

Press release

Place, date Laufenburg, 3 July 2015.
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Successful test for more electricity import capacity on the northern border

Swissgrid was able to significantly raise the capacity for the import of electricity on the northern border during a test between February and April 2015. This was possible entirely without changes to the existing grid infrastructure thanks to new planning and forecasting systems. This will result in lower prices for cross-border capacities and a greater harmonisation with wholesale electricity prices in neighbouring countries. At the same time, the security of supply in Switzerland will increase. With the «Strategic Grid 2025» initiative, a further expansion of transport capacity between Switzerland and its northern borders is planned.

Switzerland imports electricity from its northern neighbours especially in winter. However, the available net transfer capacity (NTC) is limited. The construction of new lines is expensive and time-consuming, which is why Swissgrid is endeavouring to increase the NTC by operational and organisational means. A corresponding test was carried out successfully between February and April. The necessary new planning and forecasting systems were set up, in order to be technically capable - by the end of 2014 - of participating in the coupled European electricity markets with respect to an electricity agreement with the EU. This will entail electricity and transport capacity always being sold together. However, if used wisely, the systems acquired for the market coupling will also bring about significant efficiency gains for the Swiss economy, even in the existing market model with energy and transport capacity being sold separately. With the new systems, the NTC no longer has to be calculated using static assumptions. Instead, Swissgrid forecasts the expected flow of electricity based on empirical values and current data on temperatures, wind direction, solar radiation and consumption from all over Europe, which allows a much more accurate capacity allocation.

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Significant increase in capacity

Overall, during the test phase it was possible to offer around 600 MW or approximately 35% more capacity in the auctions for transfer capacity at the Swiss border with Germany and Austria compared to the previous year. This corresponds to the output of a medium-sized nuclear power plant. This will result in falling prices for cross-border capacities and a trend towards lower wholesale prices in Switzerland thanks to better market access for Swiss retailers and thus more favourable conditions for large users in the winter months. In extreme cases, the auction prices for cross-border capacity could fall by more than 20%. At the same time, the security of supply in Switzerland will increase, because considerably more energy can be imported if required. In a further test phase in winter 2015/2016, Swissgrid will attempt to further optimise the transfer capacity at the border. The «Strategic Grid 2025» report published by Swissgrid in April 2015 also includes four projects that will have a significant impact on the transport capacity between Switzerland and its northern neighbours Germany, Austria and France. This is intended to increase the import capacity by an additional 2,500 MW.

Net transfer capacity (NTC)

The NTC defines the maximum available line capacity between two neighbouring territories. This transport capacity is auctioned off among the Swiss electricity traders. Based on the total transfer capacity (TTR), each grid operator deducts a safety margin, referred to as the transmission reliability margin (TRM). Next the real installed capacities of long-term contracts (LTC) are deducted. The holders of these contracts must in each case declare by the previous day, whether or not and to what extent they intend to use their long-term reserved transfer capacities. The available NTC results from the TTR minus the TRM minus the LTC. Optimisations aside, the primary objective is to ensure, and if possible increase, grid security and security of supply.

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

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Powering the future—Swissgrid is the National Grid Company. As the owner of the Swiss extra-high-voltage grid, it is responsible for operating the grid safely and without discrimination and for maintaining, modernising and expanding the extra-high-voltage grid efficiently and with respect for the environment. Swissgrid employs over 430 highly skilled persons from 22 countries at its sites in Frick, Laufenburg, Lausanne, 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 formation in the cross-border power exchange in Europe. Multiple Swiss electricity companies jointly hold the entire share capital of Swissgrid.