

# Media Release

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## Energy Act: Investments in renewables have to be worthwhile

**Targeted investment incentives are needed in order for Switzerland to achieve a substantial expansion of renewable energies. The investment contributions proposed under the revision of the Energy Act are not suitable for large-scale plants. Furthermore a risk guarantee to ensure long-term investments in existing hydropower plants is lacking. Axpo proposes appropriate alternatives.**

Today, major investments in renewable energies are hardly worthwhile. Investment in solar or wind power plants is clearly more attractive in the neighbouring European countries. With the revision of the Energy Act, the Federal Council intends to create incentives to achieve the goals of the Energy Strategy 2050 for stronger investment in renewables in Switzerland. As the largest Swiss producer of renewable energies, Axpo welcomes the Federal Council's intention to now advance expansion in Switzerland. It has to be worthwhile to invest in renewable energies in Switzerland.

### Investment contributions not suitable for large-scale plants

However, Axpo does not see the Federal Council's proposed instrument with investment contributions as expedient. In the past, investment contributions have only proven effective for small plants. To achieve the expansion targets of the Energy Strategy 2050 more large-scale plants are needed. These – in contrast to small plants optimised for self-consumption – are exposed to the volatile power prices for decades. Hence, in its [statement on the consultative process \(German only\)](#) Axpo proposes auctioning floating market premiums that are oriented to the market price. In contrast to investment contributions, a floating market premium is already used in a large part of Europe today. The model is expedient and extremely efficient (more produced kWh per subsidised Swiss franc).

### Not overlooking existing plants

In the Energy Act revision process, the focus must not only be on new plants. For the security of supply, investments in the refurbishment and maintenance of existing plants (large-scale hydropower) is just as important. It is therefore equally urgent to reduce these investment risks. Axpo also prepared a proposal on this issue: A risk guarantee would insure that sufficient investments are being made in the maintenance of existing hydropower plants.

On the topic:

- [Axpo's response to the consultative process \(German only\)](#)
- [Interview with Axpo CEO Thomas Sieber](#)

**Additional information**

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**About Axpo:**

Axpo is Switzerland's largest producer of renewable energy and an international leader in energy trading and the marketing of solar and wind power. 5000 employees combine experience and expertise with a passion for innovation. Axpo develops innovative energy solutions based on state-of-the-art technologies for its customers in over 30 countries in Europe and the USA.