

**Media release**  
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## **Procurement for the hydropower reserve for next winter has taken place**

**In accordance with the Ordinance on the Establishment of a Hydropower Reserve (WResV), Swissgrid today procured the hydropower reserve for the coming winter in the course of a tendering procedure. The Federal Electricity Commission (EiCom) has examined the tenders and approved the awarding of contracts. A total energy volume of 400 GWh was procured at an average price of EUR 739.97 /MWh. The hydropower reserve is one of the measures adopted by the Federal Council to strengthen the security of supply. According to EiCom's benchmarks, it is to comprise an energy volume of 500 GWh with a tolerance of plus/minus 166 GWh, to be held in reserve from 1 December 2022 to 15 May 2023 and only used when required.**

In accordance with the Ordinance on the Establishment of a Hydropower Reserve (WResV), Swissgrid has procured the energy volume specified by EiCom within the framework of a tendering procedure. It accepted participation from all operators of storage hydropower plants that feed into the Swiss control area who would be in a position to offer a product that complies with the benchmarks.

14 storage power plant operators participated in the tender and offered a total energy volume of 672 GWh. The tenders received were submitted to EiCom. Contracts were awarded following the examination of the tenders by EiCom. A total volume of 400 GWh was procured at an average price of EUR 739.97/MWh.

### **Costs of maintaining and using the hydropower reserve**

The hydropower reserve represents a kind of insurance, and this is reflected in the cost. The costs for the reservation of water («reserve charges») are financed by Swissgrid via a separate tariff. This means that they are borne by all Swiss electricity consumers according to their consumption. Since Swissgrid's tariffs for 2023 had already been published before the introduction of the hydropower reserve in March 2022, the new tariff will apply for the first time in 2024. It can be assumed that Swissgrid's tariffs will increase as a result.

The costs for the possible use of the hydropower reserve will be borne by the market players that request it (balance groups).

### **Process for maintaining and using the hydropower reserve**

In exchange for a fee, storage power plants must retain a certain amount of energy that can then be requested when needed. This is the hydropower reserve. The reserve is used when the

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supply on the market can no longer meet the demand. The market player (balance group) whose demand cannot be met reports its requirements to the Swiss transmission system operator Swissgrid. Swissgrid requests the necessary reserve power from the reserve providers.

**Swissgrid takes on an additional task**

In the ordinance, the Federal Council transferred the operational management of the hydropower reserve to Swissgrid. Consequently, Swissgrid is taking on an additional task that goes beyond its previous legal mandate. In specific terms, Swissgrid is providing the human resources and IT systems for handling the auction and the requests. Swissgrid is also entrusted with defining all the processes, conducting the auctions and managing the requests to use the reserve. In addition, it will oversee the accounting and the passing on of costs.

**Hydropower reserve as a measure to strengthen the security of supply**

In February 2022, the Federal Council decided to bring forward the hydropower reserve provided for in the Federal Act on a Secure Electricity Supply from Renewable Energy Sources (consolidation legislation) by ordinance in order to strengthen the security of supply for the coming winter of 2022/2023. It enacted the Ordinance on the Establishment of a Hydropower Reserve (WResV) on 1 October 2022. On 3 October 2022, EICom formally issued and published the benchmarks for the establishment of a hydropower reserve in the hydrological year 2022/2023.

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 600 highly qualified people from 28 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.