

#### STATE CHANCELLERY

government communication

#### Peter Buri

government spokesperson Government building, 5001 Aarau Telephone direct 062 835 12 03 Mobile 079 216 29 80 peter.buri@ag.ch www.ag.ch/sk

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#### PRESS RELEASE

Electricity and gas shortage – Birr reserve power plant only emergency solution for winter 2022/23 to 2024/25

Government Council calls for rapid implementation of Birr gas-fired power plant project, voluntary quotas and review of cyclical grid shutdowns measure

In its consultation response to the Winter Reserve Ordinance, the Government Council considers the reserve power plant in Birr to be an emergency solution only for the winters 2022/23 to 2024/25. It calls for the rapid realisation of the project for an enclosed regular reserve gas power plant in Birr, which would have a significantly lower environmental impact. The **Government Council is also calling for voluntary quotas** for large consumers and a review of the concept for cyclical grid shutdowns (level 4 measures in the event of an electricity shortage). Despite improved forecasts, the Government Council is maintaining cantonal crisis management to cope with an electricity and gas shortage - with a view to the risks that still exist in spring 2023 and, above all, the following winter halfyears. On the issue of support for the economy and private households, the Government Council sees the federal government taking the lead.

The Government Council welcomes and supports in principle the thrust of the Winter Reserve Ordinance submitted by the federal government for consultation. This is highly relevant for the canton of Aargau because it sets the framework for when and how often the Birr reserve power plant can be put into operation. With the planned plant in Birr, Aargau is the siting canton for the largest and most emission-intensive reserve power plant in Switzerland. "Government Councillor Stephan Attiger, Head of the Department of Construction, Transport and Environment, emphasises: "The turbines of the reserve power plant, which

will be installed in the open air, represent a major source of noise and air pollution for the population and the environment. For this reason, the canton of Aargau demands that all other options be exhausted first before the reserve power plant in Birr is used".

The Aargau Government Council considers the reserve power plant in Birr to be a short-term emergency solution for the winters 2022/23 to 2024/25; it calls on the federal government to quickly and purposefully implement other solutions and measures for the following winters.

# Relieving the burden on the population and the environment and using the potential of emergency generators

The Winter Reserve Ordinance will determine when and how often the reserve power plants (in addition to the hydropower reserve and aggregated emergency power generators) could be used. The Government Council demands that all other options be exhausted first before the Birr reserve power plant is used: for example, the use of the hydropower reserve or the emergency power generators (NSA) first.

The operation of the mobile, outdoor turbines represents a major noise and air pollution for the municipality and the population. In particular, the legal time frame during the night (7 p.m. to 7 a.m.) for the rating level for sound immission must be observed as far as possible.

In the view of the Government Council, the criteria for the use of emergency generators as a reserve are too narrowly defined in the Winter Reserve Ordinance. The emergency power generators (NSA) can be used to avoid bottlenecks and overloads in the grid; it is essential to also take into account those generators that reduce the grid consumption of large consumers. The potential of NSAs must be exploited as much as possible, taking into account noise and air pollution aspects.

# Regular reserve gas-fired power plant in Birr to go into operation early

The Government Council considers the reserve power plant now realised in Birr to be an emergency solution only for the winters 2022/23 to 2024/25. It must be replaced as soon as possible, by 2026 at the latest. According to the latest findings, a regular gas turbine with an output of up to 350 megawatts could be commissioned in the power plant already existing in Birr from 2025. Prerequisites for this are the timely submission of a building application with an updated environmental impact report. The Government Council expects the federal government to create the necessary legal and financial framework conditions with high priority in terms of time, so that a more environmentally

friendly reserve power plant solution with a higher output can be realised quickly.

# Make shutdowns plannable and compensate them – Promote voluntary quotas

The most environmentally friendly and efficient way to relieve the burden on the electricity supply is to voluntarily refrain from purchasing electricity. The canton of Aargau is therefore proposing to the federal government the establishment of a system for early, plannable and inexpensive voluntary quotas (demand-side response market). With this system of load management, the demand for electricity can be effectively controlled.

Particularly in the case of large industrial consumers, a great deal of potential can be exploited through the targeted and early plannable switching off and on of loads in return for compensation. Here, revisions and processes can be planned and controlled in advance, for which the use of electricity can be varied – for example in furnaces or pumps.

When introducing and designing such a system, risks of abuse and aspects of employee protection (e.g. loss of wages, company holidays arranged at short notice) must be taken into account.

There are also considerations and demands in the economy for a system of voluntary quotas with compensation payments. For example, Swissmem, the Association of the Swiss Mechanical, Electrical and Metal Industries, is calling on the federal government to clarify the possibility of selectively shutting down large-scale consumers in exchange for compensation in order to prevent drastic measures for the economy.

# Review concept for cyclical grid shutdowns (level 4 electricity shortage)

Stage 4 of the measures for an electricity shortage provides for cyclical grid disconnections as a last resort. Regional zones are to be disconnected from the grid for 4 hours and then supplied with electricity again for 4 or 8 hours.

During the contingency planning, the cantonal task force on supply security determined that this measure cannot be implemented as planned or is associated with problems. In the case of power cuts, consumers relevant to the supply, such as old people's homes or other health and care facilities, cannot be excluded for technical reasons. In the case of communication infrastructure facilities, regular switching on and off can lead to system damage; as a result, public transport and system-critical production facilities would have to cease operations – regardless of the availability of electricity.

The Government Council therefore expects the federal government to reconsider or revise the measure of cyclical grid disconnection. The necessary energy savings could be realised in a more targeted manner with other approaches, such as increased quotas.

# Temporary additional production approved at two hydropower plants

The Federal Council has recommended that the cantons examine measures to increase electricity production at hydropower plants within their area of responsibility. These include temporarily raising the dam height at river power plants or maintaining a maximum dam level, while avoiding negative side effects.

In the canton of Aargau, two power plants have submitted corresponding applications so far. The Government Council has approved these by special ordinance, which will come into force on 17 November 2022 and apply until 30 April 2023. The Bremgarten-Zufikon power plant will implement a 10-centimetre higher dam, while the Ruppoldingen power plant will be able to maintain the maximum dam level in accordance with the concession. In both cases, no damage or hazards are expected. The Department of Construction, Transport and Environment will also impose control requirements on the power plant companies concerned.

### Cantonal crisis management is maintained

A system adequacy study commissioned by the federal government shows that, according to current estimates, there will probably not be an electricity shortage in the winter half-year 2022/23. However, the recommended energy-saving measures and the precautions taken (e.g. provision of reserve power plants) are still necessary to stabilise the severely strained energy supply and to master remaining risk scenarios; these include, for example, an unplanned, large-scale nuclear power plant outage, production problems at French nuclear power plants or acts of sabotage against energy facilities in the course of the Ukraine war.

The cantonal crisis management will be maintained, especially in view of the energy supply bottlenecks that are becoming apparent in the following winters. In recent weeks, the task force on security of supply has analysed and defined the system-critical areas in the canton and the cantonal administration in a report for the attention of the Government Council in order to be able to maintain the basic and emergency supply as well as the ability of the Government Council and the crisis organisation to act and communicate even in the event of escalation scenarios.

Furthermore, the information and communication services were further expanded, including a biweekly electricity and gas shortage newsletter and the cantonal energy-saving fox

campaign launched as part of the national Energy Saving Alliance. The canton continues to maintain a regular exchange with important stakeholder groups and partners such as municipalities, the economy and energy suppliers.

### Effects on the economy and population

The current situation poses great challenges for the population and the economy. Rising energy prices are increasing the cost of living for the population and production costs for companies. In addition to rising energy prices, pandemic-related bottlenecks in supply chains and a shortage of skilled workers are further driving inflation.

The canton counteracts the threat of a loss of purchasing power with various regulations. For example, the Aargau tax law provides for an annual compensation of the cold progression. This arises when employees do not receive a real increase in purchasing power despite a wage increase due to inflation, but still have to pay higher taxes due to the progressive tariff structure. In addition, as part of the 2022 tax law revision, the insurance deduction was not only increased, but it is also adjusted annually to the premium developments.

Social assistance is also adjusted annually for inflation. For example, adjustments are made to basic living costs, ancillary housing costs, supplementary benefits as well as advance payments of maintenance contributions or parental allowances.

The Government Council refrains from further support measures and rejects the motion of the SP, Green and FDP parliamentary groups of 6 September 2022. This calls for additional measures to counteract the effects of rising energy prices and inflation.

However, in the sense of contingency planning, it will examine measures to cushion companies that would be significantly affected by officially imposed usage bans, quotas or grid shutdowns. However, the implementation of such measures would have to be coordinated throughout Switzerland. They also require significant financial participation by the federal government, because the canton's financing options are very limited due to the current financial situation.

The canton remains in dialogue with the business community and meets regularly with employers' associations and trade unions to coordinate measures.

### Information on electricity and gas shortage

The website <a href="www.ag.ch/mangellage">www.ag.ch/mangellage</a> provides comprehensive information on electricity and gas shortages, including FAQs. Tips on the topics of energy saving, efficiency and production are also available there. In addition, energieberatungAARGAU is available for these topics with a hotline e-mail address

(energieberatung@ag.ch) and by telephone: +41 62 835 45 40.

Further information for media professionals:

Peter Buri, Government spokesperson, State Chancellery Phone 079 216 29 80 (calls back)

The consultation response can be downloaded under the following link:

www.ag.ch/medienmitteilungen > Electricity and gas shortage – <u>Birr reserve power plant only</u>

emergency solution for winter 2022/23 to 2024/25

The Government Council's response to the motion Impact of rising energy prices is available at <a href="https://www.ag.ch/grossrat">www.ag.ch/grossrat</a> > Business > Search Business > Business No. <a href="https://www.ag.ch/grossrat">GR 22.247</a>.