



Structure of ERZ Fernwärme tariff

The ERZ Fernwärme tariff is made up of the **energy charge P₁**, the **capacity charge P₂** and the **connection fee P₃**.

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 ERZ Fernwärme heating network.

Energy charge P₁ (CHF/MWh excl. ETS contribution and VAT)

P₁ (CHF/MWh) = 65 CHF/MWh x weighted inflation factor¹ x return temperature surcharge factor²

¹ 15% waste-to-energy price³ (ERZ)

35% Zurich energy price index⁴ (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 2024	Index value 2024 = B / A
Waste-to-energy ³	14.00	35.60	2.54
Energy price ⁴	115.84	134.14	1.16
Construction cost	101.20	113.90	1.13
Consumer price	101.53	106.21	1.05

Resulting weighted inflation factor¹: 1.33

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. 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: ERZ Fernwärme 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.

Capacity charge P₂ (CHF/year excl. VAT)

Capacity range: 0–250 kW

P₂ (CHF) = (900 CHF + 42 CHF/kW x subscribed capacity in kW) x residential construction cost index (ZIW)⁵

Capacity range: 251–5000 kW

P₂ (CHF) = (900 CHF + (42 CHF/kW x 250 kW) + (17 CHF/kW x (subscribed capacity in kW - 250 kW))) x residential construction cost index (ZIW)⁵

Capacity range: >5000 kW

P₂ (CHF) = (900 CHF + (42 CHF/kW x 250 kW) + (17 CHF/kW x 4,750) + (9 CHF/kW x (subscribed capacity in kW - 5,000 kW))) x residential construction cost index (ZIW)⁵

⁵ Index value 2024 = 1.13

Connection fee P₃ (CHF excl. VAT)

The connection fee P₃ is a standardised reference value. The binding amount is included in the district heating offer.

New building:

P₃ = (25 000 + 263 000 x L⁶) x ZIW⁵ for L⁶ ≤ 1 MW

P₃ = (109 000 + 179 000 x L⁶) x ZIW⁵ for L⁶ > 1 MW

Existing building:

P₃ = (25 000 + 179 000 x L⁶) x ZIW⁵

⁵ Index value 2024 = 1.13

⁶ L = subscribed capacity in MW

Comments: ERZ Fernwärme 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.

Notes

VAT: VAT is charged at the applicable rate.

Emissions trading system (ETS): The costs for participating in the emissions trading system (ETS) and for acquiring the necessary CO₂ certificates are billed annually via the specific consumption (MWh) per customer.