

**Media release**

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## **Transmission grid: costs for consumers will remain the same in 2020**

**A household with an annual consumption of 4,500 kWh will pay an average of CHF 44 for Swissgrid services in 2020. This amounts to around five per cent of its annual electricity costs. Thus, next year, the financial burden end consumers will bear for the transmission grid will remain at the current level.**

The average financial burden borne by electricity consumers for using the transmission grid will remain unchanged compared with 2019. A household with an average consumption of 4,500 kWh will pay an average of CHF 44 to use the services of the national grid company. This equates to around five per cent of overall annual electricity costs.

The tariffs charged by Swissgrid cover expenditure for ancillary services and grid usage. General ancillary services provided by Swissgrid include the costs for control power provision; individual ancillary services include the costs for the compensation of active power loss or the supply of reactive energy. Grid usage includes the costs for operating, overhauling and expanding the grid. The tariffs for general ancillary services and grid usage in 2020 shall decrease. By contrast, individual ancillary service tariffs are increasing.

### **Clear decline in the tariff for general ancillary services**

The tariff for general ancillary services will decrease by over 30 per cent compared to 2019. End consumers will pay only CHF 0.16 (2019: CHF 0.24) per kWh of electricity used in 2020. The majority of the costs for general ancillary services are incurred through the provision of control power. Swissgrid is expecting falling procurement costs in this area.

Tariffs for the individual ancillary service «active power loss» are rising in anticipation of higher procurement costs. Experience has shown that the costs for energy to compensate for active power loss reflect the prices on the power exchanges. Swissgrid is expecting an increase in this area.

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**Slight decline in tariffs for grid usage**

The tariffs for grid usage are around six per cent lower compared to 2019. Operating expenses and the costs for redispatching are expected to increase. The income from auctions that Swissgrid receives from cross-border congestion management has, however, been considerably higher than expected in recent years and has contributed significantly to the establishment of a surplus. Swissgrid will reduce this surplus in the next few years, which will have a positive effect on grid usage tariffs.

**Future development of tariffs for the transmission grid**

Swissgrid is firmly committed to reducing operating costs and the costs for general ancillary services. For this purpose, the company is constantly developing its product range further to increase liquidity on the control power market and to reduce barriers for new providers. However, there are still a number of unknown factors in terms of forecasts about future tariff developments, for example, due to price developments on the energy markets and potential claims from pending proceedings.

A detailed overview of Swissgrid's tariffs can be found [on the website](#).

**Ancillary service tariff**

The majority of the costs for general 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 generation and consumption.

**Grid usage tariff**

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

**Surpluses and deficits**

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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**Passing on Swissgrid tariffs**

Swissgrid bills the tariffs for grid usage and individual ancillary services to distribution grid operators which are directly connected to the transmission grid. On the basis of the Swissgrid tariffs and their own grid costs, these operators in turn calculate the tariffs for their end consumers. Consequently, these may vary depending on the distribution grid operator.

For more information, visit [media@swissgrid.ch](mailto: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 more than 470 highly qualified people from 20 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.