

Media release

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First half of 2023: Swissgrid is modernising the grid infrastructure and supporting the transformation of the energy system

In the first half of 2023, Swissgrid continued to invest in the maintenance and modernisation of the grid infrastructure and implemented the Confederation's measures to ensure Switzerland's security of supply. Net income amounted to CHF 51.6 million in the first half of 2023 (2022: CHF 47.8 million).

Modernisation of the transmission system lays the foundations for a sustainable energy future. To this end, Swissgrid also pressed ahead with various ongoing grid projects in the first half of 2023.

Work is progressing on the voltage increase from 220 kilovolts to 380 kilovolts on the existing line between Bassecourt and Mühleberg. This change is essential to ensure security of supply in Central Switzerland, especially during the winter months. The necessary construction measures were initiated in mid-August 2022. Existing electricity pylons and other components are being modified. In total, work will be carried out on 56 of the 142 pylons and on the transition structures of the two substations in Pieterlen and Bassecourt so that the line can be put into operation at 380 kilovolts by the end of 2023. Another project concerns the planned installation of a new transformer in the Bonaduz substation, which will increase the operational flexibility of the substation, thereby improving security of supply in the canton of Grisons and in Switzerland as a whole. This transformer will connect the 380-kilovolt grid to the 220-kilovolt grid. The groundbreaking ceremony on 16 June 2023 marked the start of construction work for the installation of the new transformer and the modernisation of the substation. In spring 2023, Swissgrid and SBB (Swiss Federal Railways) also submitted a planning application for the replacement of the high-voltage submarine cables between Brusino and Morcote. The cable route is 2.8 km long, and a total of six Swissgrid cables and two SBB cables will be replaced. By submitting the planning application to ESTI (Federal Inspectorate for Heavy Current Installations) for the replacement of the high-voltage submarine cables, Swissgrid and SBB are laying the foundations for guaranteeing the supply of electricity in the Sottoceneri region and the Ticino railway network.

In February 2023, Swissgrid completed the grid connection of the Birr reserve power plant within less than six months. This was one of the additional tasks entrusted to Swissgrid by the Confederation to ensure Switzerland's security of supply. This ensured that the Birr reserve power plant would have been ready for use as early as the end of winter 2022/2023 in the event

Media release

2 October 2023

of a power shortage. In addition, Swissgrid procured the first tranche of the hydropower reserve for the coming winter in May 2023.

Good half-year result

Net income amounted to CHF 51.6 million in the first half of 2023 (2022: CHF 47.8 million). Total assets rose to CHF 4.2 billion (2022: CHF 3.8 billion), and the equity ratio dropped to 30.9 percent (2022: 33.9 percent). This temporary decline is primarily due to the high volume- and tariff-related timing differences in procurement costs and the costs for the power reserve.

Swissgrid invested a total of CHF 128.5 million in the first half of 2023 to ensure Switzerland's grid-related security of supply (2022: CHF 95.9 million).

Procurement costs more than doubled to CHF 639.7 million in the first half of 2023 (2022: CHF 312.7 million) due to the higher costs of the provision of control power and the higher prices for procuring the energy required for the compensation of active power losses. Operating expenses increased to CHF 139.5 million (2022: CHF 113.7 million). The main drivers for this were higher costs for third-party services and services in kind, for grid maintenance and for other grid-related services.

Swissgrid posted a high total operating income in the first half of 2023 of CHF 924.5 million (2022: CHF 562.2 million).

The federal government's power reserve

Before a possible electricity shortage could arise, the Confederation took various measures to ensure Switzerland's security of supply. The reserves created did not need to be used in the winter of 2022/2023. Swissgrid made payments of CHF 344.9 million to service providers for the provision and preparation of the power reserve as part of the additional tasks entrusted to it by the Confederation in accordance with the Ordinance on the Establishment of a Hydropower Reserve. This amount includes the hydropower reserve (CHF 236.1 million), the Birr, Monthey and Cornaux reserve power plants (CHF 107.9 million) and the emergency power groups (CHF 0.9 million). Swissgrid had to finance these expenses via the financial market, as no revenue was collected in relation to the power reserve in the 2023 financial year due to the time lag in tariff revenue (power reserve tariff from 2024).

Sustainability Report

Swissgrid has always aligned its corporate actions to the long term and towards sustainability. It presented its commitment to sustainability for the first time on 8 August 2023 in the form of a report for the 2022 financial year. This will allow the company to ensure full transparency about its activities and key figures in the field of sustainability with reference to the standards of the Global Reporting Initiative (GRI). The focus is on the four fields of action Purpose, People,

Media release

2 October 2023

Partnership and Planet, and is based on the United Nations Sustainable Development Goals (SDGs).

The sustainability agency ISS ESG has awarded Swissgrid «Prime» status for its sustainability performance.

Outlook for 2023

Swissgrid is continuing to drive forward grid expansion in the second half of the current financial year, as the transmission system is a key success factor for the transformation of the energy system. Current congestion, as well as any future threats of congestion, must be eliminated to guarantee the safe, powerful and efficient operation of the Swiss electricity system.

Swissgrid will continue to play its part in preventing a possible electricity shortage whilst carrying out the additional tasks associated with the Confederation's power reserve. The financing requirements for investments, procurements and the power reserve will remain covered on the financial markets until the expenses are collected via tariffs in the coming years.

[Online half-year report 2023](#) (in German)

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 around 700 highly qualified people from 33 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.