

Zurich, 13 December 2024

Adjustments for naturemade (star) electricity products from 2027

Dear naturemade licence holder

With the entry into force of the revised DETEC Ordinance on Guarantees of Origin and Electricity Labelling (HKSV) on 1 January 2027, electricity labelling will be changed from annual to quarterly. This means that in the future, only Guarantees of Origin (GOs) issued for electricity production in the same quarter can be used for electricity supplied in a calendar quarter.

It is important to VUE to create planning security for its licence holders at an early stage. Together with a working group set up specifically for this purpose, the VUE office has developed a proposed solution. The amendment is broadly supported and was discussed with 22 licensees of supplier licences and approved by them. In particular, it was welcomed that the creation of more flexibility in the product composition will counteract a possible shortage of naturemade (star) GOs in quarters 1 and 4.

The changes approved by the VUE Executive Board are set out in the certification guidelines (including the Eco Fund Directive) valid as at 1 January 2025 and are therefore binding. However, the Executive Board is aware that in the current very dynamic regulatory environment, openness to further adjustments is important. In particular, the effects of the Electricity Supply Ordinance communicated in November 2024 and the new requirements it contains for the basic supply are not yet fully known.

Before the most important changes from 2027 are explained below, VUE would like to call on its partners to consider the naturemade (star) certification of additional electricity production plants. This can increase the liquidity of naturemade (star) GOs in the electricity market from 2027 and reduce the need for the new flexibility solution.

Most important changes to naturemade (star) electricity products from 1 January 2027

Flexibilization option for electricity products subject to mandatory labelling

The amendment includes the following core elements for electricity products subject to mandatory labelling:

naturemade star electricity products

- On an annual average, a maximum of 20% renewable GOs can be integrated that do not originate from naturemade star-certified production facilities in Switzerland and abroad.
- If subsidised electricity is integrated into the product, this is part of the 20%.
- The fund levy must be paid for every kWh of electricity product sold to end customers - even for the portion that was not generated in naturemade star production facilities.
- No fund levy is due on the proportion of subsidised electricity (unless this is covered by naturemade star or other renewable GOs).

naturemade 1 - 3 points electricity products

- On an annual average, a maximum of 20% renewable GOs can be integrated that do not originate from naturemade-certified production facilities in Switzerland and abroad.

- If subsidised electricity is integrated into the product, this is part of the 20%.
- The naturemade star minimum share must be complied with in all cases, i.e. only naturemade 0 points GOs can be replaced by other renewable GOs.
- The fund levy for the naturemade star share must be paid in any case.

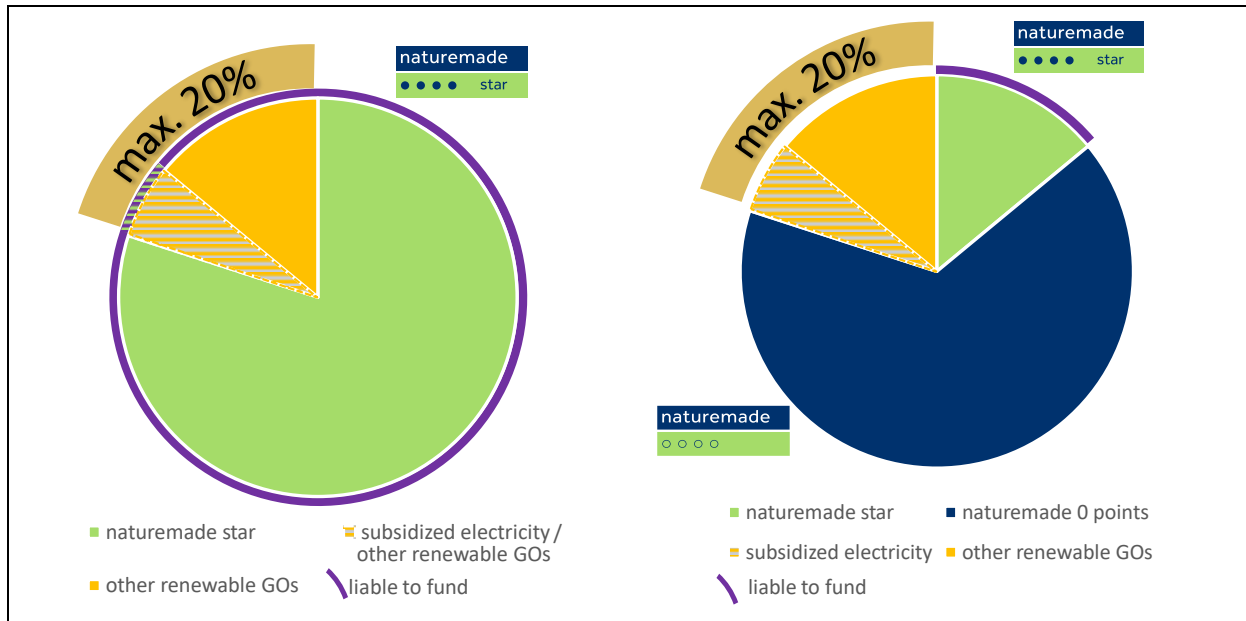


Figure 1: Flexibilization of the composition of naturemade (star) electricity products from 2027 on an annual average

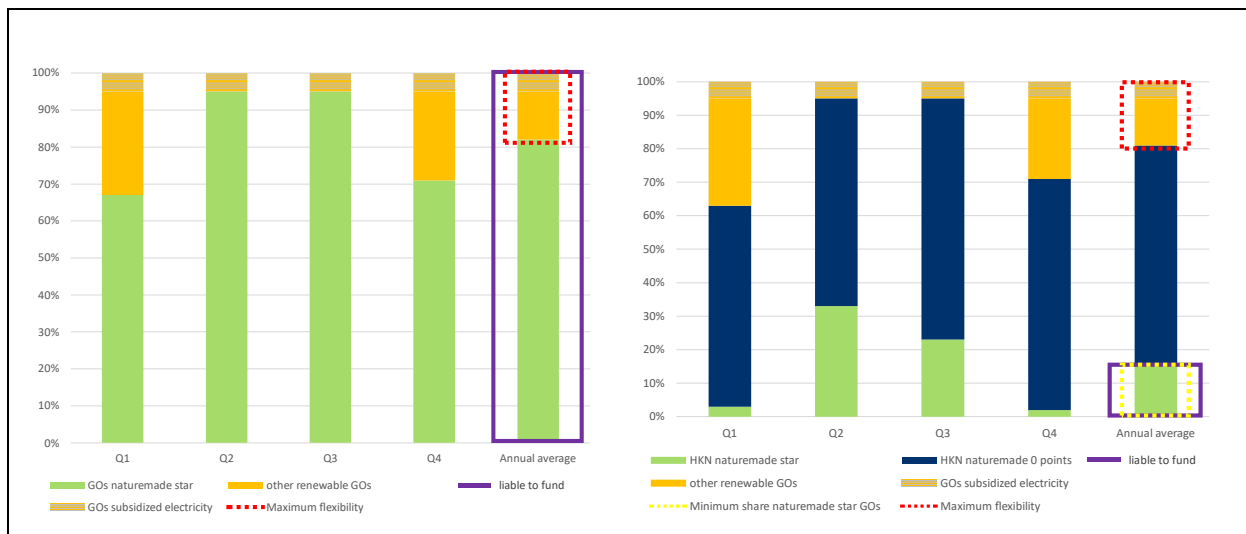


Figure 2: Exemplary composition of naturemade and naturemade star electricity products over the four quarters of 2027 and a flexibilization of the composition on an annual average. The flexibility does not have to be utilized.

Flexibilization option for electricity products not subject to mandatory labelling

A similar flexibilization is now also possible for naturemade and naturemade star electricity products that are not subject to mandatory labelling if they upgrade an electricity product subject to mandatory labelling and cover approximately the entire annual electricity consumption of a customer (so-called flat-rate quantities). The following applies to these products:

- The naturemade or naturemade star GOs are delivered on a quarterly basis. The quarterly quantities are based on a realistic consumption profile, such as the basic supply.
- naturemade star products contain a maximum annual average of 20% renewable GOs that do not originate from naturemade star-certified production facilities.
- naturemade 1 - 3 points products contain a maximum annual average of 20% renewable GOs that do not originate from naturemade-certified production facilities.

- This maximum 20% renewable GOs can be covered by an existing fully renewable electricity supply subject to mandatory labelling, provided that the naturemade or naturemade star certified supply covers such an electricity product.

For products that are only intended to cover part of a customer's electricity consumption (e.g. an appliance or an electric vehicle) (so-called tranche quantities), quarterly synchronisation is not required, but annual synchronisation is still accepted. In return, the flexibilities presented above do not apply to these products. This means that these tranche quantities must continue to be covered exclusively with GOs from naturemade, naturemade star or naturemade resources star certified installations.

Intended use of the eco-fund resources:

The uses of eco-fund resources from non-naturemade star certified installations are defined analogue to the uses of naturemade star certified installations. On the one hand, this means that GOs from non-naturemade star-certified NEE production plants (PV, wind, biomass, drinking water power) are to be used in the same way as the specifications for naturemade star NEE. On the other hand, GOs from non-naturemade star-certified hydropower are treated in the same way as funds from naturemade star-certified hydropower. The details of the possible uses are set out in the 'naturemade eco-fund' guidelines (the amended naturemade eco-fund guidelines will be available for download on the website from 2025).

Minimum quota for naturemade 1 - 3 points electricity products (2025-2029):

Together with the flexibilization option, the minimum quotas for naturemade 1 - 3 points electricity products were set for the years 2025 to 2029 and supplemented in the certification guidelines:

Minimum proportion of naturemade star in supply products	Year	2025	2026	2027	2028	2029
	naturemade 1 point	13%	14%	15%	16%	18%
	naturemade 2 points	23%	24%	25%	26%	28%
	naturemade 3 points	43%	44%	45%	46%	48%

Communication with end customers:

The licence holders and VUE are responsible for communicating the composition of the certified electricity products to end customers in a clear and correct manner. The VUE 'Communication Steering Committee' and the VUE office have been tasked by the Executive Board with developing a template for such communication on the new product requirements and their added value by the end of Q1 2025. We will then send this communication template to all licence holders for voluntary use.

Kind regards,
 Pascal Steingruber
 Managing director VUE