



Watt's the story? Alpiq's update on the current market flows

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Dear Reader,

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

Strong strategic execution, targeted investments and a resilient balance sheet position Alpiq well for the next phase of growth in Europe's flexibility market. These are the key takeaways from Alpiq's 2026 half-year results, presented at the end of August. In our ‘Strategy in action’ section, we take a closer look at the figures and the progress made in implementing our strategy, explain how Alpiq is turning flexibility into growth, and provide an outlook for the second half of the year.

In the Deep Dive, we turn our attention to a recent major milestone for Alpiq: the acquisition of a 90 per cent stake in Harmony Energy, one of Europe's leading developers and operators of battery energy storage systems (BESS). In a joint interview, Christoph Bellin from Alpiq and Peter Kavanagh from Harmony Energy explain how the two companies are combining their strengths to accelerate the deployment of BESS across Europe and support a more flexible and resilient energy system.

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

Market update

With the Iran war still ongoing, geopolitical events continue to dominate the energy markets. To avoid turning this into a Groundhog Day-style repeat of the same market update, we begin with a high-level overview of clean-energy expansion in China, Europe and the US.

The decade's first energy price shock, triggered by Russia's invasion of Ukraine, accelerated Europe's green-energy transition as reducing dependence on gas became a strategic priority. The current, second shock is also reshaping economic and political decisions on energy worldwide.

As developments at the global level continue to be dominated by China, we start there. China remains central to global clean-power growth, even as 2026 marks something of a reset for solar following record installations in 2025:

- Solar slows: After installing around 350 GW in 2025, China's solar additions are expected to fall by 25–30% in 2026, accounting for most of the forecast decline globally.
- Storage rises: The 2026 outlook has been raised to 72 GW, following the addition of 65 GW / 184 GWh in 2025.
- Wind remains strong: Onshore wind is benefiting from new pricing rules and a backlog of projects from 2025, when China added 113 GW.
- Policy remains supportive: The 2026–30 plan targets more than 2,800 GW of solar and wind capacity by 2030, supported by a CNY 20 trillion investment framework.
- Transport is shifting too: petrol and diesel demand are down year-on-year, while EV and hybrid sales increased from 55% to 60% of new vehicles between H1 2025 and H1 2026.

Turning to Europe (EU-27 + UK), we can observe the following:

- Solar leads growth: Solar remains the fastest-growing technology. Residential PV is slowing in some markets due to regulatory reforms, but Germany remains resilient, supported by PV-plus-storage installations. Additions reached around 34 GW in H1 2026, putting the full-year figure on track for 68

GW if the pace of the first half continues. Solar capacity is expected to approach 500 GW by mid-2027, highlighting the scale gap with China, which installed the equivalent of roughly 80% of today's EU-27 solar capacity in 2025 alone.

- Battery storage accelerates: Annual energy-storage additions are forecast to nearly double to 32 GW in 2026, making Europe the fastest-growing region, although additions remain below China's in absolute terms.
- Wind expands unevenly: Europe installed around 9 GW in H1 2026, around 75% of it onshore, lifting total wind capacity above 310 GW. WindEurope expects a record 24.1 GW of installations in 2026, although it has lowered its outlook due to grid, permitting and auction constraints.
- Offshore wind recovers: Installed capacity reached 39 GW at the end of 2025 and is expected to rise to 50 GW in 2027 and 72 GW by 2030. Around 13 GW is scheduled for 2027–28, although 48 GW of awarded capacity has yet to reach a final investment decision.

Interestingly, US clean-energy additions are also on track for a record year in 2026, with around 36 GW of solar PV expected to be added. Storage deployment continues to accelerate as well, with more than 18 GW expected to come online in 2026, also a record. Policy uncertainty under the Trump administration has mainly affected the outlook for offshore wind.

Other major markets, including India, are also experiencing strong clean-tech growth, particularly in solar PV. Overall, the sequential build-out of solar capacity followed by storage addition is becoming the dominant model for the energy transition globally.

Back to Groundhog Day: with the US–Iran war now in its seventh month and flows through the Strait of Hormuz still constrained, gas and oil prices rose sharply during Q3.

Spot gas prices, taking the bellwether Dutch TTF contract as a reference, rose from around EUR 40/MWh at the end of Q2 to more than EUR 80/MWh around mid-September, although they have since retreated from their highs at the time of writing.

European gas storage levels remain unusually low for this time of year

With no clear end to the conflict, markets are pricing in the risk that disruptions to Middle Eastern LNG supplies could extend into 2027. This comes as European gas storage remains unusually low for the season: as of 21 September, Western European storage facilities were around 68% full, compared with an average of 87% over 2020–25.

Limited tanker traffic through the Strait of Hormuz is doing little to ease the bullish sentiment that continues to dominate global gas markets. Some ships are passing through – notably more oil tankers than LNG carriers – but the latest widening of the conflict to include Yemen and Saudi Arabia has also prompted a strong response in oil prices.

This means the market is now highly sensitive to even small additional disruptions, with demand destruction increasingly becoming the last resort for restoring balance.

There are mitigating factors, however. The world is no longer in the same position as it was during the first energy crisis. The rapid energy transition described earlier is part of the reason, with growth in gas and oil demand now structurally lower.

The supply side has also shifted, with several liquefaction projects launched following the first energy crisis. Global LNG loadings were materially lower year on year in July and August, down by around 7–8%, or 110–120 million cubic metres per day, but have recently almost returned to last year's levels. As new liquefaction trains come online and output increases, mainly in the United States and Australia, the loss of Middle Eastern volumes has largely been offset.

The Atlantic hurricane season represents another potential source of supply disruption, particularly for US LNG exports to Europe. However, El Niño has so far contributed to limited hurricane activity in the Atlantic basin, while the Pacific has been considerably more active. As a result, this has yet to become a major risk factor.

For power markets, the substantial volatility in gas markets was again the dominant theme. A close second, however, was the weather.

The impact of the weather on the electricity markets

Hot, exceptionally dry weather across continental Europe continued through September, affecting power markets in several ways. Cooling demand was significantly higher year on year, while supply was constrained by lower hydro inflows and reduced nuclear output in France and elsewhere. Nuclear plants were affected by high river temperatures, with environmental limits on maximum permitted river temperatures, and reduced water flows.

The impact was particularly pronounced in August, when output cuts reached up to 12,000 MW on individual days and typically ranged between 6,000 and 8,000 MW. For context, 12,000 MW is roughly 12.5 times the maximum capacity of the Gösgen Nuclear Power Plant. Low river flows continue to restrict output at some nuclear plants as October approaches.

System stability was not at risk, as confirmed by the French transmission system operator RTE, but the impact on prices was material. With the system significantly tighter, costly gas-fired power plants were needed to balance supply and demand during many more hours, pushing prices substantially higher. This was sometimes the case even during peak solar hours, when prices have frequently been close to zero since last year.

The drought has also weighed heavily on Swiss reservoir levels. As of 21 September, hydro reservoirs were only 74.6% full, the lowest level recorded since 2000 and well below the 2000–25 average of 85.7%.

For now, volatility appears likely to persist. To return once more to Groundhog Day, the film ultimately ends on a hopeful note: by reliving the same day repeatedly, Bill Murray's character recognises his mistakes and becomes a better person.



Strategy in action

Despite a challenging market environment in the first half of 2026, Alpiq maintained its strategic focus and strong execution momentum.

Lower achieved power prices, the prolonged outage of the Gösgen Nuclear Power Plant and exceptionally dry hydrological conditions weighed on earnings. Adjusted EBITDA reached CHF 163 million, compared with CHF 398 million in the prior-year period, while adjusted net income amounted to CHF 42 million. Nevertheless, the company maintained a strong financial position, ending the period with net cash of CHF 151 million (for more details, see our [Interim Report 2026](#)).

Beyond the financial figures, what stands out is Alpiq's continued progress in expanding its portfolio of flexibility solutions and the growing revenue contribution from flexible assets already in operation. This momentum reinforces Alpiq's strategic position in one of Europe's most attractive long-term growth areas, as the energy system increasingly requires storage, optimisation and balancing capacity to integrate rising volumes of renewable energy.

Building Europe's flexibility backbone

A major milestone was the expansion of Alpiq's battery energy storage system (BESS) portfolio to more than 1,000 MW across Europe. By the end of June, 130 MW was already operational and 225 MW was under construction. Strategic developments included the integration of the 100 MW Cheviré battery facility in France and progress on the 300 MW Niedergösgen project in Switzerland.

At the same time, Alpiq acquired the 535 MW Navaleo pumped-storage hydropower project in Spain, marking its first large-scale hydropower investment outside Switzerland. The project represents an important step into long-duration energy storage and reinforces Alpiq's ambition to support the integration of renewable energy while enhancing security of supply in Europe.

Further momentum came shortly after the reporting period with the acquisition of a 90 per cent stake in Harmony Energy, one of Europe's leading BESS developers and operators. The transaction adds around 400 MW of assets under construction and a multi-gigawatt project pipeline across key European markets, significantly accelerating Alpiq's growth trajectory in flexibility solutions. For more on this topic, read our Deep Dive interview with Christoph Bellin and Peter Kavanagh below.

In addition, the acquisition of the 103.5 MW facility in Bollingstedt, one of Germany's largest operational battery projects, added further momentum to Alpiq's BESS expansion.

Positioned for a stronger second half

The company's strategic investments are supported by a solid financial foundation. The successful issuance of CHF 400 million in bonds during the period strengthened Alpiq's financial flexibility and provides additional capacity to invest in growth opportunities across Europe.

"The first half of 2026 demonstrated both the resilience of our business model and the attractiveness of our flexibility strategy. While market conditions and operational factors affected earnings, we made substantial progress in building a portfolio that will create sustainable long-term value. Our investments in battery storage, pumped-storage hydropower and Harmony Energy are already translating into tangible growth opportunities. Supported by our strong balance sheet, we expect improved financial performance in the second half of the year as the benefits of our strategy continue to materialise," says Alpiq CFO Peter-Wim Gerssen.

As Europe's energy transition accelerates, Alpiq is positioning itself at the centre of a rapidly growing flexibility market. The progress achieved in the first half of 2026 illustrates how the company is translating strategy into action while laying the foundations for future earnings growth and long-term value creation.



Building Europe's battery future together

A conversation with Christoph Bellin, Head BESS at Alpiq and Chief Integration Officer at Harmony Energy, and Peter Kavanagh, CEO of Harmony Energy.

Alpiq's acquisition of a 90% stake in Harmony Energy in July 2026 marks one of the largest strategic moves in the company's recent history. Combining Harmony Energy's extensive battery development pipeline with Alpiq's expertise in energy markets and flexibility solutions creates a powerful partnership. The two companies are combining their strengths to accelerate the deployment of battery energy storage systems (BESS) across Europe.

In this joint interview, Christoph Bellin and Peter Kavanagh discuss how the integration is progressing, where they are already creating value together, and how they plan to build one of Europe's leading battery storage platforms to support a more flexible and resilient energy system.

It has now been several months since Alpiq acquired a majority stake in Harmony Energy. Looking back, what has impressed you most about the partnership so far?



Christoph Bellin,
Head BESS at Alpiq and Chief Integration Officer at Harmony Energy

Christoph Bellin: What has impressed me most is how quickly the teams have come together. From day one, there has been a strong sense of mutual respect and a shared understanding of the opportunity ahead of us. Alpiq brings decades of expertise in European energy markets, flexibility optimisation and asset management, while Harmony Energy contributes an exceptional track record in developing and delivering large-scale battery projects. Those capabilities complement each other remarkably well.



Peter Kavanagh,
CEO of Harmony Energy

Peter Kavanagh: I would agree. What stands out is how closely our ambitions are aligned. Both organisations recognise that battery storage will play a critical role in the future energy system, and we share the determination to lead that transformation. Despite coming from different backgrounds, we have discovered that our cultures are surprisingly similar: entrepreneurial, pragmatic and focused on delivering results.

Christoph, you described the acquisition as “probably the deal of your lifetime”. Why is this transaction such a milestone for Alpiq?

Christoph Bellin: Because it fundamentally changes our position in the European battery storage market. It is a strategic fit. Before the acquisition, Alpiq had already developed strong capabilities in flexibility solutions and energy trading. By bringing Harmony Energy into the Group, we immediately add a multi-gigawatt project pipeline, around 400 MW of battery assets currently under construction and more than 700 MW of battery storage projects already delivered across Europe. That scale accelerates our ambitions by several years and gives us a platform to become one of Europe's leading BESS players. For us, this is not only an acquisition; it's a transformational step in executing Alpiq's flexibility strategy.

Peter, what does joining Alpiq allow Harmony Energy to do that would have been difficult before?

Peter Kavanagh: The biggest difference is that we can now think much more long term. Historically, we had to sell some projects at the ready-to-build stage to finance further growth. Thanks to Alpiq's investment and long-term commitment, we now have the financial strength to develop, construct, own and operate a much larger share of our projects ourselves. We already have a strong pipeline in every country we operate in, and the team is excited that we now have the backing to own and operate more of these projects over the much longer term.

Integration is often where acquisitions succeed or fail. What has been your focus during the first few months following the transaction?

Christoph Bellin: Our objective was very clear from day one: combine capabilities without losing what makes Harmony Energy successful. Harmony continues to operate under its own name and with its existing management team. We are creating stronger links between teams wherever there are immediate benefits and synergies, for example in BESS procurement. My role as Chief Integration Officer is to ensure that we leverage the strengths of both organisations while preserving Harmony's entrepreneurial culture and speed of execution. What has impressed me most is how naturally the teams have collaborated. There is strong alignment around our shared ambition and the opportunities ahead.

Peter Kavanagh: From Harmony's perspective, the integration has been very pragmatic. We have gained direct access to Alpiq's expertise while maintaining the autonomy that enabled us to become one of Europe's leading battery developers. That combination is proving extremely valuable.

Can you already point to concrete examples of where the combination of Alpiq and Harmony Energy is creating additional value?

Peter Kavanagh: A good example is Germany. We currently have a development pipeline of around 5 GW there, making it one of our most important growth markets. Alpiq's market expertise helps us evaluate different revenue models, better assess commercial revenue structures, risk and potential, and optimise projects throughout their operational lives. We are also preparing to appoint Engineering, Procurement and Construction (EPC) contractors for further German projects, including large-scale developments that could play an important role in providing grid flexibility.

Christoph Bellin: We also see added value in our ability to make decisions quickly and press ahead with the financing of further projects. Since the transaction was completed, we have taken the final investment decision on two further BESS projects in the UK – Bramham and Castleford. These projects are set to enter the construction phase shortly and are a good example of how we are turning our shared commitment into action.

Europe's energy system is changing rapidly. Why are batteries becoming so important? And where do you see the greatest opportunities for battery storage over the next few years?

Peter Kavanagh: As Europe continues to increase the share of renewable generation in its energy mix, the need for flexibility grows significantly. Solar and wind power are essential for decarbonisation, but they also introduce greater variability into the system. Battery storage helps bridge that gap by absorbing electricity when supply exceeds demand and releasing it when the system needs it most.

When it comes to opportunities, Germany is certainly one of the most exciting markets. We moved into the market early because we recognised the long-term opportunity and wanted to secure grid connections before queues became longer. Today, Germany benefits from substantial renewable energy deployment and increasingly attractive conditions for large-scale batteries. We also continue to see strong opportunities in the UK, France and Poland as flexibility requirements grow. The UK is a well-established market for us, while in France the first asset we commissioned is performing exceptionally well.

Christoph Bellin: Flexibility is becoming one of the defining success factors of the energy transition. At a broader level, the opportunity is driven by a simple reality: Europe needs more flexibility. Solar and wind generation continue to grow rapidly, but flexibility resources must grow alongside them. Batteries can respond within seconds, supporting grid stability and helping to integrate increasing volumes of renewable energy. We see this across all our markets.

What are your shared ambitions for the coming years?

Christoph Bellin: Our ambition is clear: we want to build one of Europe's leading battery storage platforms. We have a strong project pipeline, attractive market opportunities and the capabilities required to scale successfully. We are focused on sustainable growth while creating long-term value for customers, partners and the wider energy system.

Peter Kavanagh: Scale matters, but quality matters just as much. Harmony Energy currently has a pipeline of around 12 GW. We want to be recognised not only for the size of our portfolio but also for the quality of our projects, our partnerships and our operational excellence. By combining Harmony Energy's development expertise with Alpiq's energy market capabilities, we are exceptionally well positioned to play a leading role in Europe's transition towards a more flexible, low-carbon energy system.

Finally, if you had to summarise the future of the partnership in one sentence, what would it be?

Peter Kavanagh: Together, we are creating a platform that can accelerate the deployment of battery storage at the scale required for Europe's energy transition.

Christoph Bellin: And by combining our complementary strengths, we are helping build a more resilient, flexible and sustainable European electricity system for the future.

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That rounds off this issue of “Watt’s the story”. We look forward to sharing further news and insights with you in our year-end edition in December. Stay tuned!

Until then, we wish you all the best for the months ahead!

Best regards,
Your Investor Relations Team @Alpiq

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