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At the polls: Electricity Act on a secure electricity supply with renewable energies

Introduction

On June 9, 2024, the Federal Act of September 29, 2023 on a Secure Electricity Supply from Renewable Energy Sources (Amendment to the Energy Act and the Electricity Supply Act, also known as the "Mantelerlass") was put to the vote. The Swiss electorate voted in favor of the blanket decree at the ballot box with 68.72 % of votes in favor.

Current situation

Switzerland's secure and reliable energy supply is an issue that has long preoccupied society and politicians. Switzerland's energy supply is only guaranteed with the help of imports of energy sources, which is difficult due to geopolitical tensions, changes in the framework conditions in neighboring countries and increased self-consumption by third countries, among other things.

According to the Swiss Energy Foundation SES, Switzerland's energy requirements in 2024 could be covered by production from wind, water and solar energy until April 17. From the so-called "Energy Independence Day", Switzerland was dependent on imports of energy resources such as uranium, gas and oil. In recent years, this has cost Switzerland an average of CHF 7 billion, which it has transferred abroad. The dependence on imports from abroad is particularly evident in the winter months.

Legislative projects

In 2017, the Swiss electorate approved the bills for the total revision of the Energy Act. This included the phasing out of nuclear power plants on the one hand and the expansion of plants for electricity production from renewable energies on the other.

Parliament took the next step towards strengthening security of supply through the production of electricity from renewable energies in Switzerland by adopting the blanket decree. However, a referendum was held against the bill and submitted to the electorate for a vote on June 9, 2024.

Objectives and content

The main aim of the bill is to strengthen the security of electricity supply by reducing dependencies and expanding electricity production plants from renewable energies (with binding targets for 2035 and 2050) and to increase energy efficiency. Furthermore, flexibility (the ability to control the purchase, storage or feed-in of electricity) is to be used by end consumers, producers and storage operators (so-called flexibility owners) and decentralized production is to be integrated into the electricity grids by local electricity communities, for example.

For example, the possibility of introducing dynamic grid usage tariffs is intended to ensure that electricity grids are not burdened by decentralized feed-ins and instead provide incentives for stable and secure grid operation.

Measures to increase energy efficiency include setting reduction targets for winter electricity consumption, expanding programs to promote technical efficiency measures and introducing an efficiency services market. Electricity suppliers must save a certain percentage of their electricity sales each year by implementing measures to increase efficiency. If they do not meet their electricity saving targets themselves, they must acquire evidence from third parties that includes such measures in Switzerland.

Financial contributions and a solar obligation on roofs and facades should further accelerate the expansion of solar installations. The obligation to use solar energy applies to new buildings with a chargeable building area of more than 300 m². The cantons also have the authority to extend the solar obligation to buildings with a smaller building area and to regulate exceptions.

The democratic rights of the population to have a say at cantonal and communal level remain intact with the bill. Referendums on new solar and wind parks can therefore continue to be held at communal or cantonal level. Decisions on water use concessions will also continue to be made at cantonal or communal level. There is an exception for the 16 hydropower plants mentioned in the bill. The annex to the Electricity Supply Act lists the 16 projects involving the expansion of existing and the construction of new storage hydro-power plants. These serve to increase the storage capacity of electricity in winter and thus the security of supply. In future, these plants will no longer be subject to land use planning and the associated consultation options.

Wind and solar power plants of a certain size and significance are considered plants of national interest. This means that the probability of a plant being approved is increased. However, the priority is not absolute and does not guarantee approval. Each project must still be assessed and approved individually.

The simplified planning conditions for solar and wind power plants in suitable areas and for the 16 hydropower plants also include the fact that the need for and siting of these plants is deemed to be proven and these requirements can no longer be reviewed by authorities or courts. This increases the likelihood that a plant will be approved.

Critical voices

There was general agreement that there was a need for action on Switzerland's energy and electricity supply. However, critical voices were also raised, which led to a referendum against the bill and the vote.

For example, there were fears that the easier planning conditions would result in a restriction of the sovereignty of the people, the cantons and the municipalities. The lack of appeal options at local level and the shortened approval procedures were also viewed critically.

Even if the appeal options for private individuals and associations remain in place in principle, it cannot be denied that they will have less chance of success than before due to the simplified planning conditions. However, this can also facilitate the goal of faster expansion.

The law does not provide for any new levies. The grid surcharge as a financing vehicle for the promotion of renewable energies remains unchanged at 2.3 centimes per kilowatt hour. However, the industry is expecting price increases as grid operators will be faced with new investments, more regulation and additional tasks.

The laws amended by the blanket decree are expected to come into force on January 1, 2025.

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