

# Media release

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## Axpo supports Federal Council plans to prevent electricity shortages, but additional measures needed

**Axpo welcomes in principle today's Federal Council proposals for a hydropower reserve and reserve power plants. These measures support the goal of strengthening security of supply in Switzerland. But legal amendments are necessary so that Switzerland can successfully achieve the energy transition and guarantee long-term electricity security of supply.**

An energy transition and simultaneously high level of supply security are possible, as demonstrated by the [Axpo model](#) presented in October 2021. To achieve this, a broad technology mix and, in particular, a strong expansion of photovoltaics are needed. However, by 2050 Switzerland will lack some 50 terawatt-hours of electricity supply, while progress in the expansion of renewable energies has stagnated due to an unfavourable regulatory framework.

Reserve capacities outside the existing power market act as a guarantee and can make an important contribution in critical supply situations. We therefore welcome the measures proposed by the Federal Council today for a hydropower reserve and reserve power plants. It is important that both reserves are only called upon in exceptional situations and market distortions must be prevented. Axpo will analyse the proposals in detail.

In principle, we support the establishment of a hydropower reserve ahead of revisions to the Energy Act and the Energy Supply Act, although the timeframe is very ambitious. Axpo is working closely with government on this proposal to increase security of supply in Switzerland.

### **Gas-fired power plants for emergencies only**

While the expansion of renewables must be the top priority in Switzerland, the targeted use of gas-fired power plants could prove advantageous in exceptional situations. Axpo welcomes the scenario that foresees gas-fired power plants designed as a reserve for emergencies, with no participation in the market. This is justifiable because the government sees a particular risk for brief supply problems in exceptional situations. At the same time, market distortions could be prevented. The fact that the operation of reserve gas-fired power plants is planned to be climate-neutral is also beneficial. In contrast, gas-fired power plants that participate in the participation would only make sense once an international market for CO<sub>2</sub>-neutral gas has been established.

### **Additional improvements to regulatory framework necessary**

Switzerland is barely making progress in the expansion of renewable energies due to the disadvantageous regulatory framework. Some but not all the required regulations have been addressed in the legislative process. One example is the often lengthy approval process. Axpo welcomes the Federal Council's intention to accelerate processes for wind and hydropower. However, the proposal presented at the beginning of February does not address the de facto ban of PV systems on open land and in alpine regions.

Another area of concern is power imports. Switzerland will remain dependent on imports during the winter to efficiently cover power demand at certain times. The Federal Council must enter into negotiations with the EU for a better inclusion of Switzerland in order to prevent additional restrictions on cross-border capacities.

### **About Axpo**

Axpo is driven by a single purpose – to enable a sustainable future through innovative energy solutions. As Switzerland's largest producer of renewable energy and an international leader in energy trading and the marketing of solar and wind power, Axpo combines the experience and expertise of more than 5,000 employees who are driven by a passion for innovation, collaboration and impactful change. Using cutting-edge technologies, Axpo innovates to meet the evolving needs of its customers in over 30 countries across Europe, North America and Asia.

### **More information**

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