

The SWOT analysis looks to summarise Shetland’s future energy requirements, economic growth potential and skills development opportunities

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Outstanding renewable energy resource</li> <li>• Transferrable and high-quality skills within the local economy</li> <li>• Robust infrastructure to build from; oil and gas, marine, roads</li> <li>• High quality service provision – schools, college, leisure, care</li> <li>• Active engineering supply chain with capacity for development</li> <li>• Existing energy hub for 50 years</li> <li>• Strong awareness of the need to change</li> <li>• Substantial market for clean energy</li> <li>• Various scales of wind farm at different stages of development</li> <li>• Completion of the connection to the national grid in 2024</li> <li>• Have developed and operated one of the largest district heating schemes in Scotland, which could be replicated elsewhere</li> <li>• Extensive experience of marine spatial planning</li> </ul>	<ul style="list-style-type: none"> <li>• Limited grid connection capacity</li> <li>• No current hydrogen production in Shetland</li> <li>• Limited at scale hydrogen production globally</li> <li>• Constrained External Transport Links</li> <li>• No access to the national gas grid or rail network</li> <li>• Dependence on remote centralised decision-making processes</li> <li>• Shetland’s natural environment is of great value and some areas would be sensitive and unsuitable for renewable energy development</li> <li>• Unclear which future fuels will be required in Shetland and the volumes</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Partnership working involving public bodies, community enterprises and the commercial sector</li> <li>• Rebalancing control of energy supply so that Shetland communities become less attached to restrictive national energy policies</li> <li>• Strong Government policies encouraging switch from hydrocarbon fuel to clean alternatives</li> <li>• Shetland could become a leading place for renewable energy generation</li> <li>• Economic growth/attract investment to the isles</li> <li>• Options have been announced for large offshore wind sites to the east of the isles</li> <li>• Potential new electricity demand for hydrogen production and electrification of offshore installations</li> <li>• Can enable a Just Transition away from oil and gas</li> <li>• Generation of affordable, secure, local energy</li> </ul>	<ul style="list-style-type: none"> <li>• Community resistance to the changes required for new energy solutions</li> <li>• Route to market - this has held back developments to date and will be a significant limiting factor in the future</li> <li>• Investment in infrastructure, these developments have a long lead time</li> <li>• Enough workers, skills and accommodation</li> <li>• High energy supply prices make it less affordable to live and work</li> <li>• Low generation prices mean projects can’t achieve a return on investment</li> <li>• Importing clean energy fuels to replace hydrocarbons will be more expensive making Shetland less competitive with higher still levels of fuel poverty</li> <li>• Lack of development capital support</li> <li>• Political uncertainty leading to changes in regional and international trading conditions</li> <li>• Inability to reduce costs of alternative energy solutions</li> </ul>

	<ul style="list-style-type: none"><li>• Insufficient access to base energy sources for upscaling developments as demand increases</li><li>• Encroachment on existing industries by renewable developments</li><li>• Access to adequate capital funding</li></ul>
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