



Why growth in Europe's renewable energy market is the next big challenge

Thought leadership: Renewable energy

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Thought leadership Renewable Energy



There is little doubt that the drivers of renewable energy expansion continue to remain strong. Total installed wind and solar PV capacity is on course to surpass natural gas in 2023 and coal in 2024¹. Solar PV alone accounts for 60% of all renewable capacity additions through 2025, and wind provides another 30%. Plus, the recent lighting up of the Eiffel Tower in Paris using 'green' hydrogen adds to the renewable energy choices available as environmental pressure and political intent drive the renewable agenda forward.

Overall, renewables are set to account for

95%

of the net increase in global power capacity through 2025¹.

Initiatives such as Europe's Green Deal alongside growing client expectations and demand for renewable energy continue to underpin growth expectations. Technological innovation is also playing a key role as we transition to a sustainable energy landscape. Overall, renewables are set to account for 95% of the net increase in global power capacity through 2025¹.

So how can renewable energy companies identify and strengthen potential stress points, so they are in the best position to enable growth?

¹ <https://www.iea.org/reports/renewables-2020>



1

Harness the potential of change

Companies on a growth path often need to implement changes that can stretch operational capacity, putting pressure on project quality, budget, timelines and employees. Yet as we have seen with COVID-19, taking the opportunity to review and strengthen company culture with well-aligned and visible leadership provides a more sustainable springboard to capture growth opportunities. Whether it's green energy companies, energy organisations looking to move to a renewable platform or companies in the renewable supply chain, focusing on developing the right health and safety culture helps to manage the hidden risks such as employee resilience levels, stress and mental health issues that fast growth and change bring. Also, ensuring employee risk perception is in line with technological innovation by developing the right safety culture and training provides the tools to understand and manage change more effectively and smoothly. Backed by well-aligned and visible leadership, developing a good health and safety culture that reflects the changing landscape is a positive growth enabler.

2

Develop clear objectives and targets

Certain aspects of the renewable energy market are beginning to reach a particular stage of maturity. Currently, the bulk of capital investment in the wind sector is directed at new onshore wind power installations. However, in the coming decades, replacing existing wind installations during decommissioning will need a share of investment. The

development of green hydrogen to complement wind and solar energy provides another revenue stream for renewable energy companies. As the renewable market evolves and matures, players in the market can benefit from a detailed roadmap with clear objectives and targets that focus on their competitive strengths and chosen business model. Designing lean and efficient processes that leverage digital and analytical capabilities to address market needs will help inject agility into developing the operational excellence needed to meet renewable energy demands. At the same time, reinforcing leadership skills will help navigate operational excellence challenges and give greater visibility to business model and operational performance as the renewable energy market evolves.

3

Deep-dive risk mitigation strategies

Sustainable growth now requires the ability to identify and mitigate risks across a broader spectrum. Whether it's building a specific safety framework for employees working in small teams or the rise in natural catastrophe (nat cat) frequency impacting infrastructure, developing a more comprehensive range of risk mitigation strategies adds resilience to a company's ability to absorb and manage shocks. Having a more holistic risk mitigation strategy is also crucial to developing and future-proofing a safety framework. Continuously learning from projects and managing global organisational differences through strong culture and safety excellence will help improve risk perception. Companies can develop more proactive risk management techniques by embedding operational risk mitigation into culture and daily behaviour.

Top lessons learned

In a renewable energy sector that is constantly growing and evolving, refreshing operations management and safety initiatives can help develop a forward-thinking approach that is crucial for enabling growth.

Lesson #1:

Identify competency gaps by measuring the impact of safety management routines as the renewable energy market evolves. Consider strengthening leadership skills to align with practices and improve employee risk perception.

Lesson #2:

The safety culture must align with increased digital innovation in the renewable sector. Benchmarking how your employees feel about the existing safety culture as operations evolve can help reach the required level of safety maturity.

Lesson #3:

In our recent European Safety Survey, only 15% of respondents from the Energy and Utilities Panel felt psychosocial risks were fully considered. As the renewable sector grows, developing a strong health and safety culture is vital. Communicating effectively to hearts and minds will help identify the hidden risks such as employee resilience levels, stress and mental health issues that fast growth and change bring.

Lesson #4:

In an industry where working environments are often isolated, field coaching is essential. By taking an "observe, do and lead" approach, it is possible to provide managers and employees with a framework to continuously improve business performance.



As we go forward, companies in the renewable energy sector should make the necessary operational and strategic changes to strengthen their occupational safety and health systems to build resilience into operations as they grow.

Join the movement

Sustainability is imperative and has become a key focus for all organisations. dss+ has supported small and large companies worldwide on strategies to strengthen, develop and implement sustainable strategies to keep businesses operational in a safe manner.

Using this experience, we have developed a safety roadmap for renewable energy firms that incorporates fresh thinking and innovation into safety programmes that can give companies a competitive advantage.

As sustainable business takes centre stage, we invite you to join the movement on preparing your teams for future sustainability challenges together.

Business leaders



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About dss⁺

dss⁺ is a leading provider of operations management consulting services with a purpose of saving lives and creating a sustainable future. dss⁺ enables companies to build organisational and human capabilities, manage risk, improve operations, achieve sustainability goals and operate more responsibly.

By leveraging its DuPont heritage, deep industry and management expertise and diverse team, dss⁺ consultants are on the ground and in the boardroom helping clients work safer, smarter and with purpose.

Additional information is available at www.consultdss.com



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