Negative electricity prices: a wake-up call and an opportunity

Düsseldorf, 25 August 2026 – Everything has its price; in life, nothing comes for free. On the electricity exchanges, this rule seems to be suspended from time to time when negative electricity prices occur. At first glance, the reason for this is temporary overproduction. "In fact, however, negative-price periods are a useful market signal and present opportunities", comments Patrick Lemcke-Braselmann, CEO of the aream Group. "They show that those who offer flexibility can turn price troughs into returns."

Negative prices sound paradoxical at first: producers pay for someone to take their electricity. The reason lies in an imbalance between supply and demand. Wind and solar generate more or less depending on the weather, and in some cases the plants cannot actually be finely controlled. Furthermore, it is often the inflexible coal-fired power stations that operators are very reluctant to shut down completely; instead, they continue to operate even when a lot of electricity from green sources is available. An oversupply of electricity then leads to negative prices, albeit only ever in the short term.

"This is where storage and other forms of flexibility, such as a smart meter roll-out, make the difference: they reduce the load on the system and the electricity can be accessed during the hours when it is needed", says Lemcke-Braselmann. "That's how money is made."

In 2012, there were only a few hours of negative day-ahead electricity prices on the exchange. Since then, their number has risen significantly. By 20 August, there had been almost 400 such hours since the start of the year, with the lowest price standing at just under minus 50 cents/kWh. Nevertheless, this was around 50 hours fewer than in 2025. "This development shows that storage systems are beginning to have an impact", explains Lemcke-Braselmann. "The hot summer in Europe and the associated high demand for electricity for cooling have also led to fewer hours with negative prices this year."

"However, it is an oversimplification to claim that negative prices are a sign that there is too much solar power", explains Lemcke-Braselmann. For one thing, fossil-fuel-fired power stations also contribute to the surplus production. The underlying causes, however, are a lack of storage infrastructure and insufficient grid expansion. "Negative prices are not a market failure, but a useful market signal", says Lemcke-Braselmann. "They show that storage and flexible load distribution are urgently needed."

The long-term solution, therefore, lies in investment in storage infrastructure, in German grids and in European grid integration to balance electricity supply across borders. "Negative prices are merely the visible symptom of the fact that electricity generation infrastructure is lagging behind," says Lemcke-Braselmann. However, significantly more renewable energy – combined with additional storage – is needed to reduce dependence on gas and coal to a minimum. "Only then will gas – which is very expensive and has a major impact on the other side of the balance – determine the electricity price for only a very few hours," explains Lemcke-Braselmann.

With additional storage capacity, better coordination and more flexible consumers, PV and wind can realise their full economic potential: "In this respect, negative electricity prices are not a warning sign, but above all an opportunity", says Lemcke-Braselmann. They show that the market prices flexibility – not just generation. Those who offer PV electricity combined with storage can benefit from price troughs. "The most attractive investment opportunity in the next phase of growth is therefore the combination of generation and storage", says Lemcke-Braselmann.

About aream Group SE

Founded in 2005, aream Group is a developer and asset manager focusing on sustainable infrastructure in the renewable energy sector. This includes wind and solar power, grids and storage technology. With its operations and asset management, project development and energy markets divisions, aream Group covers the entire value chain for renewable energy investments. With a transaction volume of more than €2.5 billion, aream is one of the leading asset managers in this market, generating around €40 million per year in green electricity from its own portfolio of investments. Since 2008, aream has produced more than 4 billion kWh of green electricity. As part of its growth strategy, several solar and wind farms as well as battery storage facilities are to be realised or acquired in the coming years. Thanks to its own project development within Aream Advisory GmbH, the group currently has a development pipeline in Germany with great potential. Further information: www.aream.de.

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