

CCRO Survey: Risk Staffing Challenges Today

September 7, 2022
Draft for CCRO Meeting Discussion

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Meta Data

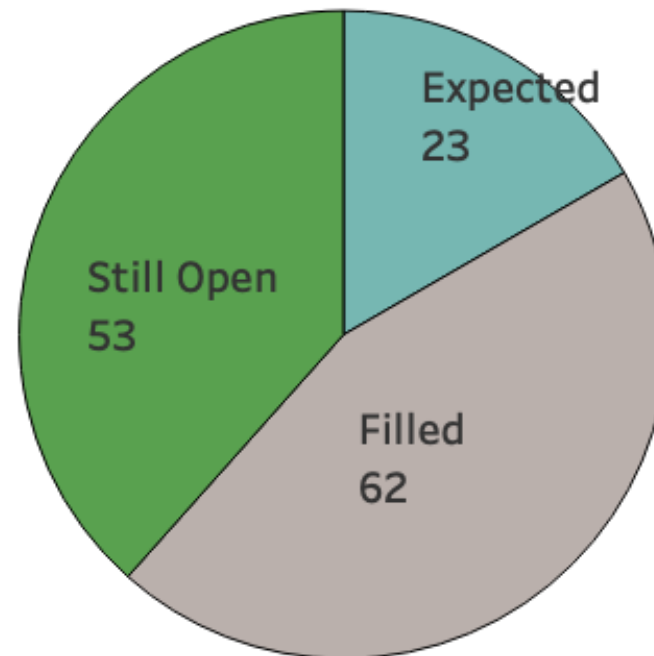
- Informal survey for discussion and exploration of solutions
- 28 respondents representing 28 companies
- Not every person responded to every question... but almost

Company

ENI trading and shipping
Abaxx Exchange
Vargronne
BP
ENGIE Energy Marketing NA
National Grid
Vistra Corp
Repsol
Enbridge
Mansfield Energy
Emera
NRG Energy Inc
Cleco Energy
PJM Interconnection
AltaGas
The Energy Authority
CubeLogic
Motiva
Constellation
CleanChoice Energy
KWA Analytics
Sol Systems LLC
Patomak Global Partners
Abaxx Exchange
Eversource
Golden Pass LNG
Motiva Enterprises LLC
KWA Analytics

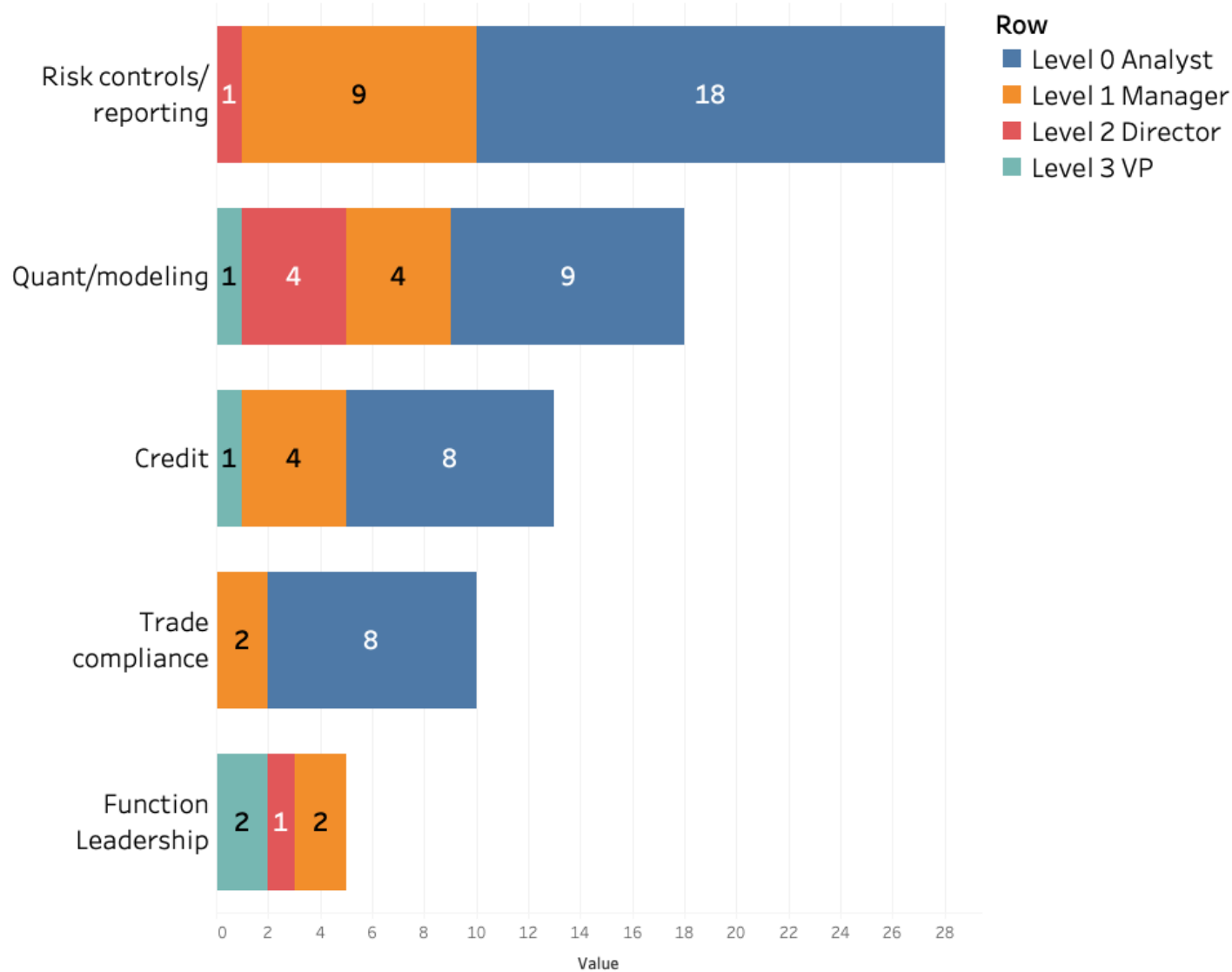
Q2. Current Situation

In the past twelve months, have you had any open risk function or middle office positions? If yes, how many in all, whether filled or still open.



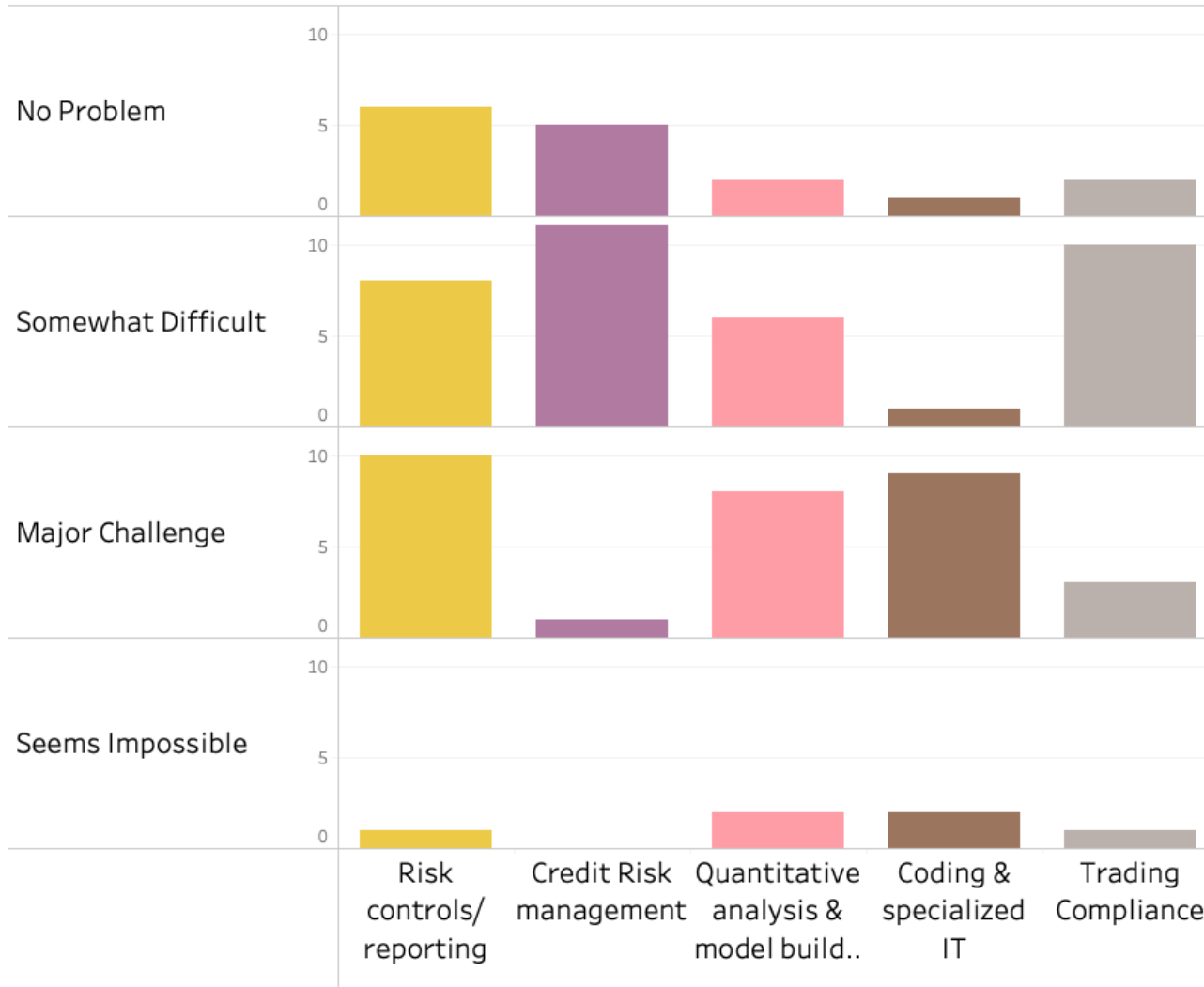
Q3. Level of Position & Functional Focus

For the open & expected positions, What levels are those positions, and in what area of risk function scope ? (select all that apply)



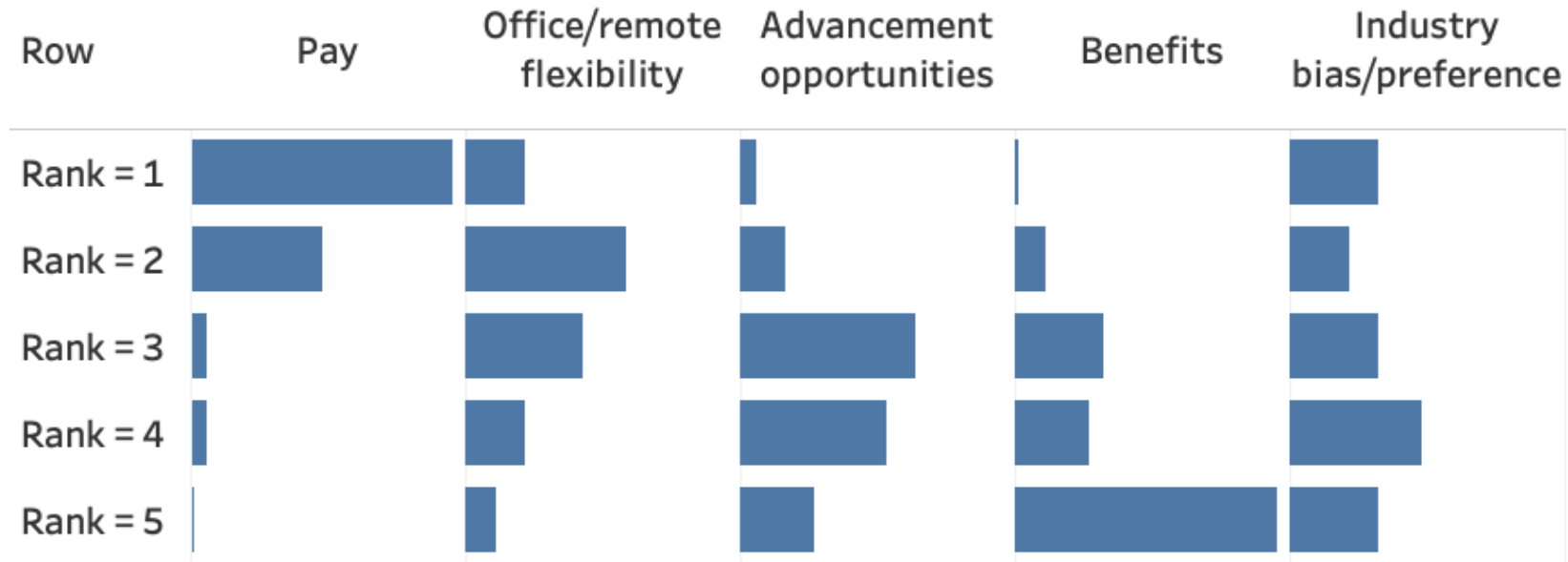
Q4. Relative Challenge by Area

For each area of the risk function scope that you are seeking new people, relatively how challenging have you found it to find qualified people?



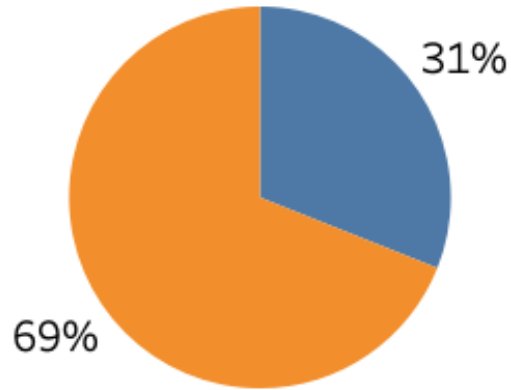
Q5. Factors Influencing Recruiting Success

Please rank these factors for how influential you believe they are on your company's recruiting challenges/successes. (you can drag the order or select a rank)



Q6. Intern Programs

Does your organization have a dedicated internship program?

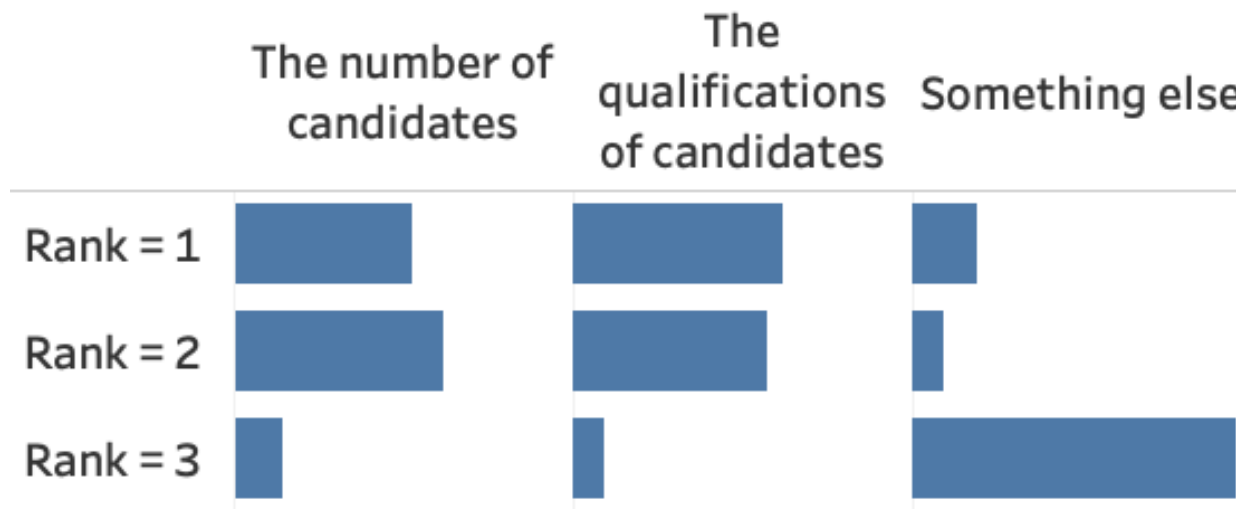


COMMENTS

- in progress
- very limited internship - summer only
- Mostly used in credit for the summer.
- Not in ERM but in other areas (engineering at utilities; student program)..
- we do but Risk doesn't currently take part in this
- Risk was not selected to participate in this program
- In the UK
- Interns come into business in a more general accounting and finance role rather than a risk focused role.

Q7. Position Marketing vs. Pipeline? Vs. Something Else

What do you see as the greater challenges with filling risk positions today? The number of applicants per job posting? The qualifications of the candidates? or something else? In other words, is the problem related to the marketing of your opportunities, the pipeline of talent, or ?Please rank these (you can drag or select rank)

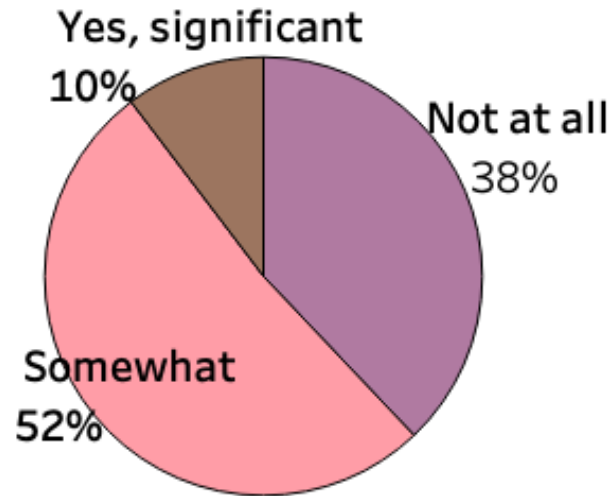


Q7. Comments about the Greater Challenges with Filling Positions Today... "Something else"

- It is hard to compete on salary for young applicants who might consider other industries/job paths, especially for people with technology and math backgrounds.
- Hard to say if the # of candidates we're seeing is due to industry bias or because we must use internal recruiting only. 2 of the roles in the filled category above we did use external recruiting but that takes EVP level approvals to do
- It starts with number of candidates. prior to pandemics, may get 100 for an analyst role. of those, 10% you would consider interviewing and so usually had three strong options once process completed. Notw the number is 30 applications, so you may end up if 1 - 2 that you would consider hiring. Of that, people may push back on salary, work from home flexibility...etc. When you had 10 potential good candidates and someone wanted something outside of company's policies/salaries, you could still find someone. now that this has dropped to 1 - 3, much more challenging.
- Desire to work a 8-5 Desire to have flex hours Desire to have a single project focus No desire to do things they don't want to, like write memos or powerpoints
- pipeline of talent, cost of hiring today and flexibility of location (i.e. ability to work 100% remote)
- Ability to compete on compensation, particularly from the E&P community.
- Alignment of what they want to do with what we're offering
- experience with ERM functions in the energy space
- The something else is the candidates' ability to understand the risk roles in the business. If they are not experienced hires, they do not seem acquainted with the concept.
- Lack of interest in learning legacy Trading & Risk Mgmt systems. No new entrants into the space / retiring of seasoned resources.
- For the level of experience, candidates are demanding much higher salaries than previously. There are also more people interested in the quant's since every industry needs these folks today. So they are in more demand, which means less supply of candidates.
- Analytical Expertise. Competitiveness in the Digital Age.
- Our risk people need to be ETRM knowledgeable, so a strong technical aptitude is also needed

Q9. Impact

Have the recruiting challenges impacted the ability of your organization to execute on commercial/growth opportunities?



Q11. Anything Else We Should Discuss?

- Have retention measures changed?
- Retention: Much of the work may necessarily be geared toward more conventional energy resources, but employees at the start of their career understandably may be more interested in work related to emerging energy technologies.
- What about salaries for some of the positions to help determine market rates for Product Risk roles? Glad to see the survey. It will be interesting to see the results!
- Don't oversimplify the solution such as salary or WFH - those are important but does not explain a 70% reduction in applications in the first place. Might we see this trend (people disappearing from the workforce) with a recession and hyper inflation.
- Solutions?
- We've had to adjust our expectations on the employees we hire, taking new grads because they are available, even though we would prefer 3-5 years experience.
- ERP designation was a significant loss to our profession
- Legacy technology in the Energy space is driving qualified resources away from the space into more modern tech institutions like banks, hedge funds, etc
- How can we encourage analytic forums to raise the bar for all?
- How to foster STEM at the high school level to encourage more interest in majoring in science/math/engineering in college and grad school