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OTE, a.s.

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Negative electricity prices are becoming the new normal — and a business opportunity

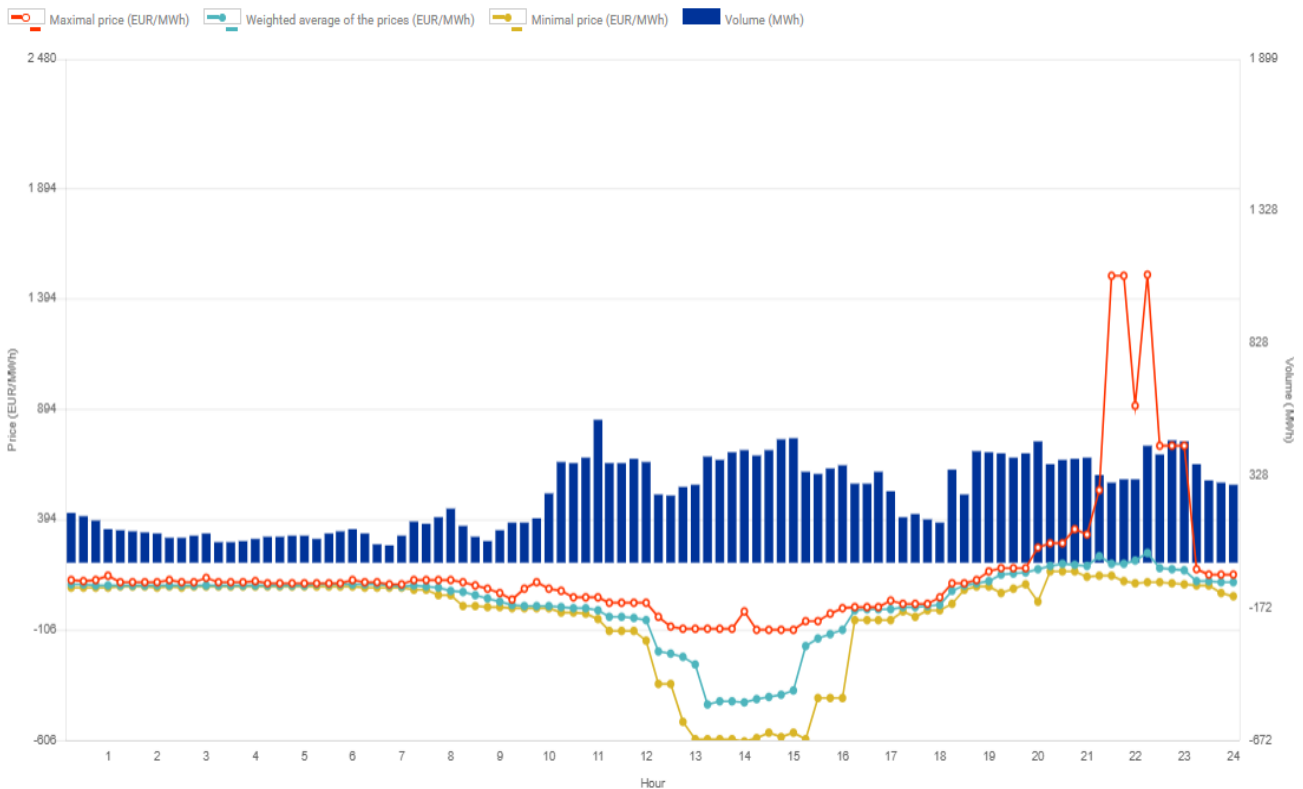
The energy sector as we once knew it has been undergoing a profound transformation over the past two decades. As part of the green transition, large dispatchable power plants are gradually being pushed out of the market by tens of thousands of small-scale units, predominantly solar and wind.

This shift has long been anticipated. Renewable sources are more climate-friendly and, to some extent, can strengthen national energy self-sufficiency — something Europe values even more in light of recent geopolitical turbulence. At the same time, however, these sources place significant demands on system management due to their variable output and operation under specific conditions.

Smaller renewable energy sources add valuable diversity to the system, but their output is not constant and depends heavily on current weather conditions. The Market Operator OTE sees this clearly on its short-term markets. Practically every year, trading on OTE-organized markets sets new records for the number of hours in which electricity prices are extremely low, zero, or even negative. These extremes become most visible during sunny or windy periods when power generation significantly exceeds real-time consumption, electricity storage remains limited, and large system power plants are already shut down or operating at their technical minimum. The result is an oversupply of electricity and a strong incentive to “offload” excess production—particularly that supported by operational subsidies—even at negative prices. Conversely, when renewable output drops quickly due to weather changes while demand remains high, prices rise immediately.

Figures from the past month illustrate this very clearly. Between early April and 10 May, more than six percent of all quarter-hour trading intervals—the settlement periods used on OTE—recorded trades at negative prices. A new price record was set at the beginning of April, when 0.5 MWh of electricity was traded at minus 2,490 EUR/MWh (imported from Germany).

Intra-Day Market Results - 01.05.2026



The impact of volatile electricity generation from intermittent sources became even more evident on 1 May, a day of clear skies across the Czech Republic. Around midday, the lowest price recorded among the many trades executed on the intraday electricity market reached just under minus 610 EUR/MWh, with the weighted average for that interval at -434.73 EUR/MWh. Later that same day, during three quarter-hour periods in the evening, the highest trade price on the same market approached 1,500 EUR/MWh. In those intervals, the weighted average of all executed trades reached 192.49 EUR/MWh, 192.79 EUR/MWh, and 242 EUR/MWh respectively. Overall, the weighted average price of all trades executed throughout the day remained in negative territory at -6.5 EUR/MWh.

These formerly exceptional extremes in electricity generation are increasingly becoming a standard operating scenario and represent a natural consequence of the transformation of the European energy system.

This is precisely why, in recent years, market flexibility, energy storage, smart consumption management, and cross-border trading have seen such rapid development. Intraday markets now allow participants to react to changes almost in real time and better balance deviations between generation and consumption. The integration of trading platforms within unified European energy markets enables more efficient sharing of available energy across the continent, supporting the balance between supply and demand and strengthening the reliability of electricity deliveries.

“At OTE, we are actively contributing to the development of a dynamic, adaptable, and well-functioning market. We have been consistently investing in the evolution of trading platforms and are deeply engaged in international cooperation. In recent years, for example, we introduced quarter-hour trading intervals, giving market participants even greater flexibility to respond to real-time market conditions, including extreme fluctuations,” says Michal Puchel, Chairman of the Board of OTE.

These new developments in the electricity market can bring fresh business opportunities for both

energy companies and their customers. The growing share of hard-to-control generation sources, which drive significant intraday price fluctuations, no longer represents only a risk of high electricity prices. Increasingly, it also creates opportunities to benefit from a rising number of time periods when prices are extremely low, zero, or even negative. Such price extremes—both positive and negative—can occur within just a few hours. Companies can therefore invest in new technical and commercial tools, such as local generation assets and advanced energy management systems. These enable them to provide technical and commercial flexibility on the market, store electricity, optimize their production or consumption, and respond effectively to market price signals.

Adapting to a more dynamic market will be one of the key factors shaping the competitiveness of European industry and the broader economy in the coming years. The Market Operator is ready to support these new opportunities. Its trading systems allow market participants to execute transactions efficiently, respond flexibly to real-time market conditions, and contribute to the reliability of electricity supply and the stability of affordable electricity delivery for end users.

OTE, a.s.

OTE, a.s., holds a license for market operator activities, which includes the electricity and gas market in the Czech Republic. A Nominated Electricity Market Organizer (NEMO) is established by the Energy Regulatory Office, which ensures a unified connection of the day and intraday markets. It acts as the National Administrator of the Permit Trading Register.

As a market operator and nominated organizer of the electricity market, OTE ensures, among other things, the organization of trading on the daily, intraday electricity market and the intraday gas market in the Czech Republic, and in this activity participates in the organization of the unified EU electricity market. It performs accounting and financial settlement of imbalances between the contractual and actual values of electricity and gas supplies and withdrawals and ensures the administrative change of the supplier of both commodities. It also provides the participants of the electricity and gas market in the Czech Republic with continuous processing and exchange of data and documents for their activities on the electricity market and the gas market, and reports business data from short-term OTE markets to the database of the Agency for the Cooperation of Energy Authorities (ACER). In the name of the Czech Republic and on its account, it supplies settlement entities or takes gas from them when receiving or providing international aid in the gas industry. It administers and pays out compensation payments according to the Act on Measures for the Czech Republic's Transition to Low-Carbon Energy. It is responsible for the administration of the system for the payment of support for supported energy sources. It issues and registers guarantees of the origin of energy and keeps records of the implementation of the use of renewable resources in transport. It ensures many other activities contributing to the development of the energy sector in the Czech Republic and Europe.

More information can be found at www.ote-cr.cz.