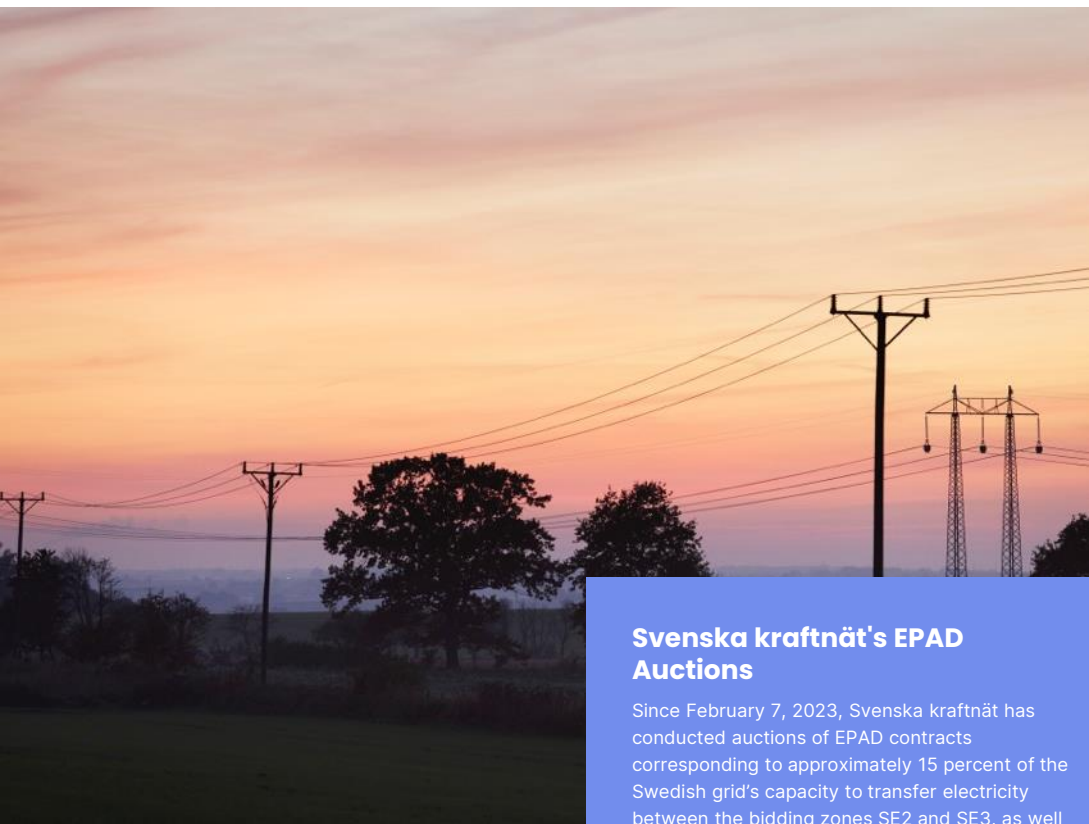


SVENSKA KRAFTNÄT

# Quarterly Summary

## – Svenska Kraftnät's EPAD auctions to support hedging opportunities

First Quarter 2026



### **Svenska kraftnät's EPAD Auctions**

Since February 7, 2023, Svenska kraftnät has conducted auctions of EPAD contracts corresponding to approximately 15 percent of the Swedish grid's capacity to transfer electricity between the bidding zones SE2 and SE3, as well as SE3 and SE4.

## **QUARTERLY SUMMARY Q1 2026**

# **EPAD Auction Overview**

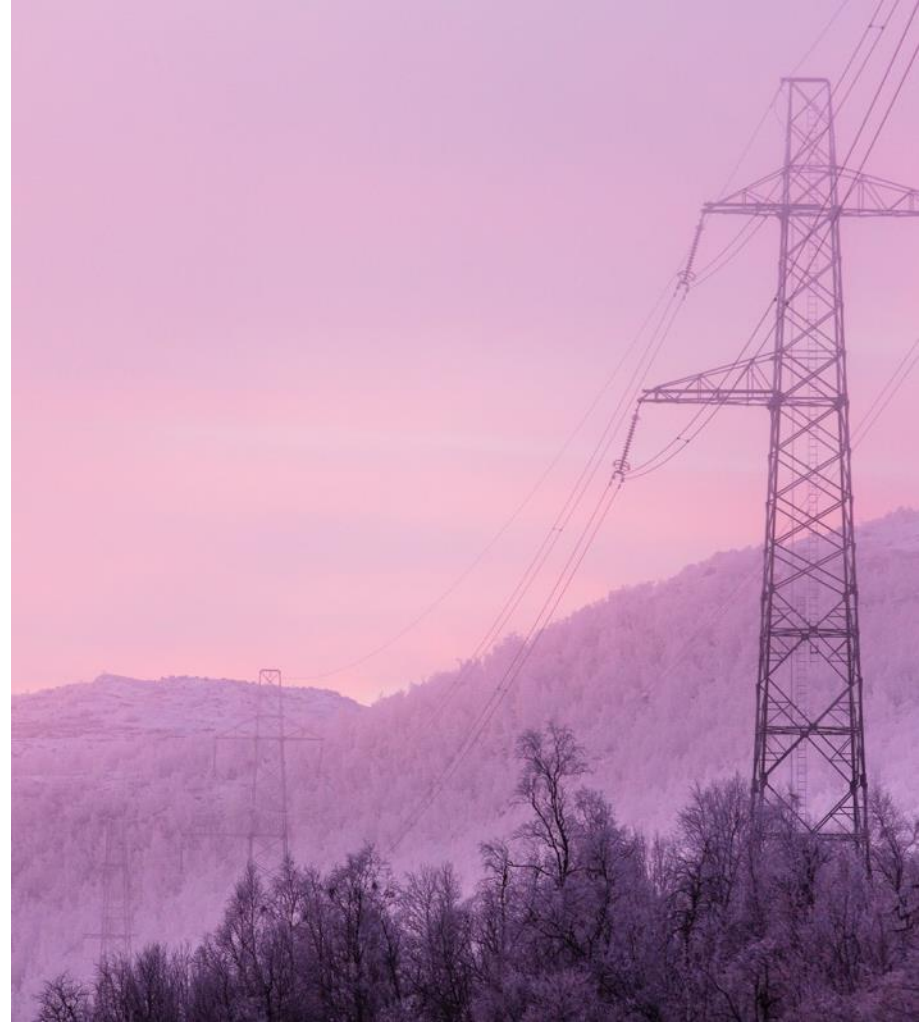
- Svenska kraftnät regularly conducts auctions of EPAD contracts for the bidding zones SE2, SE3, and SE4.
- The purpose is to improve hedging opportunities for market participants.
- A total of six auctions were carried out during the fourth quarter of 2025, starting on October 7.

## Move to Euronext and continued signs of tactical bids.

The quarter was characterized by significantly fluctuating price differences between SE2 and SE4.

The move to Euronext has meant that Svenska Kraftnät has not been able to fully analyze the continuous trading during the quarter.

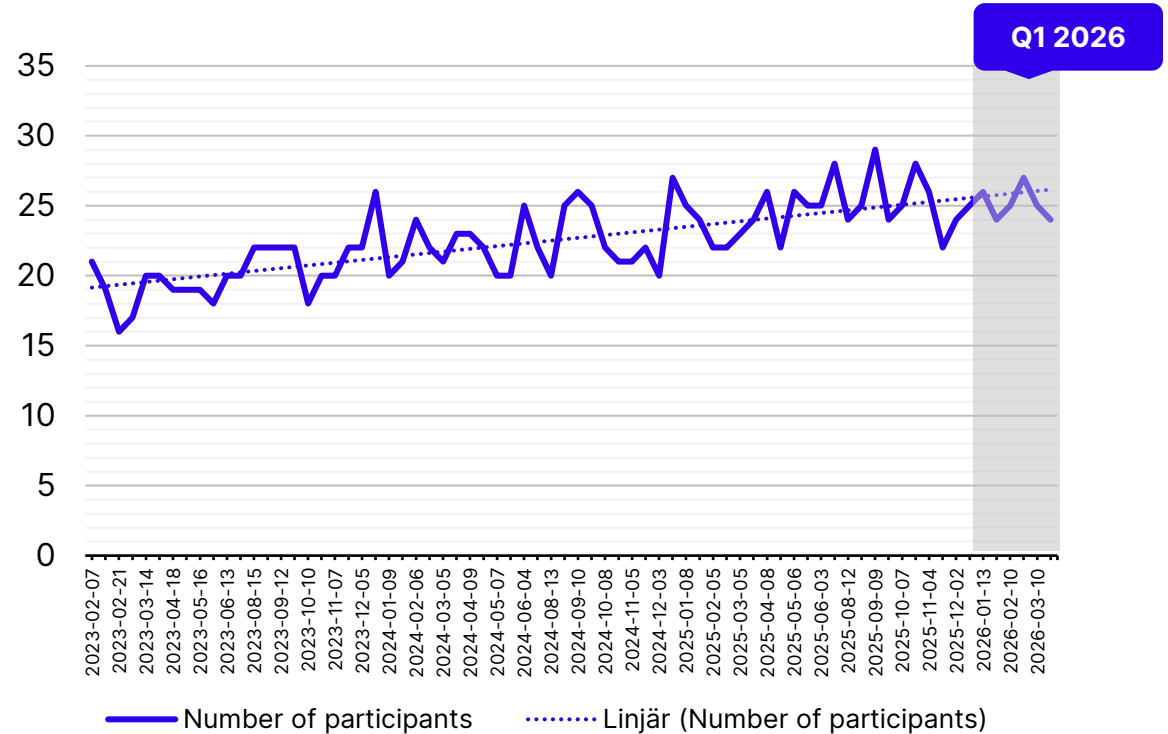
We continue to see signs of tactical bids. However, the auctions were still characterized by good price formation and high participation.



# Auction Participation

## Continued high participation

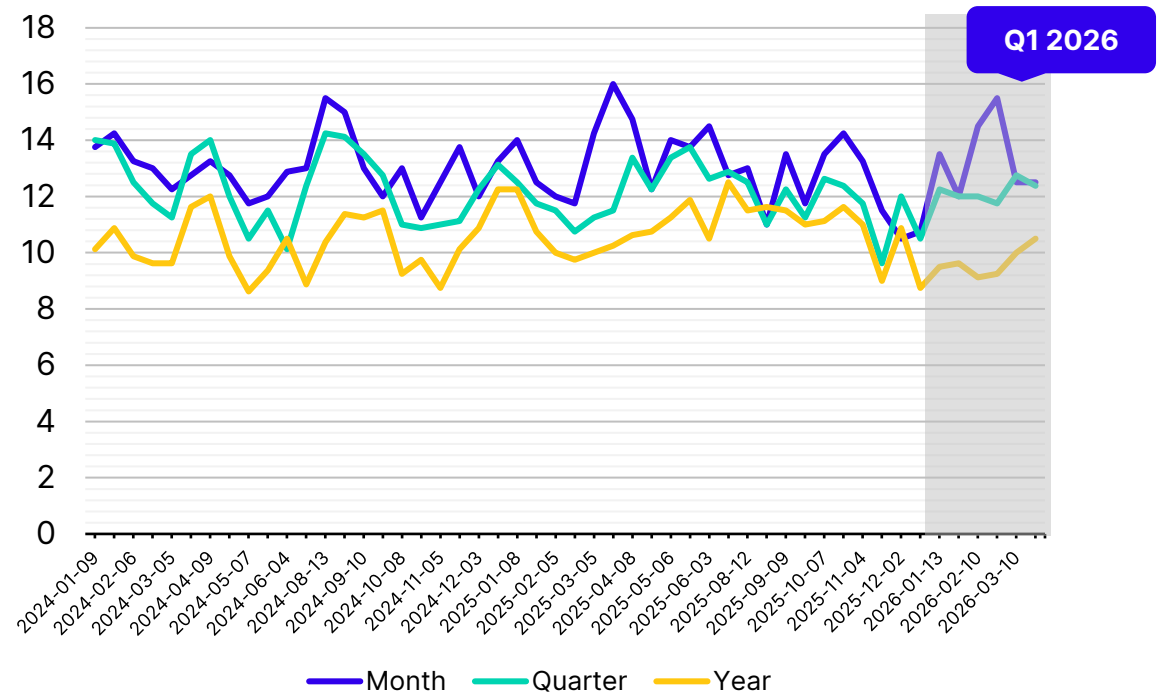
- Auction participation continues to show a positive trend.
- On average, 25 participants took part in each auction during the first quarter of 2026.



Average number of participants per auction

## Participation by contract type

- The difference in participant interest between the various contracts has increased during the quarter.
- The monthly contracts were the most popular during the entire quarter.

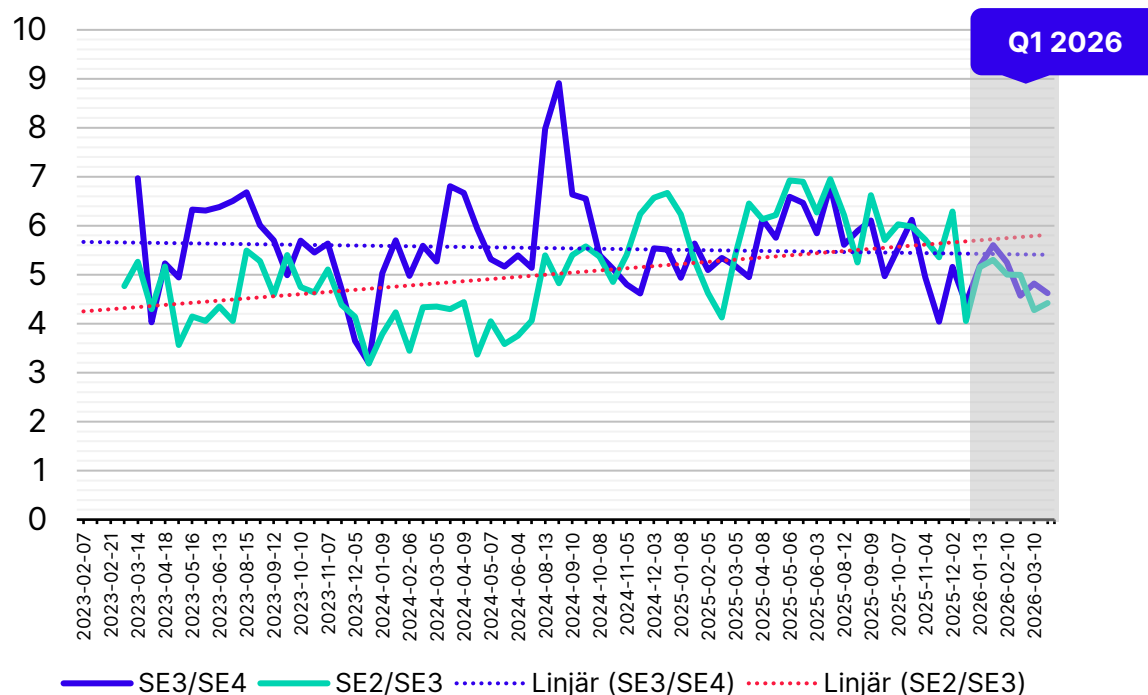


Average number of participants per auction, broken down by monthly, quarterly, and calendar year contracts.

# Price Formation

## Bid-to-cover ratio

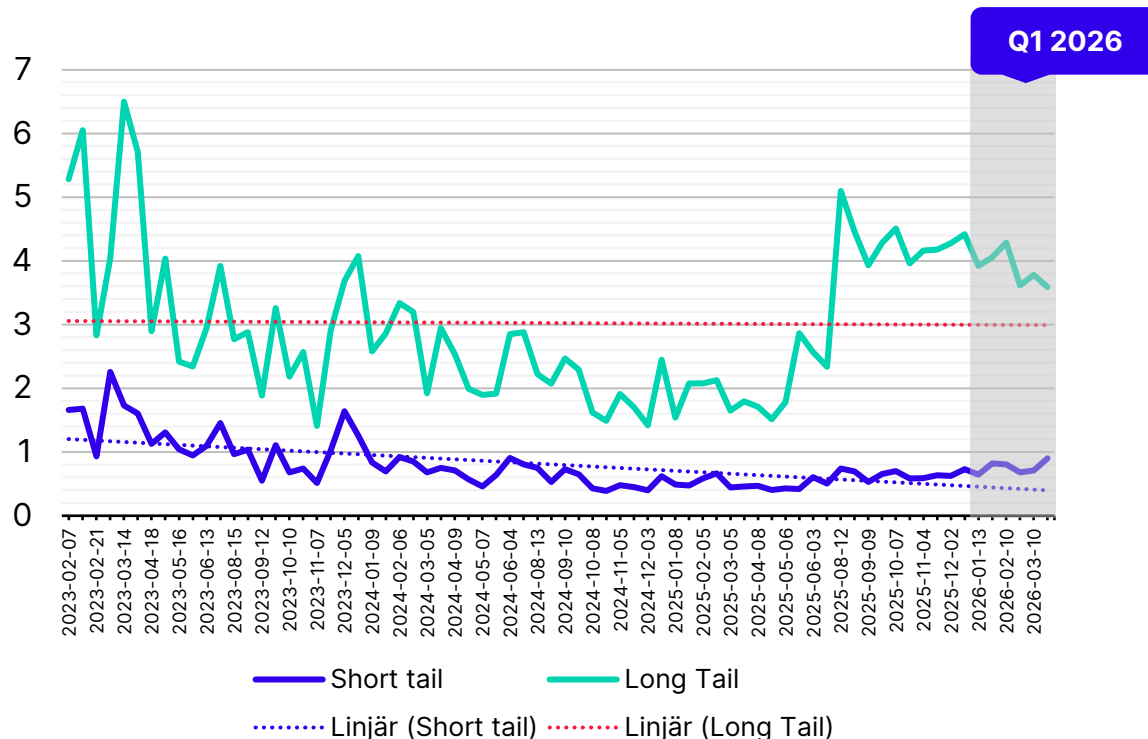
- The bid-to-cover ratio for SE2/SE3 (cut 2) is still close that of SE3/SE4 (cut 4). The bid-to-cover ratio has decreased during the quarter.
- Please note that the bid-to-cover ratio is adjusted according to the auction conditions and is not based on the total order volume.\*



The bid-to-cover ratio at each auction (the dots on the lines) for the bidding zone borders SE2/SE3 and SE3/SE4, to which the allocation conditions apply.

# Implicit tails

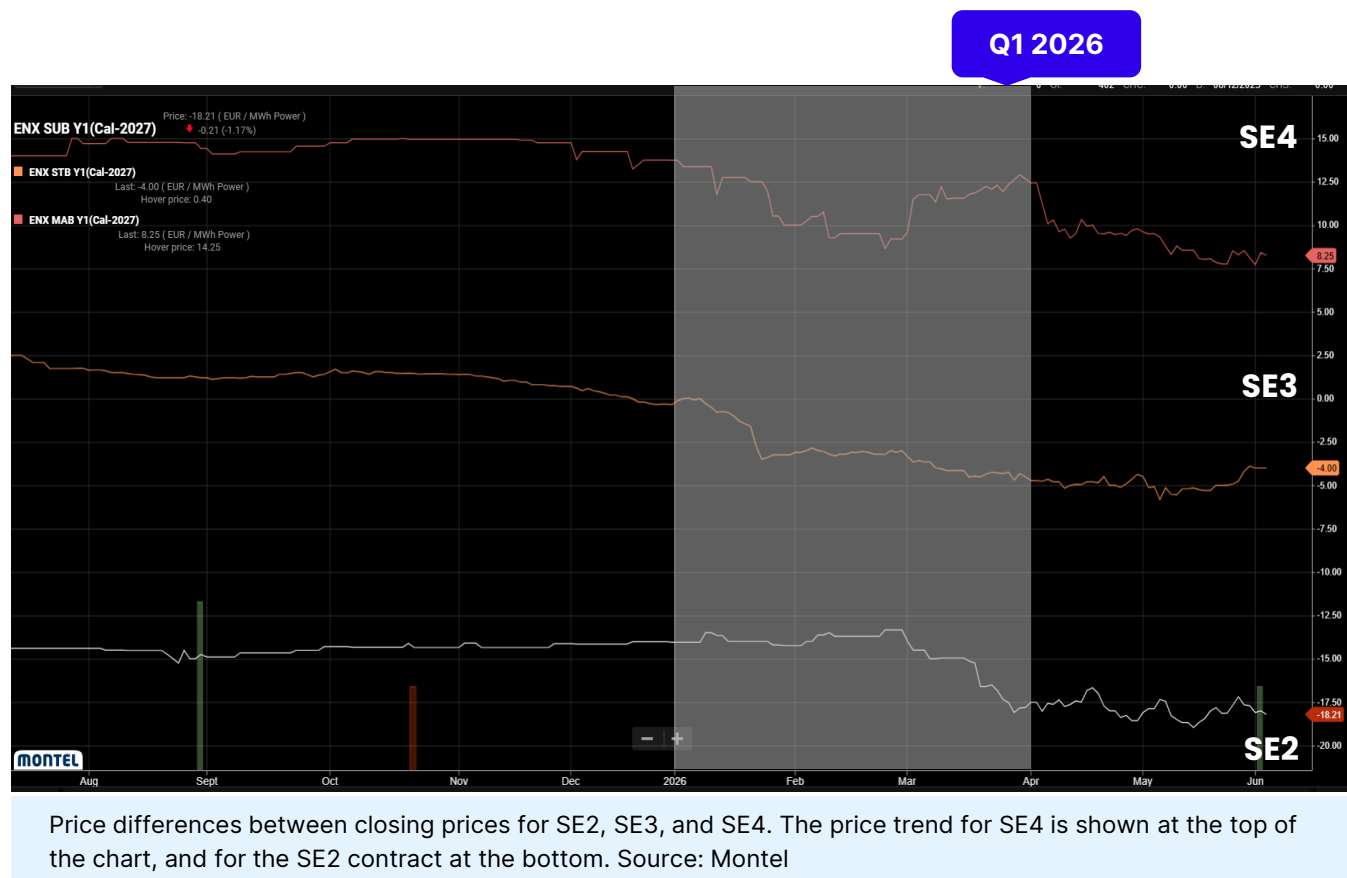
- The implicit tails serve as a measure of price formation – the shorter the tail, the better the auction. Read more about implicit tails in the annual report.\*
- The long tails remain at a consistently high level compared with previous periods. This trend suggests more tactical bidding, i.e., market participants prioritizing securing allotment in auctions by placing bids that deviate from prevailing market prices.



Average implicit short and long tails per auction. The linear trend lines for the short and long tails (dotted lines) in the figure show the general change in tails expressed in EUR.

# Market Development for EPADs (Cal-27)

- The market has exhibited higher volatility than in the previous quarter.
- The SE4 contracts traded higher at the end of the quarter, while SE2 traded lower at the end of the quarter.



# Price Spread Between Northern and Southern Sweden (Cal-27)

- The spread has fluctuated significantly during the quarter, decreasing at the beginning of the quarter before increasing again in March. This can be linked in time to the war in Iran and the higher price of LNG.
- 2025 ended with a slight decline in the price difference. 2025 has generally been characterized by a stable price difference.



