

### 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 shortage: Government Council critical of grid shutdowns, controls on private companies not proportionate

Cantonal statement on draft federal government ordinances on electricity management measures

The canton of Aargau has published its statement on the federal government's draft ordinances for the event of an electricity shortage. In principle, the Government Council welcomes the measures to avoid uncontrolled blackouts. However, the Government Council demands, among other things, that no controls be carried out on restrictions and bans on the use of electricity in the private sector, as these would not be proportionate. It also reiterates its position that cyclical grid shutdowns, which cannot be implemented according to the current concepts, should be dispensed with. Instead, an electricity shortage should be managed with increased but differentiated quotas. Furthermore, short-time work compensation should be continued in the same way as during the coronavirus pandemic.

In a letter dated 23 November 2022, the Federal Office for National Economic Supply (FONES) invited the cantonal governments to comment on various draft ordinances relating to the threat of electricity shortages: on restrictions and prohibitions on the use of electrical energy, on the immediate quota of electrical energy, on the quota of electrical energy, on the disconnection of electricity grids to secure the supply of electricity, and on the amendment of a provision of the National Supply Act. The canton of Aargau published its statement today, Friday, 9 December 2022 (see below for link to detailed statement).

### No all-clear for shortages

Despite an improved outlook for the supply situation this winter, the Government Council considers it important to look more closely at possible measures to avoid the effects of a shortage, in the sense of contingency planning. The availability of the nuclear power plants in France and the length and severity of the winter continue to pose a risk of an electricity shortage, despite the currently well-filled natural gas storage facilities in other European countries and above-average storage levels in the Swiss reservoirs. Moreover, shortages are also to be expected in coming winters as a result of a lack of Russian gas supplies, ageing nuclear power plant parks in Switzerland and abroad, and increasingly uncertain electricity production and storage at hydropower plants based on rain and snowmelt.

### No controls in the private sector

With the Ordinance on Restrictions and Prohibitions on the Use of Electrical Energy and its annexes, numerous everyday actions are either prohibited or restricted. Violations are to be prosecuted and punished in accordance with the National Supply Act. From the Government Council's point of view, restrictions and prohibitions in the private sector should only be considered as savings appeals and thus not be punished as violations; consequently, there should be no controls in the private sector. Instead, the restrictions and prohibitions in the private sphere should be included in the upstream measure level "savings appeal".

Should the federal government continue to prosecute violations of the prohibitions and restrictions on use in this or other areas, it is imperative that uniform penal provisions for violations be created. At the same time, they must be made subject to the Administrative Fines Act, so that they can be dealt with in this simplified procedure, in accordance with their minor significance under criminal law. Furthermore, the federal government must examine in more detail whether the control bodies have access to the locations to be controlled without there already being a concrete suspicion of an offence, or whether the corresponding legal basis must be created.

# Federal government to compensate cantons for control and enforcement costs

As with the ordinances on the gas shortage, the federal government also wants to delegate responsibility for control and enforcement in the event of an electricity shortage to the cantons – in addition to other authorities; however, it does not go into detail on how the corresponding extraordinary effort is to be financed. Since the responsibility for handling the shortage lies with the federal government and it issues the corresponding regulations, the control and enforcement effort delegated to the cantons must also be compensated by the federal government.

### Quotas make sense, but with differentiations

The Government Council is also critical of the two ordinances on the immediate quota rate and on grid disconnections. The quota rate as an instrument for reducing energy demand makes sense in principle. However, for many large consumers (especially also large properties), a quota rate per day with a preparation time of a few days is not feasible. In the view of the Government Council of the Canton of Aargau, not all large consumers should be charged the same rate. Supply-relevant consumers, namely food and medicine production companies, the water supply and security-relevant institutions such as emergency services, hospitals and prisons should have to save significantly less. Furthermore, a differentiation of the quota rates according to sector is motivated, as is the examination of a voluntary demand side response market. In this way, energy-intensive sectors can make a much greater contribution to electricity savings in return for compensation than in the "lawnmower principle" with a uniform quota rate.

### Do not implement grid disconnections

Grid disconnections harbour several problems that either do not realise the desired savings or endanger lives and infrastructures. For this reason, the canton of Aargau signalled early on that the "grid disconnections" stage would have serious consequences and should therefore be dispensed with. During the contingency planning, the cantonal task force on supply security determined that this measure could not be implemented as planned or would be associated with serious 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 power availability. The Government Council therefore proposes to dispense with the measure of grid shutdowns and in return to cope with an electricity shortage with increased and/or voluntary (demand side response market) quotas.

## Continue short-time work compensation analogous to Covid solution

The Government Council is of the opinion that in the event of an electricity shortage, short-time working compensation of 80 per cent means a drastic reduction for wage earners and is particularly inadequate for low-income earners. Such cuts are also relevant to the national economy, which is why solutions must be found here. During the coronavirus pandemic, unemployment insurance introduced the following regulation from 1 December 2020 to 31 December 2022: For employees whose monthly income is less than or equal to 3,470 Swiss francs for a full-time job, the short-time work compensation is 100 per cent of the lost salary. The Canton of Aargau demands that this regulation for low earners be extended for the duration of the validity of the present ordinances and that wage reductions due to short-time work be cushioned.

The consultation is available on the internet at: <u>www.ag.ch/vernehmlassungen</u> > Consultation procedure of the federal government > <u>ENERGY</u>: <u>Management measures for electricity</u>

Further information for media professionals:

Peter Buri, government spokesperson, State Chancellery Phone 079 216 29 80 (available on Friday, 9 December 2022, calls back)