

Press Release

Location, date, Laufenburg, 23 March 2016

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Slightly falling tariffs for the transmission grid in 2017

The average financial burden on electricity consumers due to the transmission grid operated by Swissgrid will fall slightly in 2017. The costs for general ancillary services (AS) will be 11% lower while those for grid usage will remain unchanged. In total, a four-person household will be paying on average CHF 59 (2016: CHF 62) or presumably around 7% of annual electricity costs for the services of Swissgrid in 2017.

The tariffs charged by Swissgrid cover the costs incurred for Ancillary Services (AS) and grid usage. The costs for Ancillary Services are largely caused by the procurement of so-called control energy via which Swissgrid balances out the difference between electricity generation and consumption. The grid usage tariff covers the costs for the power infrastructure of the transmission grid such as pylons, power lines and substations as well as for their maintenance, and the operation and monitoring via the control centres.

Tariff for Ancillary Services lower

The general ancillary services tariff for 2017 will drop by 11% compared to 2016 and will amount to CHF 0.40 (2016: CHF 0.45) per kilowatt hour of consumed electricity for end users. The reasons for the falling AS tariffs are on the one hand the lower procurement costs for control energy and on the other hand the elimination of existing shortfalls dating from 2013.

Volume- and tariff-related timing differences can occur as Swissgrid determines its tariffs in advance on the basis of budget figures. Within the financial year concerned, the actual costs and income then differ from the assumptions.

Grid usage tariffs remain at the same level

Swissgrid will be able to keep its tariffs for grid usage unchanged for 2017. Tariff increasing effects notably resulted from investments made in the transmission grid for grid construction projects as well as on the replacement and maintenance of existing infrastructure. As in the past few years

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Swissgrid has moreover to rectify an existing volume- and timing-related difference. This arose because the chargeable grid usage tariffs for the years 2009 to 2012 were set too low by the relevant authorities. There were tariff-reducing factors such as falling operating costs and lower imputed interest due to the reduction in the capital interest rate for electricity grids (weighted average cost of capital, WACC) to 3.83%. Grid operators earn regulated interest on the capital invested by way of the WACC, which is set every year by the Department of the Environment, Transport, Energy and Communication (DETEC) pursuant to the Electricity Supply Ordinance (StromVV).

Tariffs for the transmission grid unchanged for the longer term

In 2017 the cost of the Swiss transmission grid for end users will fall slightly. They will amount on average to CHF 59 as compared with CHF 62 in the previous year for a four-person household with an annual consumption of 4,500 kWh. This will presumably amount to around 7% of annual electricity costs. Swissgrid has set itself the goal of keeping its tariffs constant for the longer term. In line with this, it is continuing rigorously with its cost-cutting measures. At the same time, it announced in its «Strategic Grid 2025» in the spring of 2015 that its investment in the grid would provisionally amount to around CHF 2.5 billion over the next 10 years. That is significantly less than was previously earmarked. Overall, it should be noted that from today's point of view, a forecast of the future development of the tariffs is subject to many uncertainties.

Further information: media@swissgrid.ch or call +41 58 580 24 00.

Powering the future – Swissgrid is the national grid company. As the owner of Switzerland's extra-high-voltage grid, it is responsible for the safe operation of the grid without discrimination, and for maintaining, modernising and expanding the grid efficiently and with respect for the environment. Swissgrid employs over 440 highly qualified people from 22 countries at its sites in Frick, Laufenburg, Uznach, Landquart, Ostermundigen, Prilly and Castione. 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 cross-border exchange of electricity in Europe. Several Swiss electricity companies jointly hold the entire share capital of Swissgrid.