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# Power Market Insights

Power Prices, Transactions and Projects

**Q3 2025**

*THEMA Consulting Group*

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Issue no. 02

# Nordic Power Market Insights: Overview

## Nordic Power Market Insights

**THEMA's Power Market Insights** is a quarterly report analyzing power price developments, financing trends in the renewable energy sector, and M&A activity, along with announced infrastructure projects in the Nordics.

The current issue includes a **special issue on Norwegian data center development**, examining its rapid growth, energy demand implications, and relevance for the Nordic power market.



## Key statistics

101

M&A deals LTM

66%

Cross-border deals LTM

15

M&A deals this quarter

108

New infrastructure projects  
announced (LTM)

31%

Norwegian share of projects  
announced LTM

36

EUR/MWh  
Nordic system price (Q3)

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# The Northern part of the Nordics had Europe's lowest power prices in Q3

**During the third quarter of 2025, the northern part of the Nordics recorded the lowest power prices in Europe.**

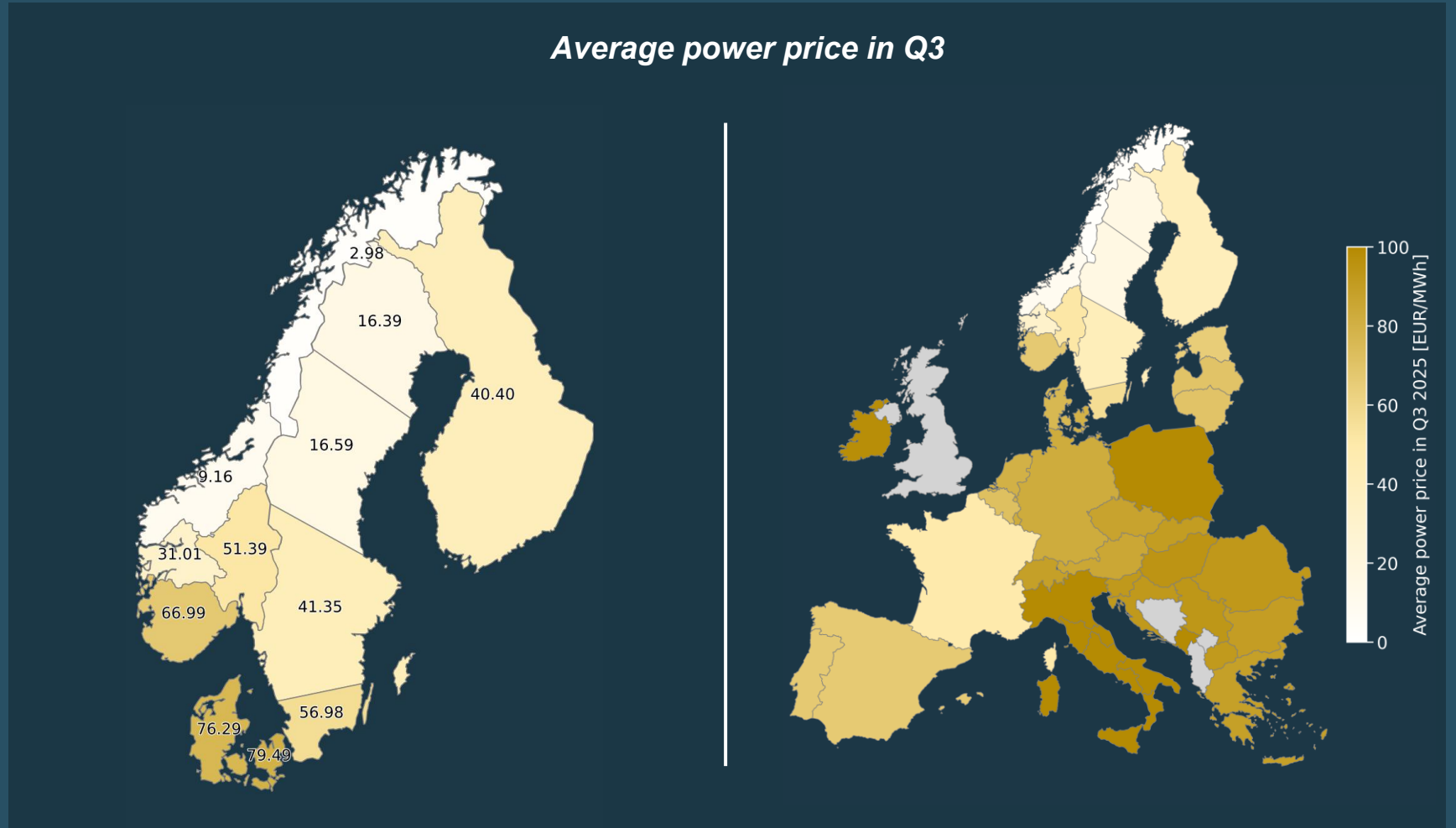
Prices in the south were higher but still below those in continental Europe, where gas remains a key price driver.

After peaking at 41 €/MWh, day-ahead gas prices at the TTF hub declined steadily, ending the quarter at around 30 €/MWh.

Carbon prices, however, increased from approximately 70 €/ton to 76 €/ton over the same period.

As a result, the production cost for a gas-fired power plant is currently around 80 €/MWh, a level that forward markets suggest will persist throughout the winter season.

*Average power price in Q3*



# Southern Nordic prices follows the cost of gas-fired generation, while northern prices are significantly lower

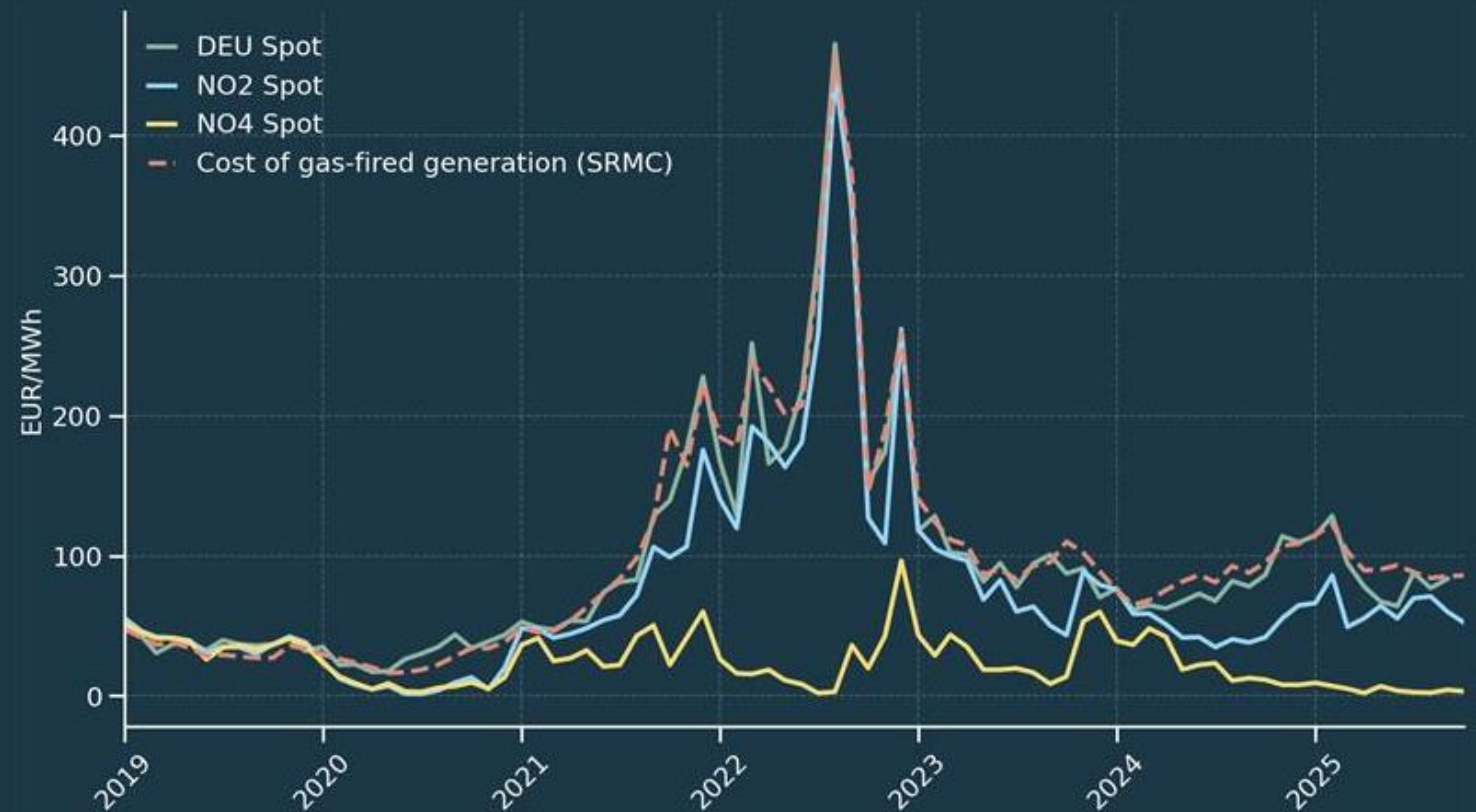
## Price differences within the Nordic region remain significant

In a normal year, Northern Norway and Sweden experience a substantial power surplus but limited north-south transmission capacity prevents this energy from flowing southward.

This structural bottleneck has been amplified in 2025 by large precipitation differences, with the northern areas seeing much wetter conditions than the south.

On October 1, the new 420 kV transmission line between Aurland and Sogndal was commissioned. This development is expected to bring prices in the NO3 bidding zone closer to those in southern Norway, while prices in NO4 are likely to remain low due to continued surplus and limited export capacity.

## Cost of gas-fired generation\* compared to power prices in NO2, NO4 and Germany



\*The Short-Run Marginal Cost of a gas-fired power plant with 55% efficiency.

# Two structural shifts shaping Nordic power price formation

The Nordic power market is entering a new phase shaped by two structural shifts: the move to 15-minute bidding intervals in the day-ahead market and major grid upgrades in Norway and Sweden. Together, these changes will reshape short-term price dynamics and strengthen regional price convergence over the next decade.

## From hourly to 15-minute bidding

Switching from 60- to 15-minute trading windows brings the market closer to real-time operations. More granular intervals reduce forecast errors from renewables, improve system balancing, and cut reserve costs. With 96 prices per day, the setup enhances incentives for flexible assets like batteries and demand response. Liquidity may also shift from the intraday to the day-ahead market.

## Grid upgrades in Norway and Sweden

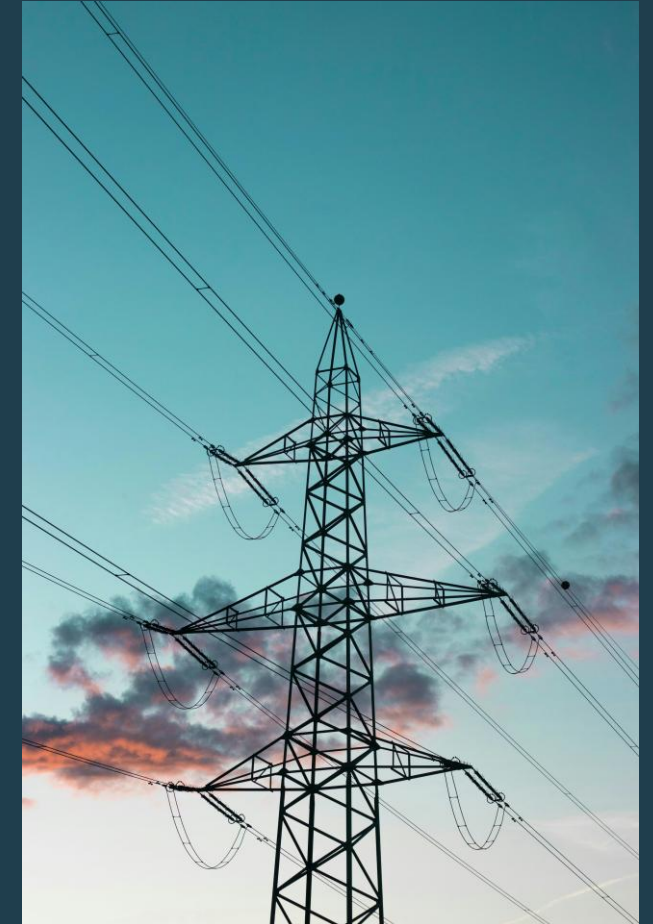
In Norway, 300 kV-to-420 kV upgrades between NO3 and NO5 will expand north-south transmission and ease long-standing constraints. The new 420 kV Sogndal-Aurland line, due in September 2025, adds 200–500 MW, though internal bottlenecks will limit near-term use. Additional reinforcements toward 2040 should further boost capacity and regional integration.

Near-term impacts will likely appear in NO3, where rising export potential will lift local prices and reduce correlation with NO4.

In Sweden, new lines between SE2 and SE3 will add 800 MW by 2028 and another 2 GW before 2040, easing the north-south bottleneck and tightening price alignment within Sweden and across the Norwegian border.

## Outlook

These developments will make the Nordic market more dynamic and flexible. Short-term volatility will increase, but long-term efficiency and price convergence will improve.



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# Nordic renewable M&A hits a new low as deal activity continues to cool, driven by higher financing costs, valuation gaps and increasingly selective investors

## M&A activity in the Nordic renewables sector has slowed notably after peaking in 2023.

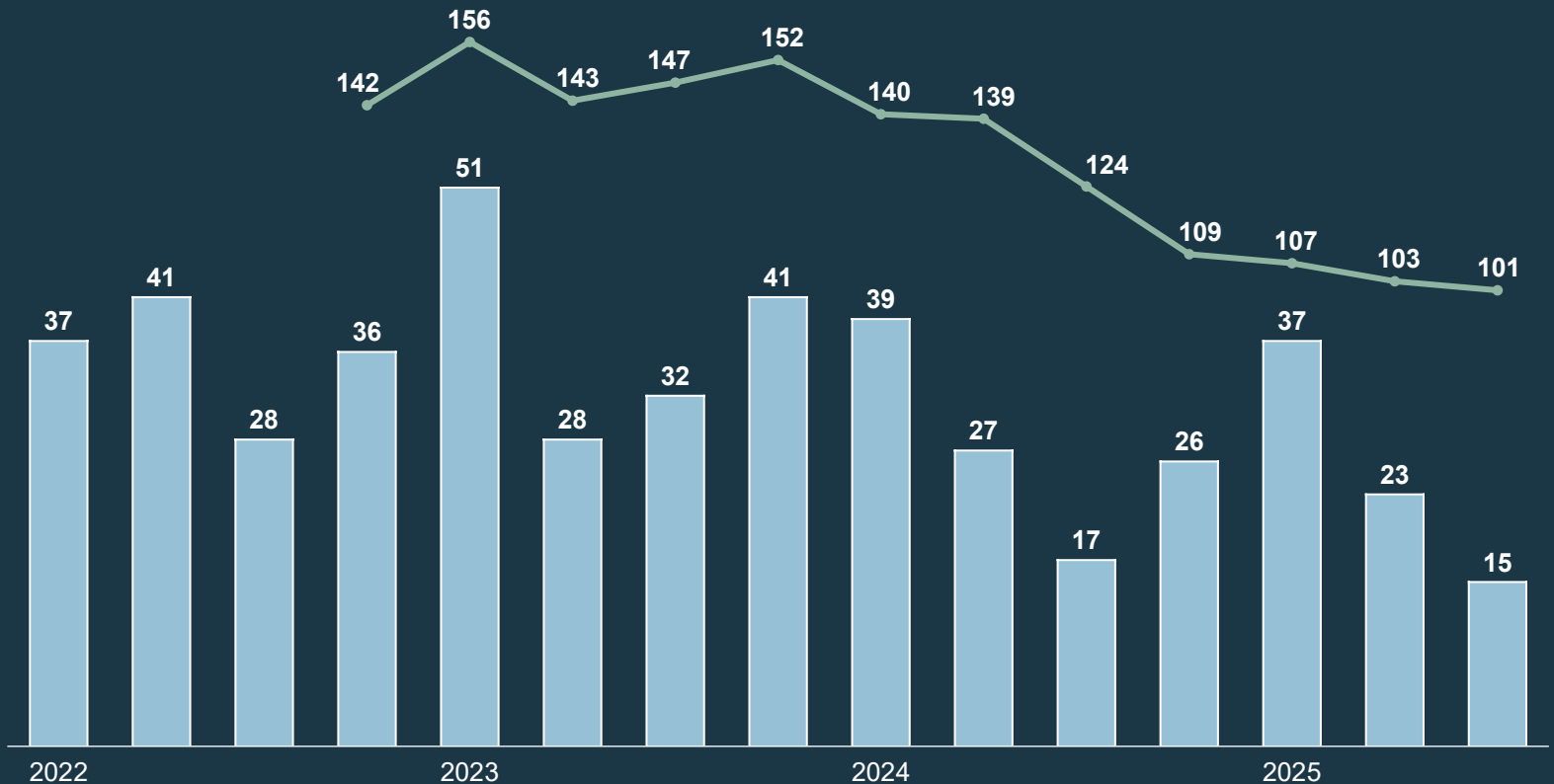
The number of quarterly deals reached its high point at 51 in early 2023 but has since declined, with 2024 and 2025 showing fewer transactions per quarter.

The last twelve months (LTM) total has fallen steadily from 156 to 101, reflecting reduced investor activity and possibly greater selectiveness in deal-making amid higher financing costs and market uncertainty.

While deal flow remains present, the downward trend signals a cooling phase following the post-pandemic investment surge.

## LTM M&A activity has declined 35% from 2023 peak

Quarterly no. of deals (bars) and LTM no. of deals (line)



Source: LSEG. Note: Figures are based on the latest available data. Revisions or updates may occur as new transactions are reported or the database is updated in future editions. Numbers include deals involving at least one Nordic acquirer or target

# Cross-border deals dominate Nordic renewable market. Sweden leads deal activity, while international buyers accelerate market consolidation

Sweden has the most active target market in Nordic renewables M&A, accounting for 29% of deals, followed by Finland and Norway.

Utilities and infrastructure dominate by industry, while technology and engineering also play a key role.

Cross-border activity continues to rise, reaching 80% in Q3 2025, reflecting strong cross-border investor interest in the Nordic clean energy sector.

## Key numbers

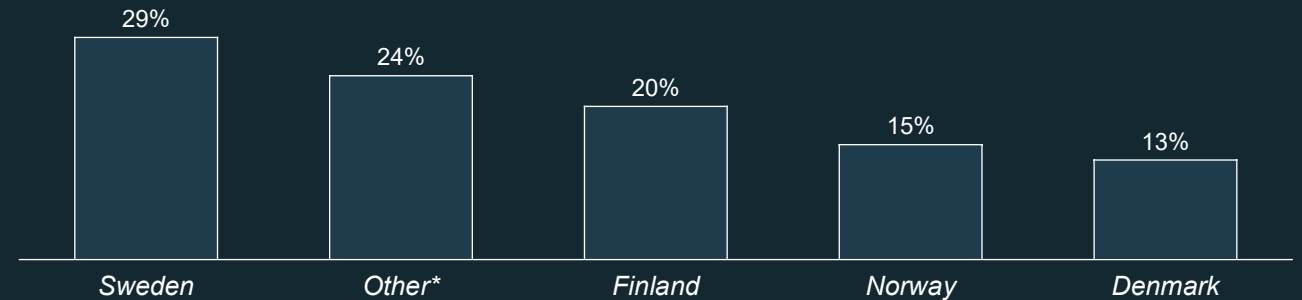
**80%** cross-border share

**29%** of deals target Sweden

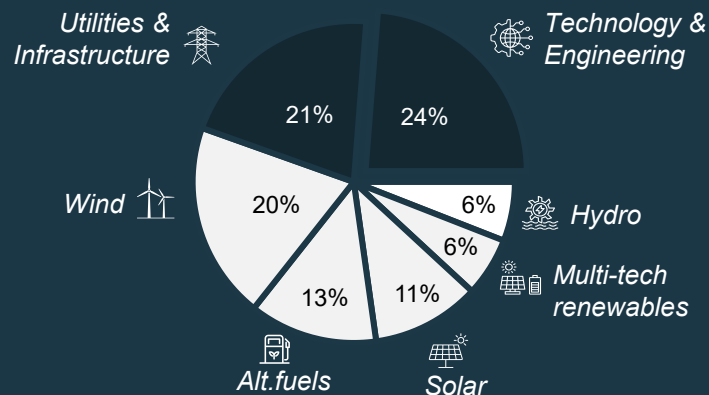
**24%** Tech & Engineering deals



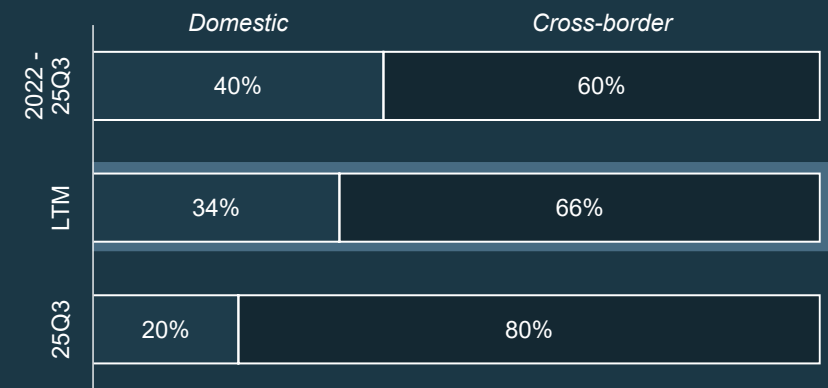
Target geography (LTM): Sweden is the top M&A target market in the Nordic region



Technology & infrastructure drive deal activity (LTM)



Cross-border deals now dominate the Nordic market



Source: LSEG. Note: Deal categorization has been carried out to the best of our ability based on LSEG's sector classifications.

\*Other refers to deals with nordic acquirers and non-nordic targets

# Selective but strategic capital continues to shape the Nordic renewables market, driven by utility consolidation and international investment in growth platforms

## Parties

Target



Utility

Acquirer



Utility

## About the deal

Å Energi has acquired Hafslund's 49% stake in Fredrikstad Energi (FEAS), making the company a wholly owned subsidiary. The deal strengthens Å Energi's national position and paves the way for a planned merger of Glitre Nett and Norgesnett by the end of 2025.

Undisclosed

49% of shares

## Parties

Target



Tech

Acquirer



Investment firm

## About the deal

In September 2025, Greenvoltis raised a multi-million-dollar strategic investment from DeepMind Capital. Green Voltis combines AI-driven software and energy-market trading solutions to optimize the performance and returns of renewable energy and storage assets. The undisclosed round, follows a USD 10 million seed round in 2024.

Undisclosed

Undisclosed

## Parties

Seller



Utility

Acquirer



Solar

## About the deal

In October 2025, Endra AS acquired 70% of Denmark's 44 MWp Kroghøj Solar Park from ÆEnergy. Co-owners Jysk Energi and KP Invest remain involved. The plant produces about 52 GWh annually and will add large-scale battery storage. The deal marks Endra's first project outside Norway and supports its Nordic expansion strategy.

Undisclosed

70% of shares

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# Number of announced projects has declined significantly since 2023

The number of announced renewable energy projects in the Nordic countries has declined sharply over the past two years.

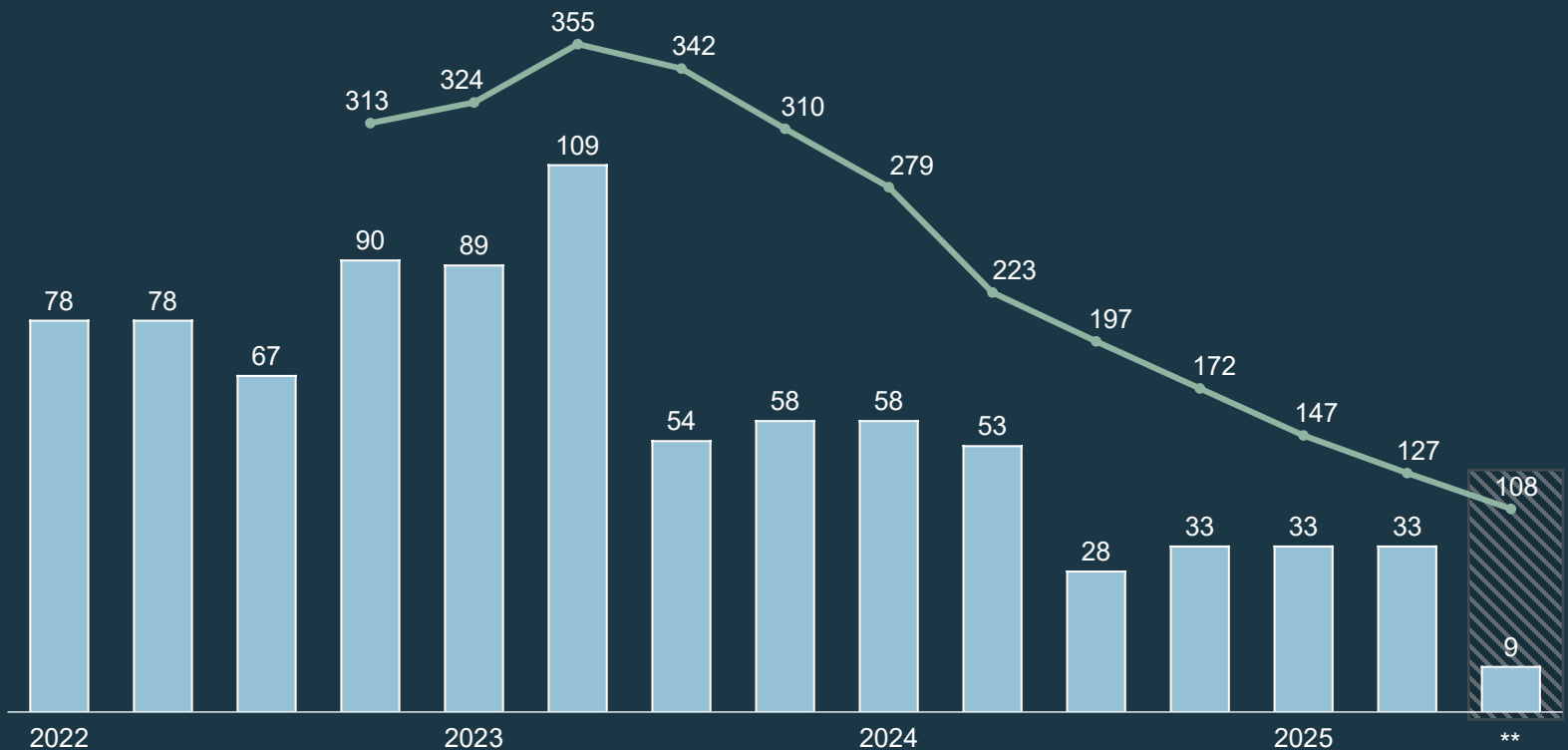
After peaking in mid 2023, with 355 projects announced over the last twelve months, activity has steadily decreased each quarter.

Only 108 projects were announced over the last twelve months. The trend indicates a clear slowdown in new renewable project announcements following the 2023 peak.

Key reasons include higher financing costs, lower power price expectations reducing project returns, grid connection delays, and supply chain bottlenecks.

## Number of announced projects\* has declined sharply

Quarterly no. of projects (bars) and LTM no. of projects (line)



Source: LSEG.\*Covers development located in the Nordics. \*\*Data based on the latest update from the LSEG Infrastructure 360 database. Note that low figures for the most recent quarter may be due to reporting delays.

# Finland leads Nordic infrastructure project activity, while wind emerges as the dominant technology segment

Finland leads the Nordic region in announced infrastructure projects, accounting for 35% of total activity, followed by Norway and Denmark.

Wind power remains the most common project type, included in nearly one-third of all announced projects, followed by battery storage and solar power.

The high share of announced wind projects reflects the technology's low LCOE and continued investor interest. However, some of these projects may face challenges reaching construction due to permitting constraints.

## Key numbers

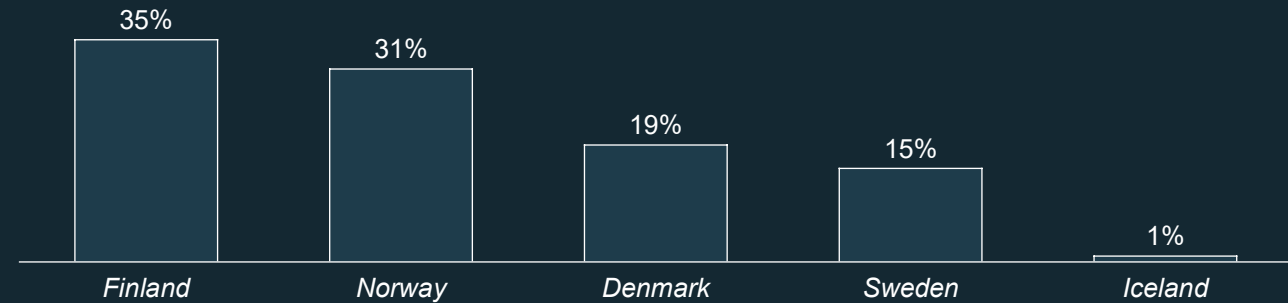
**35%** of projects announced are in Finland

**31%** of projects announced include wind turbines

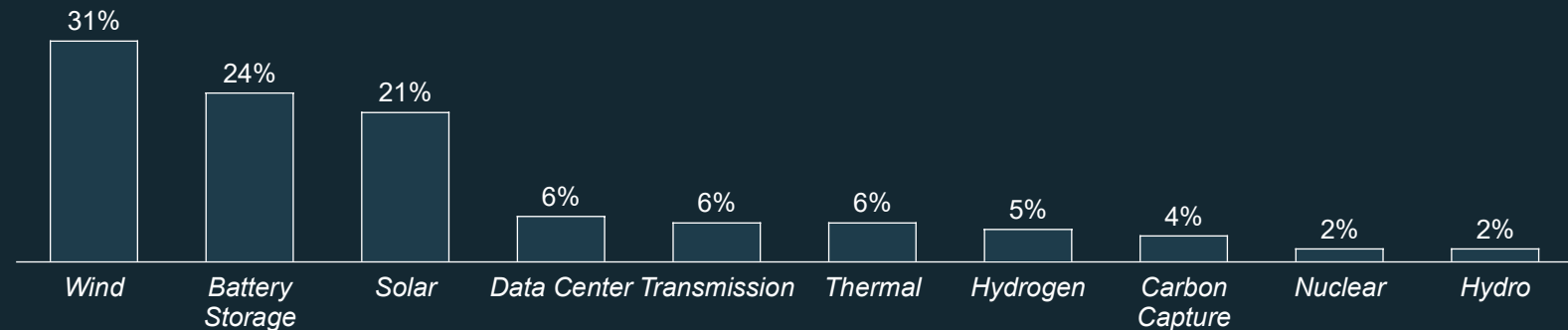
**24%** of projects announced include Battery Storage



**Project nation\* (LTM): Finland has the highest amount of projects**



**Project category\*\* (LTM): 31% of projects include wind turbines**



Source: LSEG. \*Projects cover development located in the Nordics (while M&A includes Nordic companies involved in M&A deals as acquirers or targets). \*\*Some projects include multiple technologies and contribute to several categories, so totals do not add up to 100%.

# Newly announced infrastructure projects in the Nordics: Nuclear, multi-tech and battery storage

## The Varo Peninsula Nuclear Project

Developer

VATTENFALL 



Project




Nuclear



### About the project

The Varo Peninsula Nuclear Project in Ringhals, Halland County, is being developed by Vattenfall AB. The project targets up to 1,500 MW using Small Modular Reactors from either GE Hitachi (BWRX-300) or Rolls-Royce SMR. Licensing is ongoing, and construction is planned for the early 2030s.

 Undisclosed costs

 1500 MW

## UB Renewable Paatinkanga Solar & Wind

Developer

UB | RENEWABLE ENERGY



Project




Solar and wind



### About the project

The Paatinkangas hybrid energy project in Vaala, Finland, is being developed by UB Renewable Energy Fund. It will combine nine wind turbines, solar power, and possible battery storage. The developer is also considering adding data centers.

 150 M EUR

 Unkonwn capacity

## Copenhagen Energy BESS Portfolio

Developer

CE | COPENHAGEN ENERGY



Project




Battery Storage



### About the deal

The Copenhagen Energy BESS Portfolio in Denmark is being developed by Copenhagen Energy A/S. The portfolio includes large-scale battery energy storage systems totaling around 130–150 MWh. The projects are in the ready-to-build phase, with technology supplied by Huawei Digital Power and grid connection planned for 2026.

 Undisclosed costs

 130-150 MWh

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# Norway is emerging as a key location for data centers

**This special issue explores the rapid development of data centers in Norway.** We examine why Norway is emerging as a key location for data centers, what this could mean for the power consumption and the uncertainties associated with the developments.

Global data center interest has surged in recent years, driven by AI, digitalisation and blockchain. This trend has also led to growing power demand from data centers in Norway, and we have seen more than a doubling in the electricity consumption from data centers between 2022 and 2024.

Norway is emerging as an attractive alternative for new data centers. With traditional European markets nearing saturation, investors are turning north. The country's abundant renewable energy, competitive power prices, and naturally cool climate provide strong advantages for data center development.

Requests for grid connections from data centers have increased sharply, with around 5 GW in Statnett's grid queue. Data centers account for a significant share of new requests across all bidding zones, highlighting both strong demand and infrastructure limitations.

Electricity demand from data centers in Norway is expected to grow steeply toward 2030. Large facilities from Google, Green Mountain and Bulk are now under construction, illustrating how consumption is beginning to materialise at scale. Beyond 2030, development will depend on grid capacity, new power generation, and broader uncertainties such as political acceptance, regulatory stability, power prices and connection lead times. These factors will determine Norway's long-term role in the European data center market.

For further information or detailed data, contact Marius Rennesund (see contact details at the end of the report).

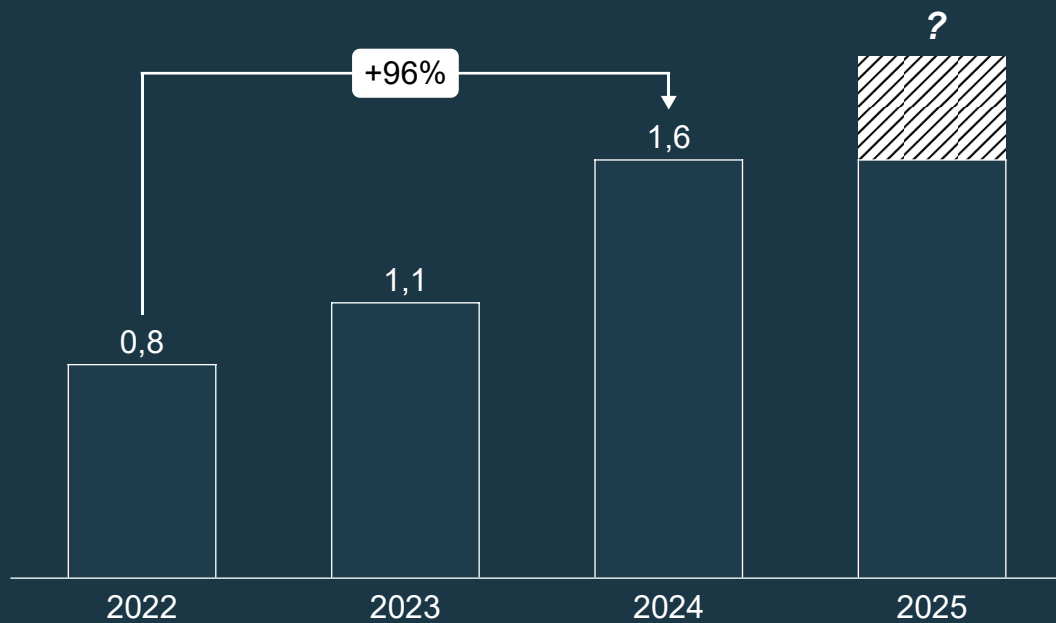


Norway's abundant renewable energy, competitive power prices, and naturally cool climate provide strong advantages for data center development

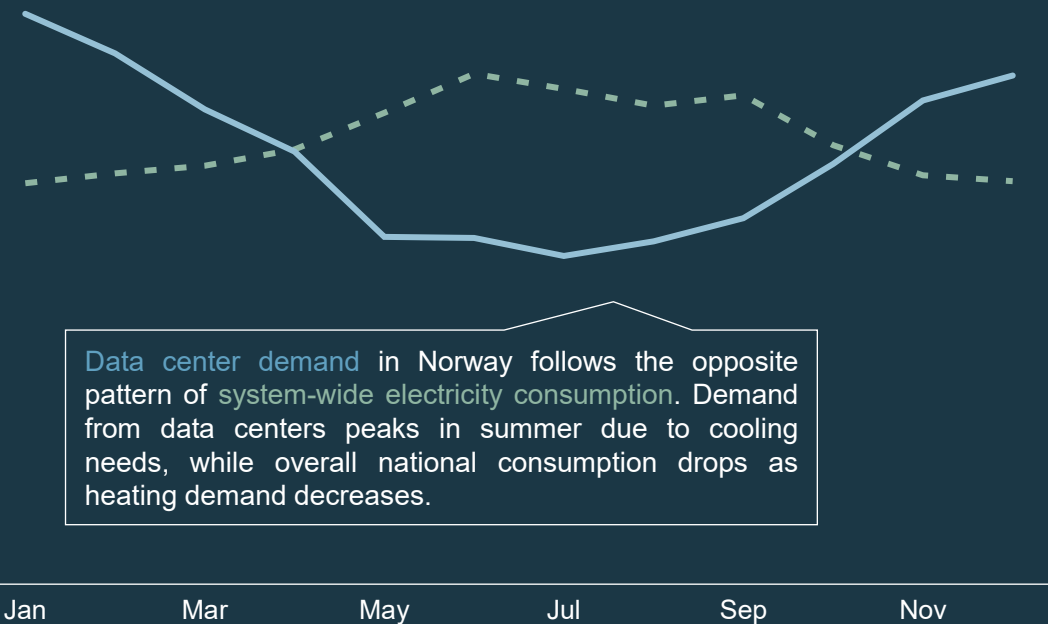
# Data centers are becoming a major new consumer in Norway, with strong growth and a unique seasonal demand profile that impacts the power system

Electricity demand from data centers has nearly doubled since 2022

*Electricity demand from data centers (TWh/year)*



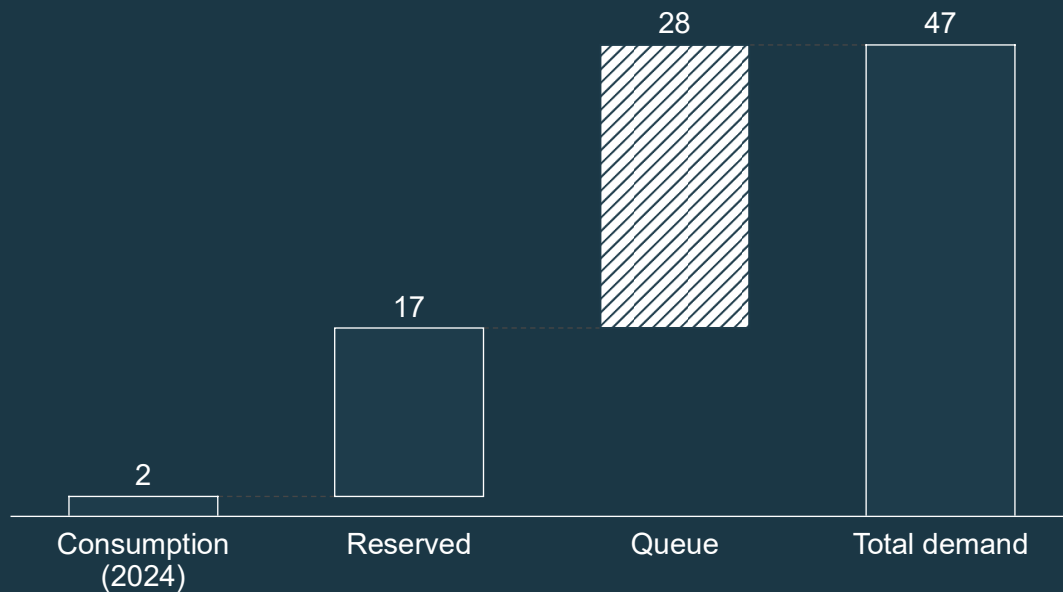
Data centers consume less electricity during winter, in contrast to system-wide demand



# Data centers will drive major new electricity demand in Norway, but grid access is now a critical bottleneck

**Grid connection requests from data centers are 20x higher than current data center consumption**

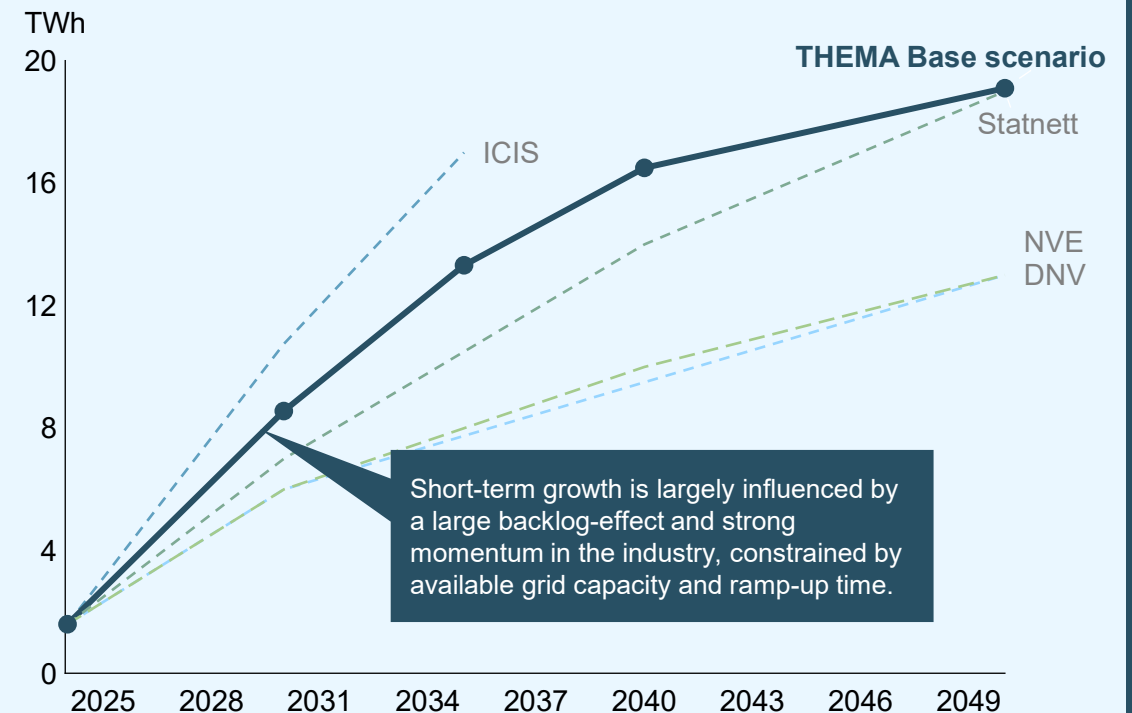
*Demand from grid connections from data centers at Statnett (TWh)*



**Reserved:** Applicant has secured capacity in existing or planned grid.  
**In queue:** Applicant is mature but awaits available capacity.

**Electricity demand from data centers expected to grow 5-8x by 2035**

*Projections\* for electricity consumption from data centers in Norway (TWh)*



Short-term growth is largely influenced by a large backlog-effect and strong momentum in the industry, constrained by available grid capacity and ramp-up time.

Sources: [DNV \(2024\)](#), [Statnett \(2025\)](#), [NVE \(2025\)](#), [ICIS \(2025\)](#) \*The long-term projection is based on a broader analysis of data centre demand and how Norway's power system can accommodate this demand. It is not directly linked to today's reserved capacity, as current reservations and queue requests often change and alone do not provide a reliable indicator of long-term demand.

# Contact us for questions and inquiries



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