

# Media release

30 September 2022

## Axpo welcomes Swiss parliament's decisions to strengthen security of supply

**In the autumn session, the National Council and the Council of States took important steps to strengthen the security of supply. In the medium term, the expansion of renewables in Switzerland will be accelerated, and in the short term, possible liquidity bottlenecks caused by the unprecedented distortions on the energy markets will be cushioned in an emergency. For producers and investors such as Axpo, this commitment by parliament is important because it creates greater legal certainty. Axpo is closely examining various projects. Time is pressing, as Switzerland will be short of around 50 terawatt hours of electricity by 2050.**

According to [Axpo's calculations](#), Switzerland will need around 50 terawatt hours (TWh) of electricity by 2050. This amount will be necessary because:

- Nuclear power will be phased out
- Hydropower is declining due to ecological regulation
- Electricity demand will increase by more than 35 percent due to decarbonisation.

By way of comparison, total hydropower today produces around 38 TWh.

In October 2021, [Axpo presented a model](#) of how the energy transition can be achieved while maintaining a high level of electricity supply security. The Axpo model focuses on a mix of different technologies. Hydropower and photovoltaics - also in the Alps - must play a central role, supplemented for example by CO<sub>2</sub>-neutral gas-fired power plants for the winter, plus wind and biomass. This model can be implemented if the approval process and financing options allow.

Axpo is by far the largest electricity producer in Switzerland and has invested heavily in this country in recent years: billions have been invested in nuclear power, hydropower and grids. Axpo intends to continue this commitment and, in particular, to invest in new facilities, such as the [solar plant at the Mutsee dam](#).

### **Autumn session marks milestone**

Unfortunately, this expansion is hindered by adverse regulatory conditions, namely approval processes that take far too long. In this overall situation, the session that ended today represents an important milestone.

In its discussion of the 'secure electricity supply with renewable energies' decree, the Council of States took important steps to improve the regulatory conditions for investment in renewable energies. Axpo particularly welcomes the fact that the national interest in the expansion of renewable energies is to be strengthened for specific projects and explicitly extended to PV plants, wind power plants and electrolyzers. Strengthening the weighting of electricity production is central to ensuring that the goals set can actually be achieved. The approval procedures remain the central challenge in the realisation of corresponding projects. Further steps to accelerate them are needed urgently.

Axpo also welcomes the announcement of additional measures to support the economic viability and investment security of renewable energy projects. As these measures are further refined and implemented, it is important to ensure that they are geared as far as possible to the expansion of winter production and seasonal shifting.

Large, free-standing PV systems also make a significant contribution to the supply in the winter half-year, which parliament has made possible with an urgent resolution. It is to be welcomed that such installations are considered to be site-specific and of fundamentally overriding national interest. However, the regulations are limited in time. In the medium to long term, the ability to license renewable installations must be improved.

Axpo will now analyse what these decisions mean for its project pipeline and continue to examine new projects.

### **Security umbrella for electricity companies approved**

By approving the support for utilities in the event of liquidity bottlenecks, Parliament also created a hedge against the unprecedented and war-related volatility on the energy markets, thereby strengthening domestic electricity production. On 2 September 2022, Axpo applied for a precautionary credit line of up to CHF 4 billion from the Swiss government. This was in the event that collaterals on the energy markets should increase even further. So far, however, all the disruptions have been absorbed by the Axpo itself and the credit line has not been drawn down. In addition to Switzerland, various other countries have decided to take support measures.

### **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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