

Audit of the project to amend implementation of cost-covering remuneration for feed-in to the electricity grid
Swiss Federal Office of Energy and Swissgrid AG

Key facts

The cost-covering remuneration for feed-in to the electricity grid (CRF) has been a federal instrument to promote the generation of power using renewable energy sources in Switzerland since 2009. The CRF compensates for the difference between production costs and market price. It covers production costs for producers of renewable energy. Approximately CHF 470 million is paid out annually for the CRF. Swissgrid AG processes the CRF. The grid supplement funds are managed by the CRF foundation. CRF payment is carried out by Energiepool Schweiz AG. New plants can be notified to Swissgrid AG. Due to very high demand, in particular relating to facilities operated using solar power, there is a long waiting list.

The Swiss Federal Audit Office (SFAO) audited the project to amend implementation of the CRF at the Swiss Federal Office of Energy (SFOE) and Swissgrid AG. In an earlier report,¹ the SFAO assessed the implementation structures to be complex, new and not fully developed in all areas. Complicated financial and data flows are generated due to the division of tasks between a large number of participants. An evaluation conducted on behalf of the SFOE in 2012 also came to similar conclusions. Furthermore, the SFAO criticised the fact that a foundation had sole responsibility for the CRF funds. The SFAO noted that the SFOE has now taken measures to improve matters.

The SFOE wants to optimise implementation and improve supervision with the NOVA project

In terms of measures, the SFOE initiated the NOVA project in March 2014 within the scope of the preparations for the 2050 Energy Strategy in order to optimise implementation and reduce the financial risks. The project's goal was to fully integrate CRF implementation in the Federal Administration.

Due to cost-cutting discussions concerning Federal Administration employees and the fact that the Federal Department of the Environment, Transport, Energy and Communications (DETEC) does not see CRF implementation as a permanent task of the Confederation, the SFOE had to rethink the project in the summer of 2015. The integration of implementation is no longer envisaged with the current solution. By contrast, the foundation's funds are transferred to the Confederation. In this way, one of the main goals of NOVA has still been achieved.

The SFAO believes that responsibility for the funds has thus been improved. Implementation should now be carried out by a subsidiary of Swissgrid AG which has yet to be established. However, a substantial simplification of the structures will not be achieved in this way. The legal basis for this will be created with the first package of measures for the 2050 Energy Strategy. At the time of the audit, the successor projects were in the initialisation phase at the SFOE and Swissgrid AG. Details about the precise future division of tasks and processes were being prepared. The SFAO recommends that

¹ „Wirtschaftlichkeit und Ordnungsmässigkeit bei der kostendeckenden Einspeisevergütung“ (PA 11329), available on the website of the SFAO



the SFOE should swiftly define the new division of tasks in collaboration with Swissgrid AG and in particular clarify responsibility for operating the certificates of origin database, which is the central system for managing certificates of origin. The future IT landscape cannot be defined until that has been done. Given that the new Energy Act is not yet in force, the SFAO recommends examining variants to accelerate implementation.

Original text in German