers and operators of BESS ([for more information, see our media release](#)). Our ambition is clear: we want to further expand our position as a leading provider of flexibility solutions in Europe and grow our BESS portfolio to a multi-gigawatt scale over the coming years. For us, success is not measured solely by the size of the project pipeline. Equally important is our ability to operate these assets efficiently and optimise them in line with market conditions.

From an investor's perspective, what is the key message behind Alpiq's expansion into BESS?

The key message is that Alpiq is systematically strengthening its position as a European provider of flexibility solutions. BESS is a logical next step because it complements our existing portfolio of hydropower, thermal flexibility assets and optimisation expertise perfectly. For us, this forms part of a long-term strategic direction. We are investing in a business area that benefits from powerful structural trends such as decarbonisation, electrification and the continued expansion of renewable energy. At the same time, we remain disciplined. We are only pursuing those projects that fit our core geographical markets and meet our economic return requirements.

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That rounds off this issue of "Watt's the story". We look forward to sharing further news and insights at the end of September. Stay tuned!

Until then, we wish you a pleasant and relaxing summer!

Best regards,
Your Investor Relations Team @Alpiq

PS: Please feel free to forward this newsletter to other interested parties, who can also sign up to receive it directly [HERE](#). All previous editions, including our deep dives, are also available [HERE](#).

PPS: Please send us your feedback, thoughts and requests for future deep-dive topics to investors@alpiq.com. Thank you!

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