

**SPENCER
OGDEN**

THE FUTURE OF RENEWABLES

A Global Assessment



Spencer Ogden
celebrating 10 years in
renewables recruitment

Foreword

Creating careers to power a sustainable future

When we first entered 2020, no one could have accurately predicted what would happen across the globe. For the renewables sector, the beginning of last year was certainly looking promising.

Large scale sustainable energy projects were already planned, climate change was a hot topic driving up interest in renewable energy activity and governments across the globe were outlining their climate change targets.

Concerns remained rife around the availability of skills and staff across almost every energy discipline. In fact, at the end of 2019, PwC's 22nd Annual Global CEO Survey revealed that a staggering 76% of energy, utilities and resources company leaders were concerned about the availability of skills – an issue that was certainly set to be exacerbated by the uptick in demand for resources that so many of us expected.

Of course, that was the beginning 2020 before the global pandemic took hold and hit many planned projects worldwide. With staff unable to get on-site during various national lockdowns, one of the key concerns for employers has been to not only protect the projects and budgets, but also prevent a drain of talent from renewables industries.

With specialist skills in short supply across the industry, workforce diversity that has long been a focus on the hiring agenda, became an even more pressing topic. Matched by movements that featured prominently on the global stage, the desire to attract skills from people of different backgrounds continued apace.

The conversation around sustainability and a 'greener future' also continued to build throughout the year. Finding widespread backing from the industry's biggest energy companies, genuine strategic shifts towards renewable energy production at the expense of the oil and gas sector was notable. Indeed, for the first time ever, a renewable energy firm has surpassed one of the energy giants in market value, with NextEra Energy overtaking ExxonMobil in what is a truly defining moment for sustainable energy.

Spencer Ogden has been a pioneering recruiter in the renewables sector for over 10 years, continuously working to *create careers to power a sustainable future* for our clients and candidates alike. With the expertise built up over that period, we seek to put you one step ahead in your hiring needs with cutting edge market insight. We therefore hope you find the following report useful.

Henry De Lusignan, Spencer Ogden Director - Americas





Contents

P4. Global Results

Getting projects up and running to retain staff

The impact of oil and gas giants moving into renewables

Diversity

P8. Regional breakdowns

P9. Europe

Skills availability

The impact of oil & gas giants moving into renewables

Diversity

The future of renewables in Europe – threats and opportunities

P14. Asia - Pacific

Skills availability

The impact of oil & gas giants moving into renewables

Diversity

The future of renewables in Asia-Pacific – threats and opportunities

P18. The Americas

Skills availability

The impact of oil & gas giants moving into renewables

Diversity

The future of renewables in the Americas – threats and opportunities

P22. Conclusion

About Spencer Ogden

Methodology

The below report outlines the results of a survey of global renewable energy firms in November 2020. (Note: a number of respondents indicated they were operational in more than one region).

Participants included experts across a number of renewables disciplines including: hydropower, offshore wind, onshore wind and solar.

62%
Asia Pacific

33%
Americas

37%
Europe

Global Results

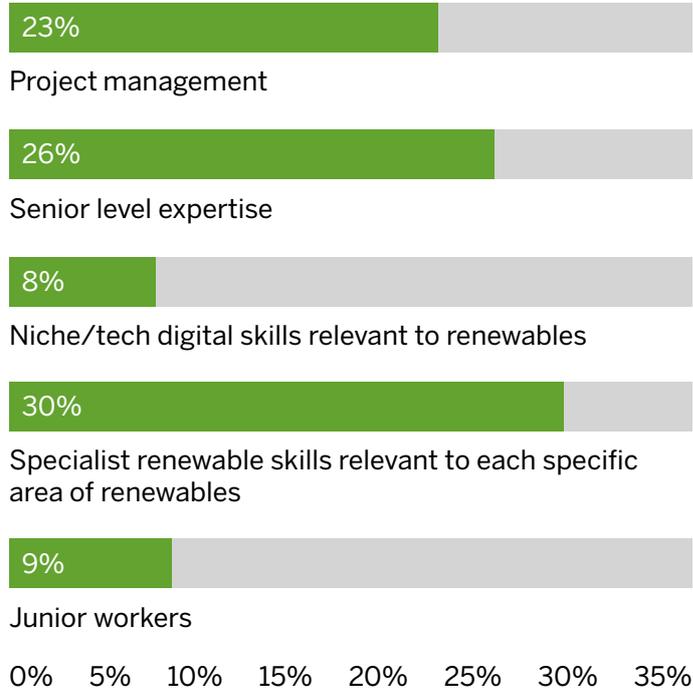
Getting projects up and running to retain staff

When we look at the global results, there's a clear trend in difficulty sourcing experienced individuals which we largely attribute to the limited timeframe that many renewables fields have been in operation for. Almost a third (30%) of respondents indicated that specialist renewables skills relevant to each specific area of the sector were the hardest to source roles at the moment. When it comes to senior level expertise and project management, these were cited as hard to fill positions by 26% and 23% respectively (Fig 1).



What skills/roles are the hardest to source at the moment?

Fig 1



Where skills are in short supply, what sources have you turned to for staff?

Fig 2



There's no doubt that renewables has increasingly sought transferable skills from other energy fields out of sheer necessity, with skills simply unavailable due to the relative infancy of many renewables specialisms. In fact, according to our survey, where skills are in short supply, 21% of employers globally are sourcing transferable skills from other energy sources while 19% are turning to other niche renewable experts for resources (Fig 2).

Amidst the global pandemic, ensuring this doesn't result in the drain of talent from renewables back into other specialism is key – particularly if the location of a project leads to more opportunities as some borders reopen, while others remain closed.

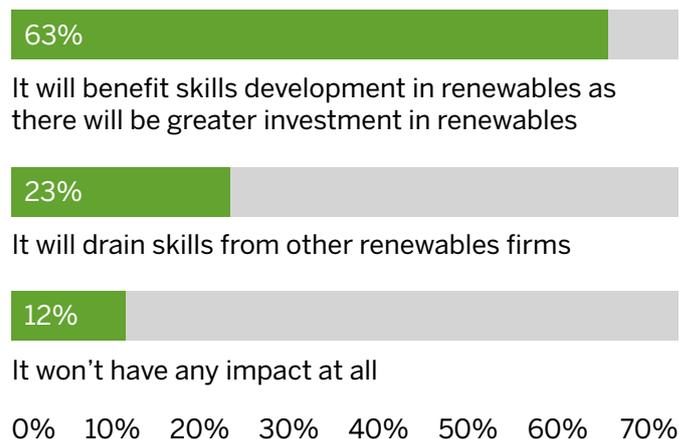
The impact of oil and gas giants moving into renewables

While Covid-19 has certainly been the most prominent news item for all businesses this year, for renewables, the increasing move by oil and gas giants into renewable energy production has certainly been on the radar. In 2020 we saw increasing reports that energy firms including Total, BP and Shell are expanding their repertoire and making leaps into sustainable energy sources.

However, employers within renewables are, on the whole, optimistic that this move will benefit the industry. When we asked respondents what they felt the impact of this move by oil and gas companies would have on skills development in renewables, almost two thirds (63%) stated that it would benefit skills development as there will be greater investment in sustainable energy production. Just 23% felt that it would drain skills from other renewables firms (Fig 3).

What impact do you think the move by oil and gas giants into renewables will have on skills development?

Fig 3



The impact of oil and gas giants moving into renewables cont

When we explored the reason why this was good news for renewables, many respondents cited that the financial backing these firms have access to would provide extra manpower with transferable skills. As one participant stated, “the renewables sector is lacking experience and highly skilled employees – the involvement from oil and gas businesses will help develop better skills and experts.” But others did highlight that it won't be an easy move for these businesses:

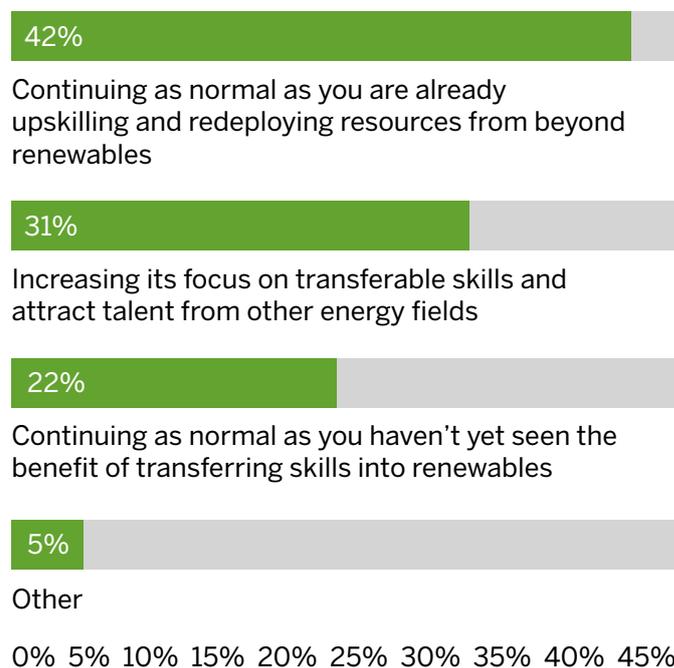
The fact that oil and gas giants are increasingly exploring renewables opportunities does, however, indicate that transferring skills across from other energy specialisms is feasible. However, it's not just the larger brands that have identified this opportunity – in fact, many traditional renewables firms appear to have been capitalising on wider skills abilities to support their business already. 42% of those surveyed globally revealed that their future hiring plans will continue as normal as they are already upskilling and redeploying resources from beyond renewables – a larger percentage than was perhaps expected.

And this trend looks set to grow in the future, with 31% of those surveyed planning to increase their focus on transferable skills and attract talent from other energy fields (Fig 4). Considering the wider skills shortages that are already being noted across most energy fields, this is likely to put increased pressure on businesses within renewables and beyond.



This move by oil and gas firms indicates that transferring skills from other energy specialisms is possible. In regards to your hiring activity, will your firm be:

Fig 4



Diversity

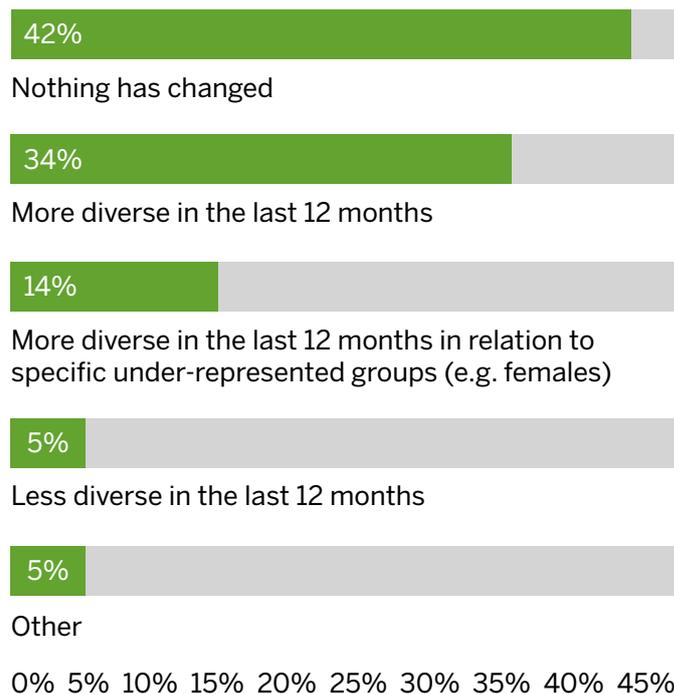
With specialist skills in short supply across renewables, and indeed many energy functions, diversity has long been a hot topic on the resourcing agenda. According to the IEA, women only account for 32% of the workforce in renewables. Statistics from the Offshore Wind Industry Council OWIC indicate that representation of BAME (Black, Asian and Minority Ethnic) individuals is also significantly low across the entire energy sector at just 5% of the entire workforce.

It's arguably widely recognised that by improving diversity and encouraging more people from under-represented groups into renewables, the dearth of talent can be addressed to some degree. However, despite this recognition, our survey revealed that greater progress is still needed.

While over a third of respondents globally (34%) stated that renewables had become more diverse in the last 12 months and a further 14% indicated it had diversified in relation to specific under-represented groups such as females, almost half (47%) felt that nothing had changed or that renewables had, in fact, become less diverse (Fig 5).

Diversity in energy (including representation of gender, BAME and disabled groups) has been a hot topic for a number of years. Do you feel that renewables has become:

Fig 5





Regional breakdowns

While there are certainly a number of global trends being noted across the regions, there are nuances in particular locations. The following pages analyse the responses from employers across Europe, Asia-Pacific and the Americas regions.

Europe

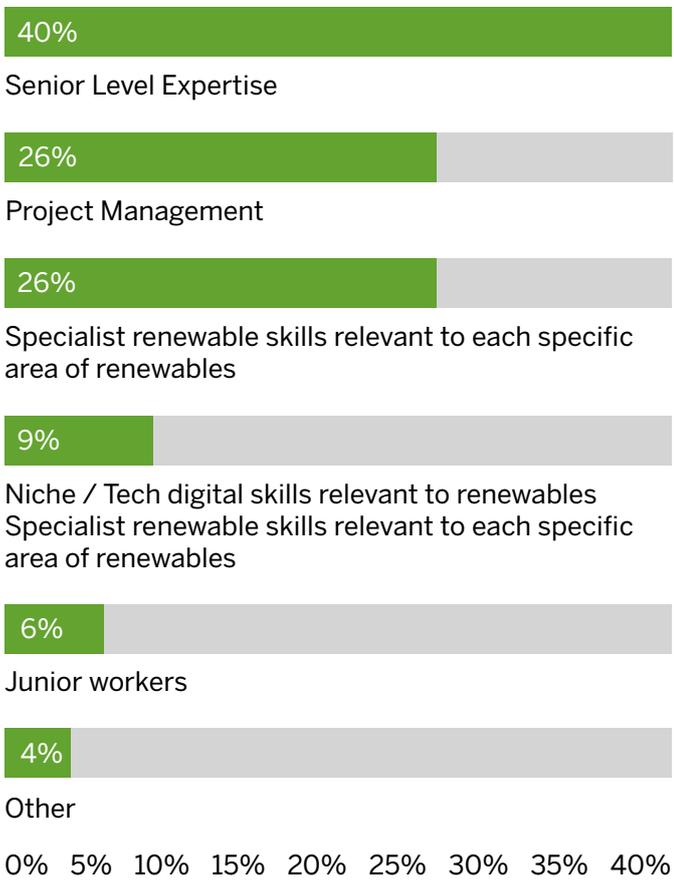
Skills availability

Respondents in Europe indicated that senior level expertise are the most difficult to source at the moment, cited as hard to fill roles by 40% of respondents, the highest of all the regions and well above the global average of 26% for these positions. In comparison, junior roles are considered easier to fill across Europe, with just 6% of those surveyed indicating that these entry level positions were hard to fill (Fig 6).

This is perhaps indicative of the various skills initiatives that local governments have initiated in recent years to encourage more people into careers in STEM-specific industries, with locations including France, Germany and the UK investing in upskilling local populations to support future STEM needs.

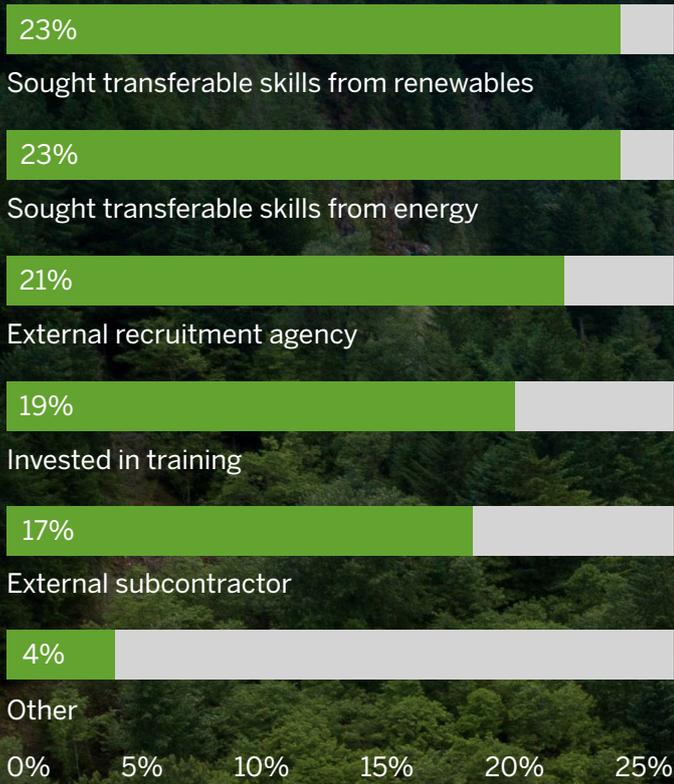
What skills/roles are the hardest to source at the moment?

Fig 6



Where skills are in short supply, what sources have you turned to for staff?

Fig 7



While this has clearly led to junior level roles being filled with greater ease, with senior level recruitment challenges still to be addressed, renewables businesses in Europe are relying on transferable skills to fill resourcing gaps.

Overall, 23% of those surveyed are seeking transferable skills from other energy sources, while the same percentage are attracting similar talent from other renewable experts to fill gaps (Fig 7). European firms are more likely to take this approach and rely less on external subcontractors than their American and Asia-Pacific counterparts.

The impact of oil & gas giants moving into renewables

European renewables firms are generally optimistic regarding the future of the sector and their business as oil and gas giants continue to invest in renewable energy sources. Overall, 64% of respondents across Europe felt this would benefit the sector as it will lead to greater investment in renewables, while just 23% indicated a concern that it could drain resources from other businesses.

There were, however, some participants who were concerned that this could impact profit margins for their firm; “The market is maturing and bigger players are getting in on this opportunity. Business for renewables will increase, but the margins are getting lower.”



Spencer Ogden Insight:

On the whole, we feel that the super majors moving into the renewables arena will have a positive impact. We’re predicting that the additional investment this will create will improve both the technology and methods of work currently being utilised by the industry. It’s also important to add that in many instances these firms have the Asia-Pacificity to increase the scale of projects and bring more awareness to the market, which will be beneficial to the wider renewables arena.

Tapping into transferable skills is a real trend across Europe where skills gaps are being noted. When asked how their hiring plans will change in light of the move into renewables by oil and gas firms, 70% of those surveyed highlighted that they were already upskilling and redeploying resources from beyond renewables, or were planning to increase their focus on this in the future.

What impact do you think the move by oil and gas giants into renewables will have on skills development?

64%

It will benefit skills development in renewables as there will be greater investment in renewables

23%

It will drain skills from other renewables firms

14%

It won't have any impact at all



I think the industry has had an incredible transformation in recent years and it's certainly wide spread knowledge that renewables is going to soon be one of the most reliable forms of energy. The strategic shift of some of the oil and gas super majors is something that is being received with positive anticipation - these companies can bring a real financial and technological fire power to the industry and really take offshore wind in particular to the next level.”

Sarah Solari, Senior Manager – Renewables EMEA, Spencer Ogden



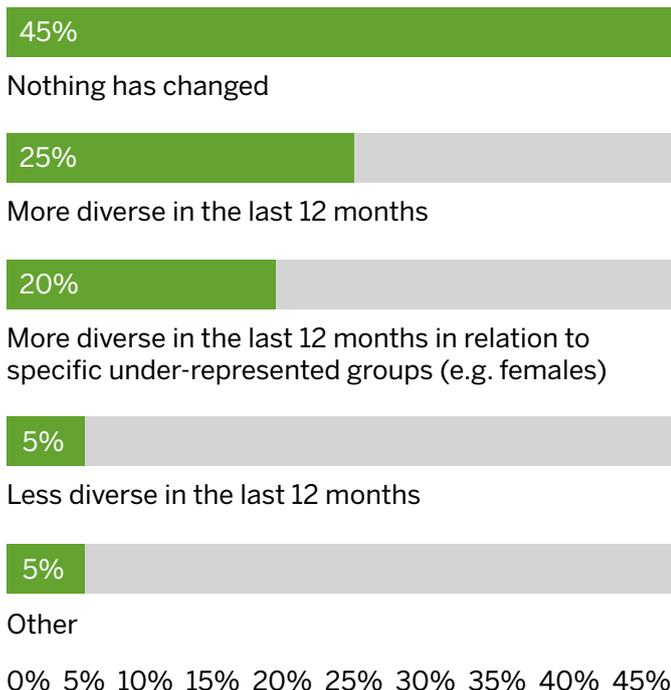
Diversity

The representation of gender, BAME and disabled groups in European renewables firms has, overall, stagnated in the last 12 months. Half (50%) felt that either nothing had changed in the last year or that renewables had become less diverse – higher than the global average and greater than the other regions (Fig 8).

This lower level of diverse representation is surprising given the general acceptance of diversity targets across many European governments and suggests that much more still needs to be done to address this issue.

Diversity in energy (including representation of gender, BAME and disabled groups) has been a hot topic for a number of years. Do you feel that renewables has become:

Fig 8



This move by oil and gas firms indicates that transferring skills from other energy specialisms is possible. In regards to your hiring activity, will your firm be:

40%

Continuing as normal as you are already upskilling and redeploying resources from beyond renewables

30%

Continuing as normal as you haven't yet seen the benefit of transferring skills into renewables

30%

Increasing its focus on transferable skills and attract talent from other energy fields



Spencer Ogden Insight:

Diversity has been high on the agenda of most energy disciplines for a while now and the ever-growing skills struggles being felt across the sector has certainly made it a priority topic. While there is certainly still room for improvement, renewables is rather encouragingly heading in the right direction. We are increasingly seeing a conscious effort to move the needle when compared to other industries and we actively provide a diverse set of candidates for roles to support this development.

The future of renewables in Europe – threats and opportunities

Despite the skills challenges facing renewables across Europe, opportunities are arguably rife. With the European Green Deal outlining plans for the EU to be climate neutral in 2050, demand across onshore and offshore wind, solar, hydropower and other renewables specialisms will certainly increase.

However, while many respondents highlighted that there are opportunities in renewables, the impact of Covid-19 remains a considerable threat for the future – more so in Europe than Asia-Pacific and the Americas regions. Several participants flagged the Coronavirus travel restrictions as a particular concern for sourcing talent for the immediate future – an issue that is exacerbated by the already tough recruitment market.



Spencer Ogden Insight:

One of the threats that we're noting at Spencer Ogden is the increased use of procurement led approaches to recruitment. Yes, for a cost reduction it can seemingly work for businesses, however, overall, it can affect the quality of the personnel being allocated to projects which could have a longer-term detrimental impact.

Looking at the opportunities that lie ahead, the reputation of the sector is certainly boosting confidence. Renewables is increasingly being recognised as a credible and leading form of energy production. And as climate change remains high on the news agenda, we expect to see an uptick in the interests of those pursuing a career in renewables, particularly amongst the younger generation.



Asia Pacific

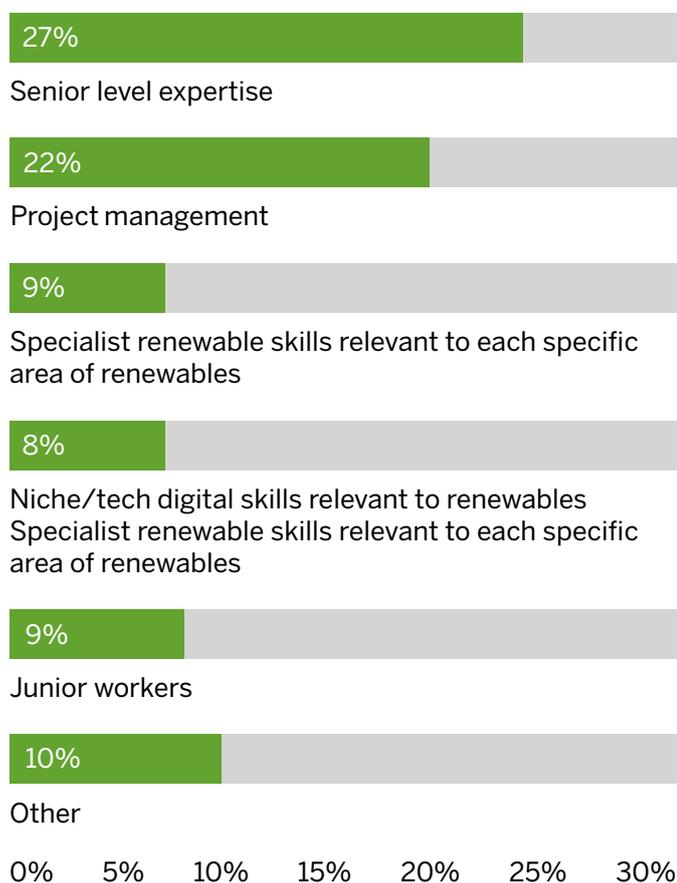
Skills availability

Across Asia-Pacific, the hardest to fill roles and means of sourcing for skills short supply are, on the whole, in line with the global averages. Niche renewables skills are the most difficult to attract, cited as hard to source by 30% of respondents. Project management and senior level expertise were also flagged as tough to fill positions by 22% and 27% of respondents respectively (Fig 9).

Where these skills are in short supply, there is a clear reliance on external experts to source staff. 29% of respondents indicated they would look to an external recruitment agency, while the same number also highlighted that they would use an external subcontractor. 25% would invest in training – slightly lower than the global average of 27% (Fig 10).

What skills/roles are the hardest to source at the moment?

Fig 9



Much of this reliance on external experts can be attributed to the fact that renewables is not as established in Asia-Pacific when compared to other regions, meaning that local senior level knowledge and experience is in limited supply.”

*Scarlet Lee, Manager – Renewables
Singapore, Spencer Ogden*

However, we are seeing a greater focus on building local talent pools which certainly explains why just 9% of respondents are struggling to source junior level staff.

Where skills are in short supply, what sources have you turned to for staff?

Fig 10



The impact of oil and gas giants moving into renewables

Overall, renewables firms in Asia Pacific aren't concerned that oil and gas giants will have an impact on businesses in the region. While there were a few remarks that competition for talent will increase, respondents were generally optimistic about the opportunities this will create:



They'll rapidly scale up the offshore wind market.

Manager, Onshore Wind

"From an EPC perspective it is positive as it creates more projects."

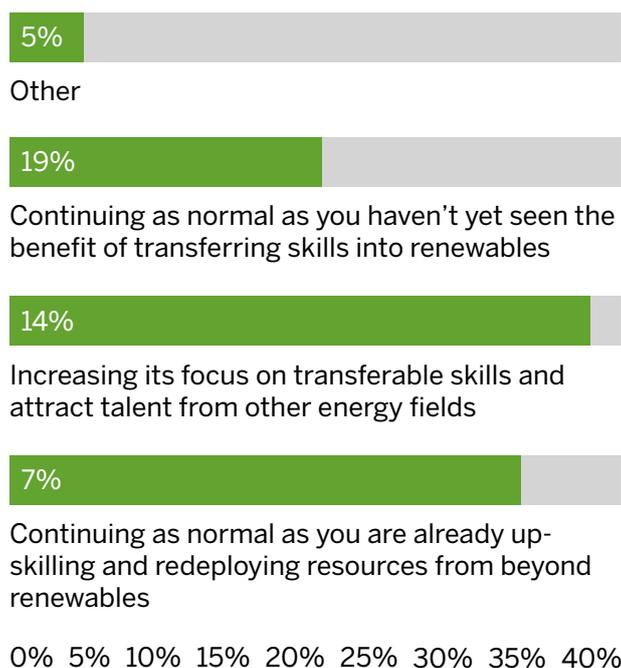
Senior Electrical Engineer, Solar

"It will lead to extra manpower with transferable skills."

Manager - Onshore Wind

This move by oil and gas firms indicates that transferring skills from other energy specialisms is possible. In regards to your hiring activity, will your firm be:

Fig 11



When compared to the rest of the world, Asia-Pacific appears to be the most active location when it comes to employers increasing their focus on transferable skills and attracting talent from other energy fields, with 39% of respondents planning this approach, above the global average of 31% (Fig 11).

64%

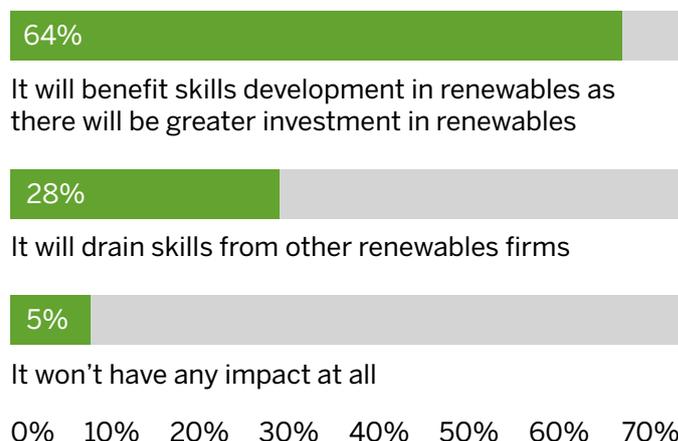
In fact, the majority (64%) of those surveyed felt that this will benefit skills development in renewables as there will be greater investment in the sector.

28%

Just 28% felt that oil and gas firms would in fact drain skills from other renewables businesses.

What impact do you think the move by oil and gas giants into renewables will have on skills development?

Fig 12

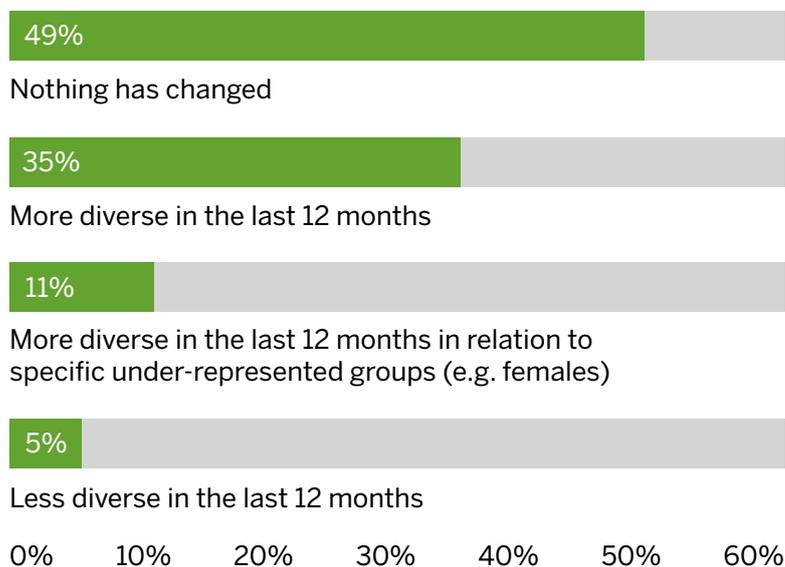


Diversity

Of all the regions, Asia-Pacific appears to have the greatest battle ahead when it comes to diversity in renewables. Over half (54%) of respondents felt that nothing had changed or renewables had become less diverse in the last year – higher than the global average of 47% (Fig 13).

Diversity in energy (including representation of gender, BAME and disabled groups) has been a hot topic for a number of years. Do you feel that renewables has become:

Fig 13



Spencer Ogden Insight:

For the Spencer Ogden team, these results are perhaps unsurprising. While there has been some progress in terms of recognition that diversity is a topic to be discussed, the top priority is simply filling roles to support projects – with the focus purely on finding the skills, not looking at where these come from.

So, while diversity isn't actively being addressed by a large number of Asia-Pacific renewables businesses at the moment, there is likely to be an uptick in the future.

The future of renewables in Asia-Pacific – threats and opportunities

While Covid-19 and the impact on travel and project timeframes is understandably a threat for most renewables businesses, respondents indicated that there are several other key concerns that are currently taking priority over the pandemic.

In particular, a number of respondents cited the complex regulations and stringent government policies as a potential threat to the growth of renewables both in terms of available investment and access to skills.

The entrance of oil and gas giants into the renewables space does present a potential threat to some smaller renewables businesses, but for those more established firms, it's unlikely to pose a challenge, particularly for Asia-Pacific organisations.

“**We've historically seen European companies attempt to move into Asia Pacific, but competition within energy is rife and those with the local experience, knowledge and connections tend to fare best. Consequently, it's unlikely that there will be a significant impact on the well-established firms in the region.**”

Scarlet Lee, Manager – Renewables Singapore, Spencer Ogden



Spencer Ogden Insight:

We very much echo the sentiment of the survey respondents - the constantly changing government regulations in the region, and the local variances across countries, presents a growing level of uncertainty in what is already a complex environment due to the global pandemic. The market is heavily dependent on government policies – particularly in relation to recruitment. And with local on-the-ground renewables skills in limited supply, external subcontractors are heavily relied on. The ability to tap into these resources, though, is driven by in-country regulations and can be a significant barrier for renewables projects.

There are, however, several opportunities. For some countries such as Taiwan and Vietnam, we're seeing a return to business as usual since the Covid-19 outbreak that is certainly promising for the rest of the region. And looking at the future, following a year of fire-fighting amidst the pandemic, we're starting to see more forward-thinking approaches pick back up again. Renewables is a priority in Asia Pacific and there are a number of planned projects which could be potential game changers for the region's renewable reputation.

With China's president, Xi Jinping, indicating in September that the country will achieve carbon neutrality by 2060 and a number of Asian states – including South Korea and Japan – pledging to become carbon neutral by 2050, the future for renewables in the region is certainly looking promising.



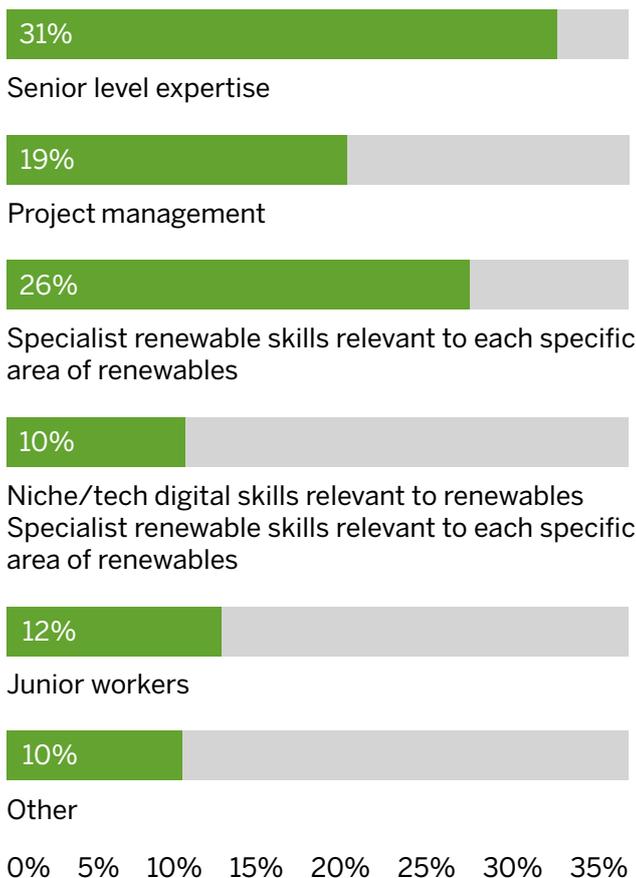
The Americas

Skills availability

Respondents from across the Americas region highlighted a greater struggle with junior level recruitment than Asia-Pacific and Europe, with 12% indicating that entry level recruitment is a challenge. While senior level expertise and specialist renewables skills are currently the most difficult to source – cited by 31% and 26% respectively – employers across the Americas also indicated a higher than global average struggle attracting digital skills (10%) (Fig 14).

What skills/roles are the hardest to source at the moment?

Fig 14



Spencer Ogden Insight:

This is certainly reflective of the picture we’re seeing across the region. Renewables in the US is an extremely candidate short market at the moment. Despite the relative infancy of some renewables fields, there is a high demand for longer-term niche experience which is increasingly hard to come by – exacerbating the competition for top talent.

Where skills shortages are being felt, businesses across the Americas region are more actively investing in training, with 38% taking this approach – significantly higher than the global average of 27%. In comparison, though, employers in the region are less likely to turn attentions to attracting transferable skills from other energy sources than their counterparts across Europe and Asia Pacific, with just 19% implementing this strategy (Fig 15).

Where skills are in short supply, what sources have you turned to for staff?

Fig 15

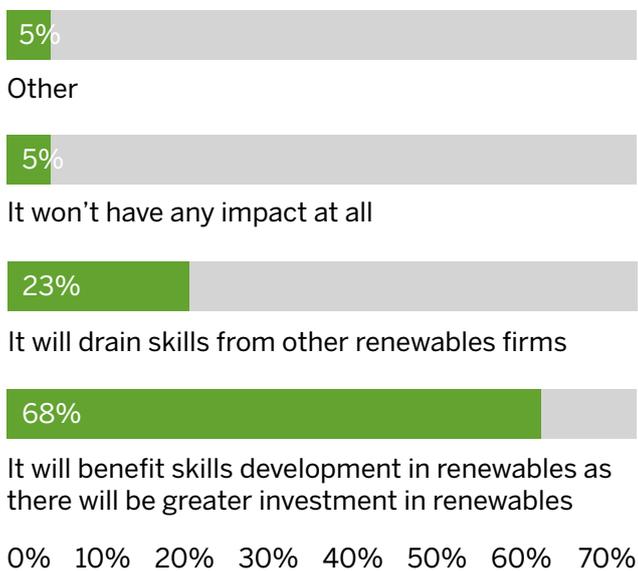


The impact of oil and gas giants moving into renewables

Reports that oil and gas giants are increasingly moving into renewables has been much more widely welcomed by businesses across the Americas. Overall, 68% felt this development would benefit skills in the field – the most optimistic result of all the regions (Fig 16).

What impact do you think the move by oil and gas giants into renewables will have on skills development?

Fig 16



While a number of respondents indicated that they won't be turning their attention to other energy specialisms for transferable skills, participants across the region did highlight that they are already upskilling resources from beyond renewables (48%), suggesting that a number already feel they have the processes in place to source external skills (Fig 17).

“I think it shows they are moving with the times and this can only be a positive thing.”

Service Supervisor, Offshore Wind

“It will create potential new avenues across the supply chain.”

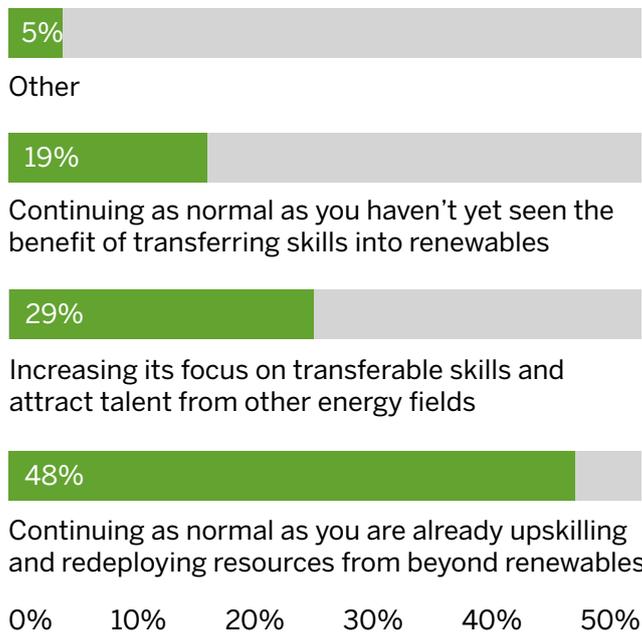
CEO, Battery Storage

“It will help the development of extra manpower with transferable skills.”

Manager, Onshore Wind

This move by oil and gas firms indicates that transferring skills from other energy specialisms is possible. In regards to your hiring activity, will your firm be.

Fig 17



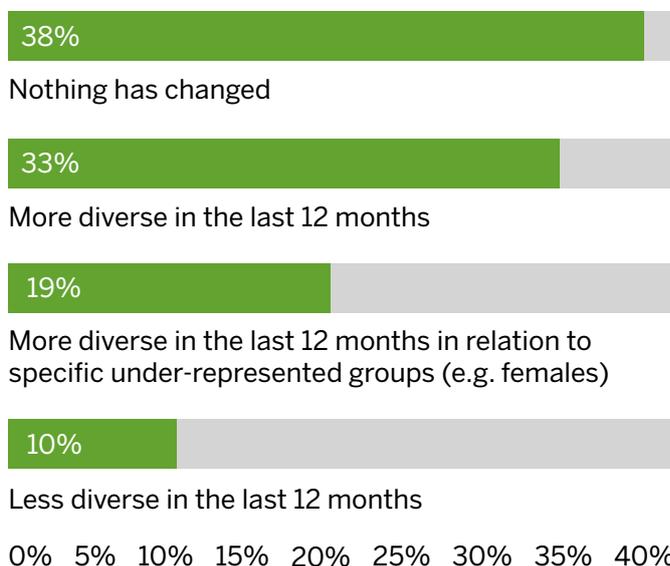


Diversity

According to respondents, diversity progress is being made in renewables across the region. Just 31% of respondents felt that there had been no change in representation of staff across gender, BAME and disabled groups – the lowest percentage across all of the regions. Over half (52%) felt that diversity had improved in some way and no respondents indicated that the issue had worsened in the last 12 months (Fig 18).

Diversity in energy (including representation of gender, BAME and disabled groups) has been a hot topic for a number of years. Do you feel that renewables has become:

Fig 18



The future of renewables in the Americas – threats and opportunities

The range of federal government tax credits, grants, and loan programs that are available for qualifying renewable energy technologies and projects across the Americas region presents a significant opportunity for the growth of the sector across the region. With access to the Renewable Electricity Production Tax Credit (PTC), the Investment Tax Credit (ITC), the Residential Energy Credit, and the Modified Accelerated Cost-Recovery System (MACRS), to name just a few, renewables projects are likely to continue to increase in scale.



Spencer Ogden Insight:

At the time of the survey, the Presidential election was in full swing, so it's perhaps no surprise that government initiatives were cited by some respondents as a potential threat. However, while the political situation in the US remains heated, Joe Biden's win does present a real opportunity for renewables.

The President Elect has listed climate change as one of his priorities and plans to re-join the Paris Climate Agreement once he is in office. While the exact extent of investment into the renewables field that this will generate is yet to be clarified, it certainly paints a promising picture for the sector for the next five years.

“This year has proven more than ever the true extent of the potential within renewables. Historically, when times are tough investment in sustainable energy has been hit. But not this time. 2021 looks set to already be a busy year for renewables, and with Biden's pledge to get sustainable energy back on the agenda, it's certainly going to be an interesting few years.”

*Christopher Mandella, Manager – Renewables
New York, Spencer Ogden*

However, while the growth of renewables presents a number of opportunities, it does also pose some threats to the future of the sector. Energy storage and the technological capabilities to support developments across solar and wind in particular are a key concern that needs to be addressed swiftly. As digitalisation in renewables intensifies, sourcing the tech skills and knowledge to support this is crucial. But these particular resources are already in short supply and could hinder growth in the near future. Many respondents echoed this sentiment, with a number citing manpower concerns as the biggest threat to their business in the future.



Conclusion

While 2020 has certainly been a challenge, this year has proven just how valuable renewables can be. Historically in tough economic times, the sector has suffered and struggled to gain investment.

But this time around, we've seen governments commit to further investment in sustainable energy sources. This is certainly welcome news for the fast-growing sector and the expansion into renewables by oil and gas giants such as Total, BP and Shell appears to be bolstering optimism.

However, it is important that we don't get too caught up in the excitement and remember that Covid-19 has had a significant impact on energy and that has led to major displacement of jobs and skills shortage concerns remain rife.

While for many roles within the renewables sector, the skills can be transferred across from other industries, the simple fact remains that there's not an instant opening available for everyone. As a result, we could see valuable skills lost from the energy industry.

So while overall the future of renewables certainly looks promising, only time will tell if the human resources can be developed to support the full potential of the sector.

About Spencer Ogden

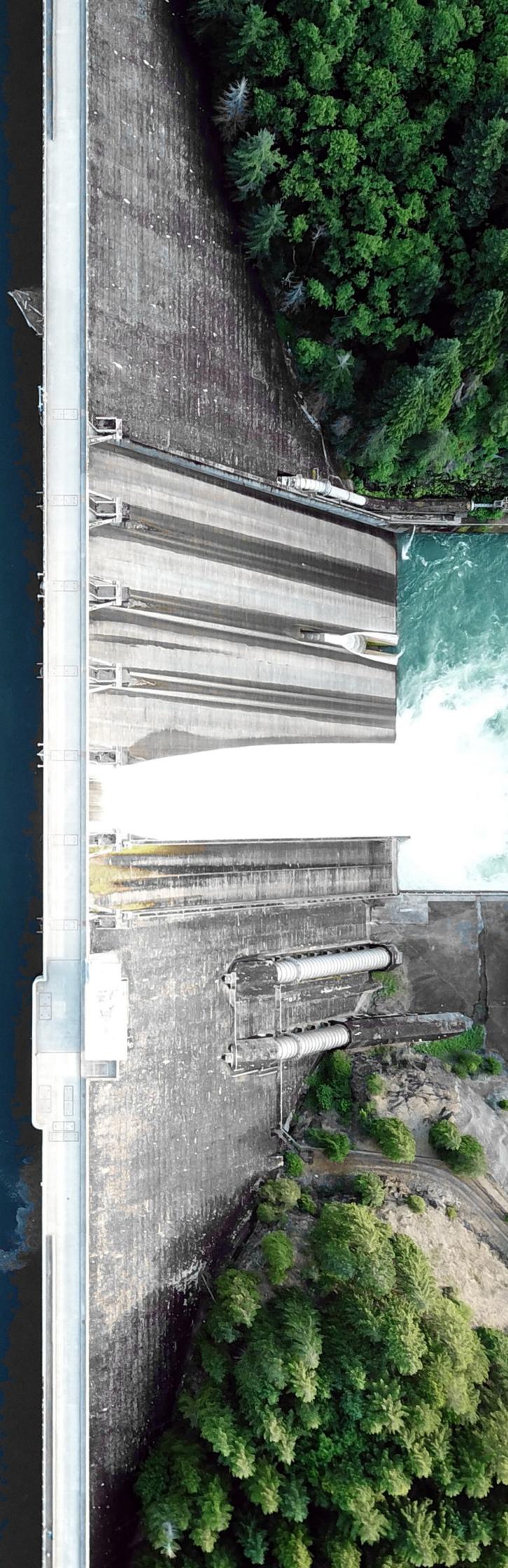
Spencer Ogden are global recruitment experts in energy and infrastructure. We provide leading recruitment services to our clients and candidates that they won't find elsewhere.

With technology at the heart of the process, from financing to operational execution, we break new ground at every stage of the project life cycle.

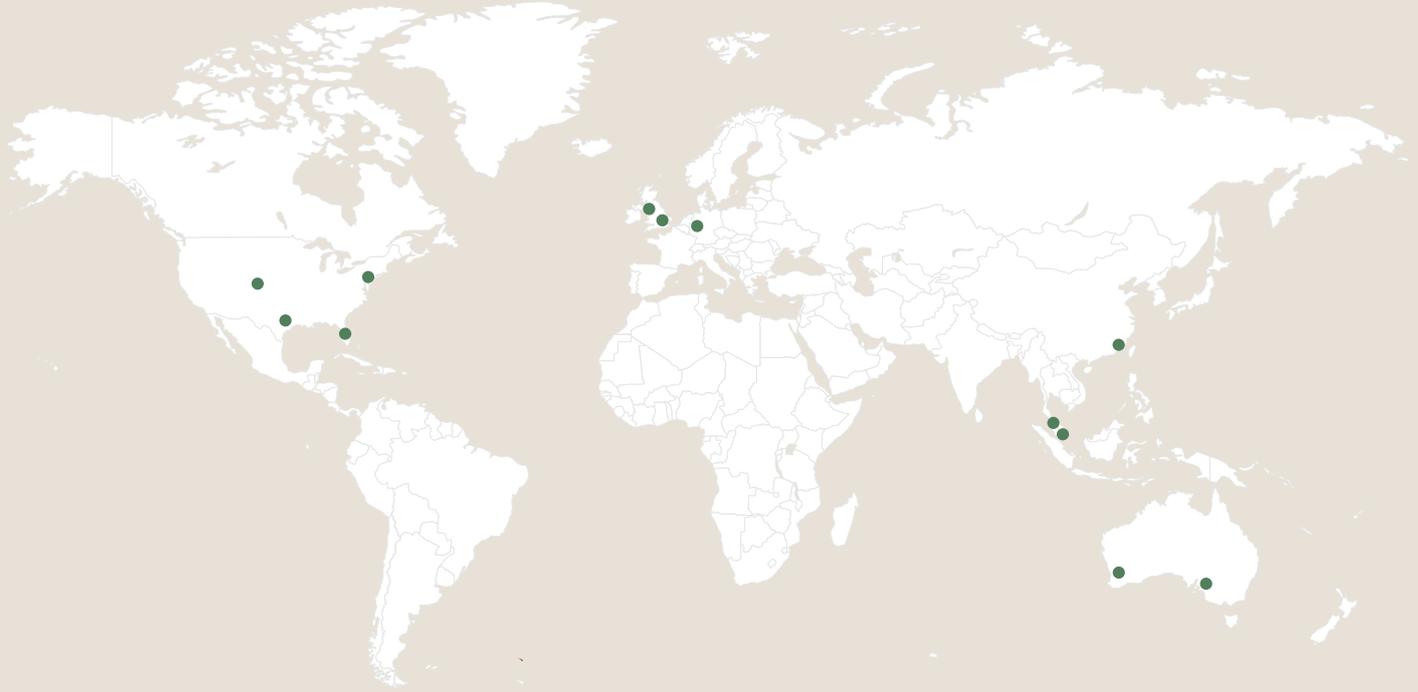
It's our mission to create a dynamic and sustainable legacy in the ever-changing landscapes we cover. Our industry leading services are delivered in a flexible, autonomous way, with offices in the UK, Europe, Asia Pac, Australia and the US.



Spencer Ogden
celebrating 10 years in
renewables recruitment



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