

Media release 8 April 2020 Swissgrid Media Service Bleichemattstrasse 31 P.O. Box 5001 Aarau Switzerland

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## Tariffs for the transmission grid

Costs for consumers will remain the same in 2021

Despite an increase in certain tariffs, the overall costs for the transmission grid paid by electricity consumers will stay the same. A household with an annual consumption of 4,500 kWh will continue to pay an average of CHF 44.00 for Swissgrid services in 2021. This amounts to around 5 per cent of annual electricity costs.

The average financial burden on electricity consumers incurred due to the transmission grid will remain unchanged compared with 2020. A household with an average consumption of 4,500 kWh will pay an average of CHF 44.00 for the services provided by the national grid company. This equates to around five per cent of overall annual electricity costs.

The tariffs charged by Swissgrid cover expenditure for grid usage and ancillary services. In 2021 the tariffs for grid usage and reactive energy delivery will increase, while the tariff for general ancillary services will stay the same and the tariff for the compensation of active power losses will decrease.

### Slightly higher tariffs for grid usage

The tariffs for grid usage include a working tariff, a power tariff and a fixed basic tariff per weighted feed-out point. In 2021, these will increase by between 11% and 19% compared to the current year.

#### No change in the general ancillary services tariff

The tariff for general ancillary services will stay the same as in the current year. End consumers will continue paying CHF 0.16 per kWh of energy used in 2021. Swissgrid has managed to significantly reduce the costs of control power provision in the past, and these are expected to remain at a historic low in 2021.

#### Adjustments to tariffs for individual ancillary services

In terms of individual ancillary services, the tariff for active power losses will decrease by 40 per cent year-on-year to CHF 0.15 (2020: CHF 0.25) per kWh. Swissgrid has implemented a new procurement strategy and expects to see a significant drop in expenditure.

By contrast, the tariff for reactive energy will increase by 22 per cent to CHF 1.38 (2020: CHF 1.13) per kvarh. This rise is a consequence of the new voltage support concept introduced in 2020, which was consciously designed to set financial incentives for an exchange of reactive energy with the transmission grid that is beneficial to the system.

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Swissgrid is consistently engaged in efforts to secure the discrimination-free, reliable and efficient operation of the transmission grid as a key basis for guaranteeing a secure supply of electricity for Switzerland. To that end, the company is constantly developing its product range further to increase efficiency and liquidity on the control power market and to reduce barriers for new providers.

A detailed overview of Swissgrid's tariffs can be found on the website.

#### Ancillary service tariffs

Ancillary service tariffs cover the costs of general and individual ancillary services. The costs of provisioning control power, for example, fall under the heading of general ancillary services. Swissgrid uses the control energy made available by the power plants to balance short-term differences between electricity generation and consumption.

Individual ancillary services include, in particular, the costs for compensating active power losses and delivering reactive energy.

#### Grid usage tariff

The grid usage tariff covers the costs of renewing, expanding, maintaining, operating and monitoring the transmission grid. Swissgrid calculates each tariff based on forecasts. There is a working tariff, a power tariff and a fixed basic tariff per weighted outflow point.

#### Surpluses and deficits

Surpluses and deficits can occur because Swissgrid determines its tariffs in advance on the basis of budget figures. Within the financial year concerned, the actual costs and income regularly differ from the budgeted figures. Swissgrid balances out these differences – surpluses or deficits – in subsequent years.

#### Passing on Swissgrid tariffs

The tariff for general ancillary services is billed by Swissrid to all distribution grid operators. They pass it on to their end consumers. Swissgrid bills the tariffs for grid usage and individual ancillary services to distribution grid operators that are directly connected to the transmission grid. On the basis of the tariffs Swissgrid has passed on and their own grid costs, these operators in turn calculate the tariffs for their end consumers. Consequently, these may vary depending on the distribution grid operator.



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For more information, visit media@swissgrid.ch or call +41 58 580 31 00.

#### Powering the future

Swissgrid is the national grid company. As the owner of Switzerland's extra-high-voltage grid, it is responsible for operating the grid safely and without discrimination and for maintaining, modernising and expanding the grid efficiently and with respect for the environment. Swissgrid has more than 500 highly qualified people from 22 countries at its sites in Aarau, Prilly, Castione, Landquart, Laufenburg, Ostermundigen and Uznach. As a member of the European Network of Transmission System Operators for Electricity (ENTSO-E), it is also responsible for grid planning, system management and market design in the European exchange of electricity. The majority of Swissgrid's share capital is jointly held by various Swiss electricity companies.