

## Summary

The predominant energy source for both campuses is electricity, and our current supplier is EDF courtesy of framework agreement for Universities and Colleges for Scotland. The Lerwick campus uses gas as a fuel source for kitchens, supplied by Rearo, while Scalloway campus is a dual fuel site and uses gasoil, currently supplied by Scottish Fuels.

## Actual v Forecast

Fuel Type	2021-22 Budget	2021-22 Actual (WIP)	2022-23 Budget
Gas	2,500	3,899	5,000
Electricity	118,900	154,138	163,500
Oil	34,700	54,776	62,000

## Gas

Whilst actual was above budget in AY21/22 it was discovered that the valve had a fault and has since been fixed. There may be scope for efficiencies, however the wholesale prices for gas have risen and projected to continue to rise in the immediate future.

## Electricity

The above actual electricity includes all costs to 30<sup>th</sup> June 2022, it is anticipated that the final actual position will increase by approximately £10K to account for July 2022 consumption.

All our sites are included in Scottish Government framework agreement for electricity supply to Universities and Colleges across Scotland. These rates are very favorable in comparison to the market, currently varying between 10.7-12p per KWH for day rates, and 8.7-9.5p per KWH for night rates.

The rates are favorable as future electricity needs are bulk bought in advance, but please note that suppliers are currently unable to purchase in advance and increases in unit rates should be anticipated to increase from Spring onwards.

It should also be noted that approximately 47% of electricity costs are non-energy costs and it is difficult to estimate where these may change.

The budget for 2021/22 was under forecast due to quality of information received from SIC, it should also be noted that non-recoverable VAT is an additional non-energy cost that would not have been

factored in by SIC. There may be some scope for efficiencies at Lerwick campus with maintenance works carried out on air source units that were previously not working correctly.

## Oil

Gasoil has increased steadily over the course of AY22/23, unit prices in August 2021 were 56.14p, reached a peak in July 2022 of 109.68p, before dropping to 98.69p per unit by end of same month.

The budget for AY21/22 would have been set according to trends for usage during COVID restrictions, whilst the building usage/occupancy would have been almost as normal which when coupled with increase in unit prices has resulted in actual costs being 57% higher.

## Conclusion

The protection of framework agreement is proving to be beneficial, however this is anticipated to change from Spring 2023.

Rosa Brown recently began as Net Zero KE Coordinator for Shetland UHI, a grant funded position for 24 months, and she is leading on an energy audit for the organisation. This will no doubt look at mitigating actions to reduce energy consumption across both campuses, however it should be noted that any actions will involve significant capital investment.

The picture across the UHI partnership was recently looked at by the Finance Directors Practitioners Group, and the snapshot is that those partners using mains gas are much more adversely affected with increases of £200-300K at some sites.