

# Relations still under tension

## Switzerland, electricity and the EU

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# Message and structure

- From very beginning (1950s), Swiss companies (Überlandwerke) were at the heart of the electricity exchange in Europe (UCPTE, Stern von Laufenburg)  
... until early 1990s
- There is recently much „excitement“ about security of supply ... but we should not be surprised
- A little bit of history can always be useful ...
- The perfect storm, that no one anticipated
- And now?

# The current „excitment“

Strom- und Gasknappheit -- 100 Tote, 1000 Verletzte: D der Schweiz bei einem **Energie-Infarkt** (Aargauer Zeitung 13.7.0222)

Elcom-Präsident Luginbühl riet nun in der «NZZ am dennoch dazu auf, etwa **Kerzen**, Batterien für **Taschen** sowie **Brennholz** zu horten. (7.8.2022)

**Strom-Lockdown** – Wem wird die Energie abg lange? (20 Minuten, 20.7.2022)

Ems-Chemie-Chefin Magdalena Martull Blackout: «**Der Bund muss** anordnen, di (Blick, 16.7. 2022)

FDP-Präsident Burkart will **AKW** län

Simonetta Sommaruga auf **Gas-**

- In einem ersten Schritt gibt es **Sparappelle des Bundesrats**. Er ruft die Bürgerinnen und Bürger sowie die Unternehmen auf, den Stromverbrauch von sich aus zu limitieren.
- Genügt dies nicht, gibt es **Verbrauchseinschränkungen**. Zum Beispiel werde «der Betrieb von Saunas oder Skiliften verboten», so Künig. Auch eine Reduzierung der öffentlichen Beleuchtung und eine Ausdünnung des Fahrplans im öffentlichen Verkehr sind möglich.
- Danach folgt die **Kontingentierung**, und zwar nur für Unternehmen. «Hier sagen wir den Betrieben, sie dürfen nur noch eine bestimmte, kontingentierte Menge an Strom verbrauchen, und die Unternehmen müssen dies dann eigenständig umsetzen.»
- Falls alle Stricke reissen, kommt es zu **Netzabschaltungen** für alle, aber nicht flächendeckend. Die Netzbetreiber schalten gemäss Ostal-Chef Künig «nach fest definierten Plänen zyklisch gewisse Quartiere für einen gewissen Zeitraum ab

# Our relations with the EU have never been easy

- 1996: EU electricity (and gas) market liberalization starts (1st Energy packet) → the EU takes the initiative
- 2003: ITC (Inter-TSO-Compensation); 2nd Energy Packet (market opening, IRAs)
- 2003: Blackout → the attitude changes but there is still goodwill
- 2003: ERGEG → Switzerland excluded
- 2006: „Regional initiatives“ → CH marginalized by D and F
- 2009: 3rd Energy Packet (ACER, ENTSO-E, network codes)
- 2014: Vote on the Mass Immigration Initiative → the end of the bilateral approach → no electricity agreement before an institutional framework agreement
- 2014: Barroso replaced by Juncker; 2016 Brexit
- 2019: 4th or Clean Energy Package; since then: gradual marginalization of Switzerland (exclusion from intraday, and non-participation in day-ahead; ACER)
- 1992: Referendum on the European Economic Area → the bilateral approach begins (Bilaterals I, 1999; and II, 2004)
- Good technical „electricity relations“ with the EU → exploring a „technical agreement“
- 1999: ETRANS; participation in EU Fora
- 2002: rejection of EMG (Elektrizitätsmarktgesetz) → still no need for a bilateral agreement
- 2006: Swissgrid; 2007: EVG (Elektrizitätsversorgungsgesetz)
- 2007: start of formal negotiations for a bilateral electricity agreement → goodwill (meeting of energy ministers)
- 2014: Mass immigrationsinitiative → end of discussion re electricity agreement
- 2017 Energy Transition decided (even if it is not doable without an electricity agreement)
- 2018: re-opening of discussion for electricity agreement

May 2021: end of the negotiations re an institutional framework agreement

# The perfect storm

- Swissgrid warns since 2015 about security of supply problems in Winter/Spring, echoed by ElCom
- Exacerbated by the Swiss-EU electricity relations: no market-coupling
  - grid stability (loop flows, EU-wide trading)
  - increased balancing and redispatch costs
  - import capacity (reduced due to loop flows)
- Exacerbated by electricity availability, especially in France (availability of French nuclear power plants)
- Exacerbated by drought in France (seasonal, hopefully)
- Exacerbated by the Ukraine war:
  - availability of gas for European electricity generation
  - availability of gas for Switzerland
  - no gas agreement either and no EU gas legislation transposed whatsoever
- Exacerbated by the energy transition in Switzerland: nuclear power plants
- Exacerbated by electrification: heat pumps and EVs
- Exacerbated by the lack of renewables' development

# And now?

- Switzerland has no plan B; are candles the only thing the government has to offer?  
→ implicitly we abandon Paris and the energy transition
- Discussed option: massive solar
  - slow
  - does not solve de Winter/Spring problem
  - kills the price of water in Summer
  - but still necessary
- Discussed option: keep dams full
  - dams are no seasonal storage replacement
  - who pays the opportunity costs?
- Discussed option: gas-fired power plants
  - location problem, too slow, supply chain problems
  - Paris agreement, climate goals, policy coherence
  - no gas agreement with the EU, no transposition of EU gas Directives
  - little gas available
- Alternative:
  - national emergency investment fund for domestic renewables' development
  - State-Owned Enterprise to build and operate renewables (wind, geo-thermal, solar)
  - supportive emergency legislation