Waste incineration and wood heating network tariff

District heating tariff system 2022 – "June 2026 edition"

Structure of the waste incineration and wood heating network tariff

The district heating tariff is made up of the energy charge P_1, the capacity charge P_2 and the connection fee P_3.

The **energy charge** covers not only the costs for the purchased quantity of heat but also a share of the capital costs of heat production (energy centres) and heat distribution (district heating transport pipelines). It includes a weighted inflation factor that takes account of indexed inflation of the energy and construction costs. The **capacity charge** depends on the subscribed maximum heating capacity and covers not only the fixed costs for operating the heating network (maintenance, upkeep), which are independent of energy consumption, but also part of the capital costs for the building connection. The capacity charge also takes account of the residential construction cost index. With the **connection fee**, customers pay a share (contribution margin) of the costs of creating the building connection to the ewz district heating network.

Energy charge P_1 (CHF/MWh excl. ETS contribution and VAT)

P_1 (CHF/MWh) = 65 CHF/MWh × weighted inflation factor[1] × return temperature surcharge factor[2]

[1] 15% waste-to-energy price[3] (ERZ)
35% Zurich energy price index[4] (ZIK Basis 2020)
25% Zurich residential construction cost index (ZIW Basis April 2020)
25% National Consumer Price Index (LIK Basis 2020)

[2] (1 + return temperature surcharge); incentive for optimised return temperatures

[3] Depending on the heating costs from the waste-to-energy power station

[4] Part of the Zurich consumer price index, energy without district heating

	A: Initial value Dec. 2021 (100%)	B: Value for calculation 2026	Index value 2026 = B/A
Waste-to-energy[3]	14.00	26.77	1.91
Energy price[4]	115.84	132.40	1.14
Construction cost	101.20	115.80	1.14
Consumer price	101.53	106.94	1.05

Resulting weighted inflation factor[1]: 1.24

Return temperature surcharge: The energy charge is subject to a surcharge on heat consumption with an elevated return temperature as an incentive to optimise the system configuration. The surcharge is only charged during the heating season (October-March). A surcharge factor is calculated by periodically determining the volume-based mean of the return temperature on the district heating meter. The difference between this mean temperature and the maximum permissible return temperature according to the technical conditions then gives the surcharge amount in per cent (e.g., average return temperature 62.4°C minus 50°C = 12.4 per cent surcharge). The maximum surcharge is 20 per cent.

Indexing: ewz updates the index values every January and adjusts the prices for the current year accordingly. Updating the index values does not constitute an adjustment of the district heating rates within the meaning of section 4.4 of the heating supply contract.

Emissions trading system (ETS): The costs for participating in the emissions trading system (ETS) and for acquiring the necessary CO_2 certificates are billed annually via the specific consumption (MWh) per customer.

Capacity charge P_2 (CHF/year excl. VAT)

Capacity range: 0–250 kW
P_2 (CHF) = (900 CHF + 42 CHF/kW × subscribed capacity in kW) × residential construction cost index (ZIW)[5]

Capacity range: 251–5,000 kW
P_2 (CHF) = (900 CHF + (42 CHF/kW × 250 kW) + (17 CHF/kW × [subscribed capacity in kW - 250 kW])) x residential construction cost index (ZIW)[5]

Capacity range: >5,000 kW
P_2 (CHF) = (900 CHF + (42 CHF/kW × 250 kW) + (17 CHF/kW × 4,750) + (9 CHF/kW × [subscribed capacity in kW – 5,000 kW])) × residential construction cost index (ZIW)[5]

[5] Index value 2026 = 1.14

Connection fee P_3 (CHF excl. VAT)

The connection fee P_3 is a standardised reference value. The binding amount is included in the district heating offer.

New building:

$P_3 = (25{,}000 + 263{,}000 \times L^6) \times ZIW^5$ for $L^6 \leq 1$ MW

$P_3 = (109{,}000 + 179{,}000 \times L^6) \times ZIW^5$ for $L^6 > 1$ MW

Existing building:

$P_3 = (25{,}000 + 179{,}000 \times L^6) \times ZIW^5$

Comments: ewz creates connections when the cost-effectiveness audit yields a positive contribution margin and it is possible to provide the necessary heat output. Customers can voluntarily pay a higher connection fee so that they are within the range of a positive contribution margin.

High-density areas: Special agreements can be reached for new customers in order to achieve a high connection rate.

[5] Index value 2026 = 1.14 [6] L = subscribed capacity in MW

Notes

VAT: VAT is charged at the applicable rate.

Outlook for the introduction of uniform district heating fees

By merging all public thermal grids with ewz, the aim is to create a uniform fee model – regardless of area and energy source. The basis for the new model is currently undergoing parliamentary discussion in the City Parliament. As a result, the fees for this service area could tend to be higher in the future than they are today. Once the fees have been set (expected to apply from 2029), you will be notified in good time.

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