

**Media release**

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## **Swissgrid can conclude a contract with transmission system operators of the Core region**

**The inclusion of Switzerland in the capacity calculation for transnational electricity trade in Central Europe will improve grid stability, but is no substitute for an electricity agreement.**

**From now on, Switzerland will be included in the capacity calculation for transnational electricity trade in Central Europe. Swissgrid and the transmission system operators of the Core region can sign a contract under private law to this effect. This contract governs the determination of cross-border capacities at Switzerland's northern borders. The regulatory authorities of the participating countries approved the methodology in October 2024. Swissgrid and the Federal Electricity Commission EICOM have been working closely together on negotiating a contract for many years and have now brought talks to a successful conclusion. However, these contracts under private law are no substitute for an electricity agreement between Switzerland and the EU. The methodology on which the contract is based must be unanimously reapproved by the regulators every year. The conclusion of an electricity agreement with the EU therefore remains indispensable.**

Swissgrid and the transmission system operators of the «Core» region have signed a contract under private law to agree on methodology for taking Switzerland into account in the capacity calculation processes for transnational electricity trade. The process specifies how Net Transfer Capacity (NTC) for electricity imports and exports on the day-ahead market will be defined at the borders with France, Germany and Austria.

Negotiations began in 2020, the contract was approved at the beginning of 2024, and the approval process with the Core regulators has been ongoing ever since.

The integration of Switzerland into these capacity calculation processes will give Swissgrid better control of physical electricity flows through Switzerland. This will increase grid stability. At the same time, adequate consideration will be given to the load limits of the elements that make up the Swiss transmission grid. This is important because electricity always physically takes the path of least resistance, regardless of the trades agreed on the market. The electricity flow resulting from trades in the EU often follows the route through Switzerland, without taking into account the technical limits of the Swiss extra-high-voltage grid.

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**The conclusion of an electricity agreement must remain the main priority**

Swissgrid works closely with the European transmission system operators. The transmission system operators conclude contracts on technical aspects within their area of responsibility for this purpose. However, these contracts are not sufficient to guarantee Switzerland's grid security and security of supply in the long term. The contracts under private law for including Switzerland in the capacity calculation are drawn up in accordance with a letter from the EU Commission. However, according to EU law, there is no obligation for transmission system operators to sign them. This means that contracts can be withdrawn or contested at any time for political reasons. What is more, they must be renewed annually, which requires the approval of all the transmission system operators and regulators in the countries concerned. It is possible that a unanimous decision to extend the contracts may not be reached on irrelevant grounds. In addition, the contracts do not cover all the important aspects of grid operations, such as inclusion in European control energy platforms.

An electricity agreement is the only way to integrate Switzerland into the European internal electricity market, to give players unrestricted access and to strengthen the secure and stable operation of the Swiss transmission grid and Switzerland's import capability.

**«Core» capacity calculation region**

A capacity calculation region (CCR) is defined as «the geographic area in which coordinated capacity calculation is applied» (Art. 2 of EU Regulation 2015/1222 «establishing a guideline on capacity allocation and congestion management»). A capacity calculation region comprises the control areas at whose borders the relevant transmission system operators must coordinate capacity allocation. In addition, regional grid security processes are also carried out. The «Core» region consists of the borders of the control areas of the following 13 EU member states: Austria, Belgium, Croatia, the Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia, Slovenia and Ireland.

The Swiss control area is not part of a capacity calculation region, as Switzerland is not an EU member state and is not subject to EU law. If Switzerland and the EU conclude an electricity agreement, one of the consequences will be to ensure the permanent inclusion of Swissgrid in European processes for operating the transmission system, including capacity calculation.

Further information: [blog post on «Technical contracts and their limits»](#)

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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 operating the grid safely and without discrimination and for maintaining, modernising and expanding the grid efficiently and with respect for the environment. Swissgrid has about 800 highly qualified people from 39 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.