

Press release

Location, date Laufenburg, 29 march 2017

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Significantly lower tariffs for the transmission grid in 2018

Thanks to a considerable drop in operating and procurement costs, Swissgrid has been able to drastically reduce its tariffs for the Swiss transmission grid for 2018. The tariff for general ancillary services will decrease by 20 per cent on the previous year. The grid usage tariffs are between 6 and 8 per cent lower. Overall, a typical four-person household will pay an average of just CHF 52.00 (2017: CHF 59.00) in 2018 for Swissgrid services. This amounts to around 6 per cent of annual electricity costs.

The tariffs set by Swissgrid cover the costs of the ancillary services (AS) and services relating to grid usage. These reduced tariffs in 2018 are a direct result of the drop in operating costs brought about by Swissgrid's ongoing efforts to increase efficiency. In addition, the company plans to decrease existing surpluses in its ancillary service division and utilise income from auctions to reduce tariffs.

Significantly lower tariff for ancillary services

The tariff for general ancillary services will decrease by 20 per cent compared to 2017. In 2018, end consumers will only have to pay CHF 0.32 (2017: CHF 0.40) per kilowatt hour of power consumed. The lower AS tariff is a result of the lower costs for the provision of control power, which came about because Swissgrid increased the number of providers and thus gave rise to more intense competition in the control power market. The elimination of existing surpluses is also helping to reduce tariffs. Surpluses and deficits can occur as Swissgrid determines its tariffs in advance on the basis of forecast figures. Differences regularly emerge between the actual costs and revenues within the respective financial year. Swissgrid balances out these differences – surpluses or deficits – in subsequent years.

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Lower grid usage tariffs in 2018

The tariffs for grid usage are between 6 and 8 per cent lower compared to 2017. On the one hand, this is because Swissgrid is still working hard to increase efficiency in the long term and so reduce its own operating costs. The forecast indicates that these will be 20 per cent lower in 2018 than five years ago. On the other hand, the company can use the income from auctions earned for cross-border congestion management to reduce the costs that affect tariffs.

Swissgrid charges the grid usage tariffs – a working tariff, a power tariff and the fixed basic tariff per weighted outflow point – to the distribution system operators directly connected to the transmission grid. In turn, they calculate their own tariffs based on their grid costs and Swissgrid's initial grid usage tariffs. For end consumers, such as private households, this means that electricity tariffs often vary by region.

Stable tariffs as low as possible

In 2018, the average financial burden on electricity consumers incurred due to the transmission grid will decrease. A typical four-person household with an annual consumption of 4,500 kWh will pay an average of CHF 52.00 (2017: CHF 59.00) in 2018 for the national grid company's services. This amounts to around 6 per cent of annual electricity costs.

Swissgrid has set itself the goal of keeping tariffs stable at the lowest possible level in the long term. The company is continuing its efforts to reduce operating costs as well as to further opening of, and thus increasing liquidity on, the control power market. However, there are still a number of unknown factors in terms of forecasts about the future tariff developments – for example, due to potential claims from pending proceedings and price changes on the energy markets.

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Further information:

The majority of the costs for ancillary services are incurred through the provision of control power. Swissgrid uses the control energy made available by the power plants to balance the difference between electricity production and consumption. The grid usage tariff covers the costs of renewal, development and maintenance of the transmission grid, as well as of operations and monitoring via the control centres. Swissgrid calculates the tariffs based on forecasts. Its tariffs are monitored by the Swiss Federal Electricity Commission (ElCom).

For further information write 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 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 450 highly qualified people from 24 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 hold the majority of Swissgrid's share capital.