

Media release
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# Switzerland needs an electricity agreement with the EU Swissgrid welcomes the successful conclusion of negotiations

An electricity agreement will strengthen Switzerland's position. It will increase security of supply and grid stability. An electricity agreement will give Swiss players access to the European electricity market and lead to lower costs. Switzerland will gain legal certainty and be able to help shape the further development of the European electricity market.

#### An electricity agreement will increase security of supply

41 cross-border power lines connect the Swiss transmission grid with the European interconnected grid and ensure the smooth exchange of electricity with neighbouring countries. Particularly in the winter, Switzerland is unable to supply all the electricity it needs and is reliant on imports. However, Switzerland is increasingly excluded from platforms and processes. An electricity agreement will protect Switzerland's import capabilities and give Swiss players access to the European internal electricity market.

### An electricity agreement will increase grid stability

Transnational electricity trade in Europe is increasing in line with the expansion of the European internal electricity market. Some of this electricity flows through the Swiss grid for physical reasons. An electricity agreement will allow grid capacities and congestion to be taken into account in European processes. Swissgrid will be required to carry out fewer interventions to keep the frequency stable.

Control energy is needed for the secure operation of the transmission system. It is used when the grid is unbalanced. Grid operations are becoming more demanding as the volume of electricity generated by wind and solar energy rises. Of the three European platforms for trading control energy, TERRE, MARI and PICASSO, Swissgrid only has access to TERRE, and without an electricity agreement, this participation is jeopardised.

Access to such platforms is crucial for the secure and cost-effective operation of the Swiss transmission grid. The supply of control energy is much higher throughout Europe than in Switzerland. A more liquid market will make grid operations more secure and also lead to lower costs for Swiss end customers and industry.

## An electricity agreement will create legal certainty in the long term

In the EU, the requirements for secure grid operations are governed by public law. Agreements under private law, such as those that Swissgrid can conclude, must be approved annually by all



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regulators. They may be rejected on different grounds. Swissgrid relies on cross-border cooperation when calculating cross-border capacities and considering congestion, but has no legal claim to corresponding agreements. Only an electricity agreement will enable Swissgrid to participate in European coordination processes on an equal footing and in accordance with international law, thereby minimising unplanned electricity flows through Switzerland.

## Helping to shape the European internal electricity market

The EU is continuously developing its internal electricity market, which results in new rules and processes. An electricity agreement will ensure that Switzerland can participate on an equal footing in the development of new rules for the operation of the shared grid. Without an electricity agreement, Switzerland will be unable to continue to help shape regulations, which could cause a further drift in the legislative framework.

Switzerland has one of the most stable grids in the world. The possibility of close cooperation with the other transmission system operators in Europe plays a significant role in maintaining stability, for example by offering opportunities for providing mutual support in emergency situations.

Electrical energy will become increasingly important for the economy and society in the future. An electricity agreement will make a key contribution to Switzerland's secure and sustainable energy future.

Background information on the European internal electricity market: <u>European internal electricity</u> <u>market</u>

For more information, visit 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 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.