

# Shetland Strategic Wider Works

Needs Case: Cost Benefit Analysis

Tipping Point Analysis

**Redacted for Public Release**

9<sup>th</sup> June 2020

## Summary

A sensitivity analysis was undertaken to understand what level of CAPEX cost increase would be required on the 450MW link (Option 1) for it to tip the Least Worst Regret option in the cost benefit analysis to the 600MW link (Option 2).

## Tipping point analysis

An analysis was undertaken to understand where the tipping point is in CAPEX for Option 1 for the result of Cases 3 and 4 to change from Option 1 to Option 2.

The results of the analysis are shown in Table 1.

**Table 1: Required increase in PV CAPEX for Option 1, for result of LWR to change from Option 1 to Option 2.**

Case	PV CAPEX of Option 1	PV CAPEX of Option 1 to change result of LWR to Option 2	Percentage change in PV CAPEX
Case 3	Redacted	Redacted	+5.1%
Case 4	Redacted	Redacted	+5.7%

The analysis shows that for the result of the LWR to change from Option 1 to Option 2 for Cases 3 and 4 requires a CAPEX increase of 5.1% and 5.7% respectively.