

Lex Mundi Global Climate Change Guide

Switzerland

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This overview is provided by Pestalozzi, the Lex Mundi member firm for Switzerland.

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General

Has your country signed/ratified the Paris Agreement? If so, what is its INDC / NDC?

Yes, Switzerland has signed and ratified the Paris Agreement.

INDC/NDC: Switzerland commits to reduce its greenhouse gas emissions by 50 % until 2030 compared to the 1990 levels, corresponding to an average reduction of greenhouse gas emissions by 35 % over the period from 2021 to 2030.

Until 2025, a reduction of greenhouse gases by 35 % compared to the 1990 levels is anticipated.

Carbon credits from international mechanisms will partly be used.

What are the key national policy instruments regarding climate change and what are the national long term greenhouse gas emissions (GHG) reduction targets?

Under the Paris Agreement Switzerland has undertaken to reduce its greenhouse gas emissions by 50 % until 2030 compared with the 1990 levels.

The Federal Council decided in August 2019 to set an even more ambitious target: Switzerland plans to reduce its net carbon emissions to zero until 2050, thus meeting the internationally agreed target of limiting global warming to a maximum of 1.5°C compared with the pre-industrial time.

In Switzerland, CO2 emissions from transport, buildings and industry could be reduced by up to 95 % until 2050 through technologies that are already available and by using renewable energy sources. There is also a potential for reducing greenhouse gases produced by agriculture, in particular, methane and nitrous oxide.

A key element of the Swiss policy on climate matters is the so-called "Energy Strategy 2050". The Energy Strategy 2050 moves Switzerland's energy policy in an entirely new direction. The aim is to withdraw from the use of nuclear energy on a step-by-step basis and to gradually restructure the Swiss energy system until 2050. The new strategy calls for a significant increase in energy efficiency, the increased use of renewable energy and the reduction of energy-related C02 emissions.

Have national policies or legislation been adopted limiting or prohibiting the use of certain fossil fuels (e.g. coal, natural gas, nuclear)? Switzerland does not limit or prohibit the use of fossil fuels, only an incentivestrategy is used at the moment.

The so-called "Glacier Initiative", a popular initiative that was filed in November 2019, demands a change of the Swiss Constitution stating that from 2050 and subject to a few exceptions only, no more fossil fuels may come into circulation in Switzerland.

In addition, the existing Swiss nuclear power plants may be operated as long as they are safe. The construction of new nuclear power plants is prohibited. This will lead to a gradual withdrawal from nuclear energy. A first Swiss nuclear power plant was permanently shut down for dismantling in December 2019.

What specific national climate change legislation has been adopted?

The main national act is the Federal Act on the Reduction of CO2 Emissions enacted in 2000. It was superseded by an entirely new version in 2013.

At the moment it is being revised to comply with the Paris Agreement. The new CO2 act is therefore not expected to be passed before mid-2020.

In addition to the CO2 Act a number of executive ordinances exist that regulate climate matters in more detail. The Federal Ordinance on Reduction of CO2 Emissions is of particular importance.

Another key act is the Federal Energy Act (EA). The EA's objective is a sufficient, diversified, secure, economical and environmentally sustainable energy supply. Energy production shall be transformed and based on the use of renewable energies, in particular domestic renewable energy. One of the priorities of the EA is to improve the efficient use of energy. The details for implementing the EA are outlined in the Energy Ordinance (EO).

GHG emission trading schemes

Does your country participate in an international or national GHG emissions trading scheme?

Yes Switzerland has launched the Swiss emission trading scheme (ETS). It applies to companies engaged in specific activities committing them to reduce their CO2 emissions.

By complying with the prescribed targets, the concerned companies benefit from being exempt from the CO2 tax. A maximum quantity of emission allowances is defined for each year in advance. This is allocated to the participating companies, which can then trade their allowances.

The Swiss ETS was originally separate from the EU ETS. Since the beginning of 2020, the two systems are linked with each other.

Has a national CO2 tax or similar instrument been adopted?

Since 2008 Switzerland levies a CO2 tax on fossil combustible fuels, such as heating oil and natural gas which intends to create an incentive to use climate-damaging substances more economically and utilize more carbonneutral or low carbon energy sources.

The tax increases if emissions are not within the specified target path.

CO2-intensive companies are exempted from the CO2 tax if they voluntarily commit to reducing their emissions in return. In addition, in case of participation in emissions trading, companies are entitled to a refund of the CO2 tax.

Does national legislation regulate and/or subsidize carbon capture and storage (CCS)?

At present, Switzerland does not have any regulation of carbon capture and storage.

In May 2017, a number of scientists working in Switzerland addressed the public in a white paper in which they argued that an open societal conversation on the role of negative emissions technologies (NETs) and solar radiation management (SRM) in achieving internationally agreed climate targets was overdue. Their analysis is based on the science underpinning the Paris Convention. Many questions, such as long-term safety, the tightness of these storage facilities, the costs, the infrastructure as well as the legal basis, still need to be clarified. In addition, there is likely to be a shortage of large enough reservoirs for the vast amounts of CO2 to be stored. Research projects are ongoing in Switzerland.

As there is a growing realisation that the Paris climate goals can no longer be met by emission reductions alone, in Switzerland a number of recent political initiatives have been submitted on federal and cantonal level. The Risk Dialogue Foundation conducted a stakeholder dialogue in 2018/19 at the

request of the Federal Office for the Environment. Switzerland pursues the goal of implementing a regulation for carbon capture and storage but is currently still on a research stage.

Renewables

Are the production and/or use of renewable energy sources subject to a national subsidy or similar support scheme?

Subsidy and similar support schemes exist on a national, cantonal and communal level.

Operators of photovoltaic systems with an output of 100 kW or more, hydropower operators with an output from 1 MW to 10 MW, wind power, biomass as well as geothermal energy operators may benefit from a feed-in tariff for example.

Additionally, operators of photovoltaic systems may benefit from a federal one-off investment contribution.

Several other private and public support schemes exist for the abovementioned renewable energy sources as well as for example for the use of heat pumps or wood pellet heating systems.

Energy efficiency

What are the main national measures being taken to reduce GHG emissions / improve energy efficiency in the built environment?

In Switzerland, buildings are the second-largest source of greenhouse gas emissions.

The federal government and the cantons use the so-called "Building Programme" since 2010 to promote the energy-efficient renovation of building shells, the use of renewable energies and waste heat and the optimization of building technology. Thanks to the Building Programme, homeowners may benefit from subsidies for energy-efficient construction measures.

Additionally, since 2008 Switzerland levies a CO2 tax on fossil combustible fuels, such as heating oil.

In the future, this CO2 tax levied on fuels will be continued. The tax rate may be increased to a maximum of CHF 210 per tonne of CO2. The partial earmarking of the CO2 tax for the building program expires in 2025.

If CO2 emissions from this sector do not fall by at least 50 percent until 2026 and 2027, uniform limit values for buildings will be introduced nationwide as of 2029.

What are the main national measures being taken to reduce GHG emissions / improve energy efficiency in the transport sector?

In transport, which is the main source of greenhouse gas emissions in Switzerland, emissions are to be reduced by increasing the share of renewable fuels.

At the same time, CO2 emission regulations for new vehicles are tightened. In Switzerland, CO2 emissions regulations similar to those of the EU were introduced for new cars in July 2012. In 2015, the average new car fleet may not exceed 130 g CO2 per kilometer of emissions. In 2020, the target is 95 g CO2 per kilometer for passenger cars.

CO2 emissions standards will also be introduced for delivery vans and light commercial vehicles, which will be required to meet an average target value of 147 g CO2 per kilometer.

Swiss vehicle importers are subject to this requirement and will have to pay a fine if they do not meet their individual CO2 targets.

What are the main national measures being taken to reduce GHG emissions / improve energy efficiency in the industry?

The C02 tax, as well as emissions trading systems (ETS), play a key role to reduce greenhouse gas emissions.

Pursuant to the CO2 Act and Ordinance, companies engaged in activities with high greenhouse gas emissions are obliged to participate in the Swiss ETS and must surrender emission allowances or emission reduction certificates equal to the emissions caused by their plants to the Swiss Confederation every year.

Companies engaged in activities with medium greenhouse gas emissions with a total rated thermal input of at least 10 MW may apply for participation in the Swiss ETS. If these companies participate in the Swiss ETS, they must surrender emission allowances or emission reduction certificates equal to the emissions caused by their plants to the Swiss Confederation every year.

Fossil-fuel thermal power plants are obligated to completely compensate their CO2 emissions. In doing so, they must provide at least 50 % of the compensation in the domestic market. Additionally, to achieve the maximum reduction of CO2 emissions, fossil-fuel thermal power plants are obligated to operate the power plant according to the current state of the art.

What are the main national measures being taken to reduce GHG emissions / improve energy efficiency in agriculture and land use?

The Federal Office for Agriculture has launched a climate strategy for agriculture in 2011. It provides an overall view of the relationship between climate and agriculture, identifies upcoming challenges and opportunities and derives targeted (non-binding) steps. Envisaged measures include for example integrated plant protection, water-saving irrigation systems, low-

emission stable concepts, the keeping of animal categories which are appropriate for the specific location used and enhancement of soil protection and humus concentration (carbon storage).

What are the main national measures being taken to reduce GHG emissions / improve energy efficiency in the electricity production sector?

With regard to nuclear power, Switzerland prohibits the construction of new nuclear power plants, existing ones may be operated as long as they are safe.

Regarding hydropower, the Confederation aims at exploiting the realizable potential of existing power plants by renovation and expansion while taking the related ecological requirements into account.

Wind energy has also still plenty of potential in Switzerland. Until 2030 it would be possible for facilities that meet the stringent conceptual specifications to produce around 600-gigawatt hours of electricity a year.

Regarding solar energy, more efficient ways of storing energy are currently explored.

The process and reactor technologies that are required for this long-term option for the chemical storage and for the transport of solar energy are the subjects of intensive research and development activity.

Finance

What measures are national financial institutions (incl. banks, pension funds, asset management companies and insurance companies) aimed at reducing the GHG emissions of their customers?

Certain Swiss financial institutions offer, on a voluntary basis, clients the option to open sustainable saving accounts or to invest in sustainable investment funds.

Some financial institutions also reconsider their investment strategy and negotiate with non-sustainable clients about necessary changes in their behavior in order for the institution to stay invested.

Generally, banks and other financial institutions are facing increased pressure to reduce their investments in non-sustainble businesses.

Litigation

Are there prominent national climate change litigation cases in your country? If so please provide a short description

In Switzerland, a climate complaint was filed by the so-called "Senior Climate Women".

(e.g. plaintiffs/defendants, public or civil law based, etc.).

Because global warming of more than 2 °C is very likely to lead to a "dangerous anthropogenic disturbance of the climate system", the Senior Climate Women claim that the Confederation's current climate target violates the Federal Constitution (precautionary principle and right to life) and the European Convention on Human Rights. The Senior Climate Women consider the risk the Confederation is taking with its current failure to pursue the 2°C target to be unlawful. They say that the Confederation does not sufficiently fulfill its obligations to protect the fundamental rights holders.

On 25 November 2016, the climate complaint was officially submitted to the Confederation in writing. The Federal Department of the Environment, Transport, Energy, and Communications decided not to respond to the application in substance.

On 26 May 2017, a delegation of Senior Climate Women handed over their appeal to the Federal Administrative Court in St. Gallen. As the appeal was rejected in December 2018 because the consequences of global warming did not only affect seniors, it is now being referred to the Federal Supreme Court.

The Senior Climate Women receive support from Greenpeace, the provider of the ideas for the lawsuit.

Miscellaneous

Climate change policies, measures or legislation (other than covered by the questions above). None

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