

Media Release

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Hydropower Round Table has taken an important step but not enough for energy transition

The Hydropower Round Table issued a statement proposing 15 concrete projects. Axpo supports the jointly developed strategic thrust of the document, underpinning as it does the importance of Swiss hydropower. However, while a necessary step in the right direction, it does not do enough to drive the progress necessary for a successful energy transition.

The third Hydropower Round Table took place in Berne, Switzerland. The format was initiated in August 2020 to find solutions for the necessary expansion of hydropower as an important component of the energy transition. At today's meeting, a key statement was signed that included a list of 15 projects intended to achieve a seasonal storage capacity amounting to 2 TWh by the year 2040. As Switzerland's largest hydropower producer, Axpo will also make a contribution to this undertaking.

The Round Table is a proactive initiative, bringing together the most important players in the sector. This is an important step, especially as discussions around the protection of the biodiversity versus the use of hydropower can often become quite intense. Bringing the proposed projects to the finish line, however, will require a willingness to compromise on the part of all parties involved. Nevertheless, it is questionable whether the list of 15 projects is enough since each one must be realised in the face of foreseeable resistance before the desired production capacities can be achieved.

A solution must also be found to generate the profitability that is often lacking in these plants. Hydropower is burdened with high costs, such as rigid water rates. In addition, with the expiration of numerous concessions, questions regarding residual value guarantees need to be discussed with the cantons.

Axpo CEO Christoph Brand commented: "This statement is an important step. I hope very much that all the projects can be realised. Furthermore, we must be aware that hydropower expansion is only one of many steps on the way to the energy transition. Switzerland must expand all renewable energies much more rapidly."

Permits and financing as expansion obstacles

The increase of seasonal storage production by around 2 TWh would undoubtedly make a valuable contribution to the improvement of security of supply in the cold, dark winter months. However, it is only one of many factors in achieving the energy transition. By 2050, Switzerland will lack 12 TWh of winter power owing to increasing power consumption and the elimination of nuclear power. In total, Switzerland needs to expand renewable energies by about 50 TWh if it is to meet future annual demand. And it needs to do so quickly if this monumental task is to be achieved.

Axpo has developed a costed scenario which shows how Switzerland could simultaneously achieve the energy transition and security of supply. The necessary expansion is possible, but only if the right approval processes and financing options are in place. If solutions are not found quickly in both areas, the energy transition will not be achievable. The Energy Act and the Electricity Supply Act, currently under discussion in the Swiss Parliament, as well as the revision of the Energy Ordinance, are very important in this regard. Axpo also awaits the proposal announced by the Federal Department for the Environment,

Transport, Energy and Communications to simplify the permitting process, given that the two Acts before Parliament offer no solution to this issue.

The [final statement of the Round Table](#)

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. Its 5,000 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 40 countries in Europe, the USA and Asia.

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