

Press release

Morges, 25 August 2025

2026 tariffs

Romande Energie keeps electricity budgets under control for customers

The new Electricity Act has led to a shake-up in the industry and pricing as solar power becomes a larger part of the energy mix. In 2026, the price of the energy component will be higher, but grid costs will be lower, with the result that most Romande Energie customers can count on stable electricity bills next year.

- Solar power generates high balancing costs, which have to be incorporated into customers tariffs in the following year.
- The WACC, the rate of return earned on invested capital, will be lower.
- A national-interest tax is being introduced by the Confederation to subsidise the national grid and provide aid to heavy industry in Switzerland.
- The all-in tariff will be itemised, in parallel with significant changes to the legal framework.

Background

Electricity prices have been trending lower in recent times. However, the sharp increase in decentralised solar generation is having an impact on customer tariffs for two reasons. First, the new generation paradigm is requiring a more robust grid so that this energy can be absorbed. Second, the intermittency arising from renewable energy introduces complexity that then has to be managed. Output from renewable sources depends on the weather, which is inherently hard to predict.

Solar power is today affecting the energy mix and pricing trends nationwide. This applies especially to Romande Energie as a distribution system operator (DSO) serving many rural areas. Due to the geographical characteristics of its extensive coverage area, Romande Energie has been worse affected than "urban" DSOs owing to a higher number of solar installations and longer power lines.

Increase in the energy component

Forecasting solar output and its share in the distributor's supply mix remains challenging. Romande Energie prioritises security of supply, purchasing energy several years in advance to mitigate market volatility and ensure a stable, continuous delivery. This conservative approach entails a cost, with adjustments required based on solar conditions to preserve the supply-demand equilibrium. On cloudy days, the DSO must inject additional power to compensate for



significantly lower output, relying on more expensive procurement insofar as this electricity cannot be bought in advance.

The costs of offsetting solar-related fluctuations, combined with the balancing energy charges invoiced by Swissgrid, rose sharply in 2025 and have to be recouped through customer tariffs in the following year.

Lower supply-related costs and grid fees

The reduction in the usage fee is due to a lower <u>WACC</u> (weighted average cost of capital), which is the rate of return applied to the power grid.

From Swissgrid's perspective as the national transmission grid operator, costs for <u>ancillary</u> <u>services</u> and transmission losses will also be marginally lower.

With 80% of legacy meters expected to be replaced by end-2025, Romande Energie is well placed to meet the end-2027 deadline set out in the federal ordinance.

Higher taxes

In 2026, a new national-interest tax of 0.05 ct/kWh will be levied by the transmission grid operator, in addition to existing taxes and duties, to subsidise grid improvements and fund temporary support for the steel and aluminium industries, following approval by the Federal Assembly.

In 2026, the Vaud cantonal government will raise its electricity levy from 0.020 to 0.024 ct/kWh as part of measures to help cantonal finances.

The levy introduced in 2024 to finance the winter storage reserve, which safeguards against shortages, will rise from 0.23 to 0.41 ct/kWh in 2026.

Changes in effect from 2026

The new Electricity Act provides for increased clarity in the invoices sent to customers. For example, from 2026 the tariff at the metering point will be split out to show the total cost of meters, meter readings, maintenance and data management. Until now, this fixed cost has been included in the overall supply charge, but from next year it will be shown as a separate line item.

The new rules also take into account supply-demand imbalances, particularly those arising from solar power in summer, in order to align generation, grid stability and the cost for the overall population. From 2026, a different method will therefore apply to energy fed into the grid by decentralised producers.

Feed-in tariff

From 2026, after a transitional year, Romande Energie will calculate the feed-in tariff according to the method prescribed by the Swiss Federal Office of Energy (SFOE) under the revised Renewable Energy Ordinance, using the quarterly market price as the basis. Correspondingly, the SFOE will calculate prices at the end of each quarter to reflect supply and demand as



accurately as possible. A floor price of 6 ct/kWh will be guaranteed for installations with an output capacity of up to 30 kW in order to protect producers against sharp declines in market prices and to secure a minimum return on their investment.

This <u>remuneration method</u> is designed to encourage producers to adjust their feed-in timing according to grid conditions, with signals showing when the network is running under- or over-capacity, notably in the summer period. In the longer term, it also aims to protect basic-supply customers by ensuring that feed-in tariffs track the market.

Summary

The majority of Romande Energie customers can expect stable electricity bills in 2026. At the core of this change is the itemisation of the all-in price, which will separate costs at the metering point from the grid usage fee in accordance with the new rules. Pricing decisions take place against a backdrop of major changes in the legal framework and in the energy industry – namely the single amending Electricity Act, the growing share of solar in the energy mix and the harmonised nationwide feed-in tariffs for solar power.

Romande Energie views solar power as essential to meet the targets of Energy Strategy 2050 and is developing value propositions to support solar producers. In 2025, attractive continuous time slots, excluding only 5pm to 10pm on weekdays, were introduced to encourage off-peak electricity consumption.

Sample case*

A household in Morges on a flat-rate plan that uses 2,000 kWh of Énergie Suisse electricity annually will see its bill decrease from CHF 759 in 2025 to CHF 747 in 2026, including VAT, representing a reduction of 1.6%.

* This example complies with ElCom guidelines, using the tariff most commonly applied to customers within the DSO's coverage area.

Details about 2026 tariffs will be available from 1 September at <u>romande-energie.ch/tarifs</u> or on the <u>ElCom</u> website.

Notes to editorial desks

The electricity tariff consists of the following:

- Energy tariff (measured in kilowatt hours)
- Cost at metering point
- Grid usage fee, covering transmission and distribution
- Taxes and duties charged by the Confederation (federal renewable energy tax), cantons and municipalities

The grid usage fee has three components:

- The regional distribution fee, within the remit of Romande Energie
- The transmission fee for use of the VHV national grid, set by Swissgrid SA
- Balancing power (ancillary services), the cost of the winter storage system and the new national-interest tax, under the authority of Swissgrid SA



Price components that depend directly on Romande Energie (energy costs and the regional grid charge) together account for around 75% of the average electricity bill.

The remaining 25% represents the national VHV transmission fee, balancing power, the winter storage system, the national-interest tax, and other taxes and duties. These are collected by Romande Energie on behalf of Swissgrid SA, the Confederation, cantons or municipalities.

This press release concerns customers supplied through the regional power grid of Romande Energie and Bas-Valais Energie.

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Romande Energie at a glance

The Romande Energie Group, the leading supplier of electricity in Western Switzerland, provides its customers with a wide range of sustainable solutions that help to lower energy consumption and carbon emissions. These solutions include made-to-measure support to generate its own energy, products and services to enhance energy efficiency, and to champion energy efficiency.

Romande Energie aims to make Western Switzerland the country's first net-zero region. It is continually investing substantial resources to expand its local renewable energy generation capacity. The Group's hydro, wind and biomass power plants and projects, together with its extensive district heating installations and emerging geothermal and hydrogen interests, support this commitment by enabling it to deliver an ever-increasing share of renewable energy to its customers

Romande Energie has established itself as a trusted partner for a society that genuinely values the environment, people and a resource-efficient economy. **Keeping Western Switzerland on track for a sustainable future** lies at the heart of its core purpose.

For more information, visit www.romande-energie.ch