

Press release

Location, date Laufenburg, 23 March 2018

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Tariffs for transmission grid decrease again in 2019

Swissgrid will significantly reduce the tariffs for using the Swiss transmission grid again in 2019. A typical four-person household will now pay an average of CHF 45 a year for Swissgrid's services. This amounts to around 5% of annual electricity costs.

The average financial burden on electricity consumers for using the transmission grid will decrease again in 2019. A typical four-person household with an annual consumption of 4,500 kWh will pay an average of CHF 45 a year, which is CHF 7 less than in 2018. These CHF 45 represent about 5% of the household's total annual electricity costs.

The tariffs set by Swissgrid cover the costs of ancillary services (AS) and services relating to grid usage.

Significantly lower tariff for ancillary services

The tariff for general ancillary services will decrease by 25% compared to 2018. In 2019, end consumers will pay 0.24 cents (2018: 0.32 cents) per kilowatt hour of power consumed. The decreasing AS tariff can be attributed to a predicted fall in operating costs and lower costs for control power provision. In recent years, Swissgrid has increased the number of providers and thus the competition on the control power market. These lower costs, which have already resulted in a surplus in the previous years, also serve to decrease tariffs.

Lower grid usage tariffs in 2019

The tariffs for grid usage are up to 21% lower than in 2018. One reason for this reduction is that it will be possible to close the shortfall in grid utilisation sooner than originally planned. Another reason is that Swissgrid uses part of its income from auctions, generated from managing cross-border electricity congestion, to reduce the costs that determine tariffs.

Swissgrid bills 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

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grid. In turn, they calculate their own tariffs based on their grid costs and Swissgrid's changed grid usage tariffs. For end consumers, such as private households, this means that electricity tariffs often vary by region.

Development of tariffs for the transmission grid

Swissgrid is continuing its efforts to reduce its costs and increase openness as a way of increasing liquidity on the control power market. However, because of unpredictable factors such as the development of prices on the energy markets or potential claims resulting from pending proceedings, it is difficult to forecast the future development of tariffs.

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 short-term differences between electricity production and consumption.

The **grid usage tariff** covers the costs of renewal, expansion and maintenance of the transmission grid as well as operations and monitoring via the control centres. Swissgrid calculates the tariffs based on forecasts. Its tariffs are monitored by the Swiss Federal Electricity Commission (EiCom).

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.

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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 21 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.