

**Media release**  
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Swissgrid Media Service  
Bleichemattstrasse 31  
P.O. Box  
5001 Aarau  
Switzerland

T +41 58 580 31 00  
media@swissgrid.ch  
www.swissgrid.ch

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

**In accordance with the Ordinance on the Establishment of a Winter Electricity Reserve (Winter Reserve Ordinance, WResO), Swissgrid today procured the final tranche of the hydropower reserve for the coming winter as part of a tendering procedure. The Federal Electricity Commission (EiCom) has approved the awarding of contracts. A total energy volume of 250 GWh was procured at an average price of 66.12 euros/MWh. The hydropower reserve is one of the measures adopted by the Federal Council to strengthen security of supply. According to EiCom's benchmarks, it is to comprise an energy volume of 300 GWh with a tolerance of plus/minus 100 GWh, to be held in reserve from the beginning of February 2025 to mid-May 2025 and only used when required.**

The tendering procedure for the hydropower reserve for the winter of 2024/25 was divided into 3 tranches. Contracts were awarded following the examination of the tenders by EiCom. A total energy volume of 250 GWh (winter of 2023/24: 400 GWh) was procured at an average price of 66.12 euros/MWh (previous year: 138.67 euros/MWh).

The auctions for the individual tranches of the hydropower reserve for the winter of 2024/25 were closed on 25 July, 15 August and 29 August 2024 respectively. In the first tranche, 105 bids were submitted for a total of 492 GWh, of which 63 GWh were awarded at an average price of 53.17 euros/MWh. In the second tranche, 93 bids totalling 443 GWh were received, resulting in the procurement of 82 GWh at an average price of 68.2 euros/MWh. In the third tranche, 115 bids were placed for a total of 373 GWh, of which 105 GWh were awarded at an average price of 72.28 euros/MWh.

In accordance with the Ordinance on the Establishment of a Winter Electricity Reserve (Winter Reserve Ordinance, WResO), Swissgrid accepted participation from all operators of storage hydropower plants that feed energy into the Swiss control area who are in a position to offer a product that complies with the relevant benchmarks. Under EiCom Directive 5/2024 («Benchmarks for the establishment of a hydropower reserve in the hydrological year 2024/2025»), procurement is taking place in staggered partial tenders between July and September 2024.

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

The costs for the reservation of water («reserve charges») are financed by Swissgrid via a separate «power reserve» tariff. This means that they are borne by all Swiss electricity consumers according to their consumption. As the tariffs are calculated by Swissgrid based on

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forecasts for the coming year, there may be a time lag between the results of the tendering procedure and billing via the «power reserve» tariff.

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 for a defined period during the winter, which can then be requested when needed. This is the hydropower reserve. The reserve is used when the 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.

**Hydropower reserve as a measure of the Winter Reserve Ordinance**

In January 2023, the Federal Council approved the Ordinance on the Establishment of a Winter Electricity Reserve (Winter Reserve Ordinance, WResO), which was brought into force on 15 February 2023. This ordinance governs the use of the hydropower reserve and of reserve power plants, pooled emergency power groups and CHP plants to strengthen the winter power supply in Switzerland. In May 2024, ElCom formally issued and published the new benchmarks for the establishment of a hydropower reserve in the hydrological year 2024/2025. These benchmarks form the basis for the tendering of the hydropower reserve by Swissgrid. For the hydrological year 2024/25, the hydropower reserve is being procured in line with these benchmarks in staggered partial tenders between July and September 2024.

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 around 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.