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MARY POWELL INTERVIEW

Q: Welcome to our podcast. How are you today?

A: Good, good. How are you, Marty?

Q: Good. We've got Mary Powell, who for the past dozen years has been President and CEO of Green Mountain Power. Just learned that you'll be stepping down at the end of the year.

A: Yes, I'm really excited. After 12 years as CEO and over 20 years at Green Mountain Power, you know, sort of helping to lead and leading one transformation after another, I am really excited about this transformation which is handing it off to a next-generation amazing woman leader, just really excited, and I'm excited for myself for all the other possibilities that will open up.

Q: When you joined Green Mountain, approximately 20 years ago, there were very few women executives at utilities. How has the culture changed and what do you think a more diversified executive rank has done for the utility sector?

A: Well, yeah, you're right, Marty. When I joined, I think I was one of three, I think, in the entire country of CEOs, women CEOs of investor-owned utilities. Actually, somebody

pointed out the other day that they think we are now the first that's ever gone from a woman CEO handing off to another woman CEO as an investor-owned utility. I haven't fact-checked that, but somebody told me that's a fact. It would be interesting just because I really do feel like Green Mountain certainly has been a leader in cultural transformation. I mean, that's really, I think, as you well know where the work really started here for me from my perspective. It was really turning the company inside-out literally from a cultural perspective and taking it from a very hierarchical, traditional, analysis/paralysis culture to one that was focused on fast, fun, effective service for customers, quick decision-making, you know, complete elimination of layers of bureaucracy and creating a team-based system where folks who work here felt like it was up to them to make the best decision in the moment.

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Q: Mary, I'd like to jump to one of the more fast, fun changes that I've heard about at your Vermont utility and that's your experiment that just has recently launched on a flat rate. Tell me what the program is about, how it works, and what your objective is with it.

A: Well, great, Marty. Our objective is a simple outgrowth of

what we've been focused on for years which is customer obsession, a culture of customer obsession, a culture of also an obsession with carbon and getting carbon out of the energy system and helping customers reduce cost and innovating. We've done a lot of innovating over the last, I would say, 5 or 6 years in particular, and we're very excited about this because this is the opportunity for customers to completely transform their relationship with energy by going with solar, with storage, with an EV and bundling it all into one price and bundling it all into, you know, what we all know as subscription pricing which is something we use in other forms of things we acquire and use for services, so it's a subscription-price model, and it is a way for customers to transform, that is, you know, again, like we were saying, fast and effective.

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Q: Is any other utility doing this to your knowledge?

A: Nope, I believe we are the first with this. We were the first with offering storage in home. We have one of the greatest market incentives out there right now in the industry for storage. Now, this bundle, the bundling of energy transformation and pricing, I think, without a shade of a doubt we're the first.

Q: What do you think it will allow you to achieve?

A: I mean, I hope what it allows us to achieve as a society is accelerating a consumer-led revelation to lower carbon energy resources, and you know, the science is clear the planet is on fire, and we have (some would say if you go by the first study) 11.1 years left, but I think the latest data suggests we have more like 8-9 years left to radically drive carbon out of society and out of our energy systems. What we really hope is that this helps customers transform quickly and in a way that's affordable and effective for them and their budgets.

Q: Now, how does it work on the business side of the fence? You've had a flat load since 2003 according to what I've been able to read. How do you keep the company healthy and growing in that kind of environment?

A: Well, I mean, you know, the reality is it's no different than the reality everyone is facing between efficiency and distributed solar largely. You know, many parts of the country and many parts of the world are facing the loss of traditional revenues off of the infrastructure system, and so you know, we have always that it is our job to innovate our way into providing new value propositions per customer that they want to use that will then also have the happy

coincidence of creating new and different revenue sources to make grid power more cost-effective, so everything we're doing-- and the storage is a great example, and this bundle is a great example. It's priced in a way that it provides value stream back to maintaining the grid for the rest of the customers that we serve, so our storage devices alone that we have deployed over 2000 of in Vermont homes already, you know, save all Vermonsters we serve up to half a million dollars in one really hot, costly summer day.

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It's all about embracing this future, actually accelerating this future, but doing it in a way where we're innovating and creating a new value proposition for Vermonsters.

Q: You also dispatch water heaters. Talk a bit about how that works.

A: Yeah, it's the same, you know, it's really about, from the helicopter view, about moving towards being more a symphony conductor of all sorts of devices, some that we may be a part of putting behind a customer's meter, but some where the market is delivering that solution behind the meter. That's what we've also done with some very interesting market incentives and aggregator pricing, right, so that others can be playing in this symphony orchestrator role

with us, but it's all about the way we get to a more cost-effective, efficient, greener grid to have as many-- you know, as we say, moving to a community home- and business-based energy system where we have customers embracing these technologies that can drive cost and carbon out of the energy system and doing it in a way where it's a shared energy economy, where they are sharing those controls with us so that we or the other market aggregators are making sure that it's done in a way that is cost-effective for everybody we serve.

Q: You were an early adopter of the power wall technology of Tesla. How has that gone, and has Mr. Musk paid any close attention to what you have been able to achieve?

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A: I would assume he's paid attention. From what I understand, he has just because it has been wildly successful. You know, the reality is that the technology has outperformed what we advertise as capabilities, so that's always nice with customers when you don't over-promise. In fact, you might under-promise what the technology can do. We've had the technology carry customers through multi-day outages, so customers are thrilled because it's providing them-- in a world where

climate change events are more dramatic and more frequent, it's providing them in a rural state with comfort and resilience, and that same exact device that they are sharing with us in this new energy sharing economy is helping us drive down cost and make the system more resilient for everybody else we serve.

Q: You also provide free EV chargers to electric vehicle owners. How common is that across the utility sector? What has been the success there?

A: I think a number of utilities are playing with EVs and how to accelerate adoption. Again, what we really like with this is what we've found is what, I think, folks know but it's awesome to be sort of at the front of actually implementing solutions. You know, again, it's the need to have people move to EVs, but we really want to make sure that as we're making this important transition to a lower carbon resource of transportation that we're doing it in a way where we're, again, sharing the control of the charger so that now everybody comes home at the proverbial 6:00 and plugs in at the same time and then creates this new peak, right? When they go with our EV charger, it allows us the opportunity to work with them so that they don't have to worry about anything. They can just get home and plug in,

and we worry about when it's, you know, pulling the power from the grid so that it's cost-effective to everybody.

Q: To what extent do you think you're being one of the first female executives in the industry that has led you to be a little more experimental and pushing the envelope on all these programs we've been discussing?

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A: I mean, you know, Marty, I feel like in this role, you know, going back 20 years and in life and many ways (because I've called myself the accidental executive), I've always felt like an outlier, and in ways, I think, connected to this kind of work, I think it's interesting and I feel like actually being an outlier allows me to be an outlier if that makes any sense. Because I always felt like an outlier, it was really easy to just do what I felt like was the right thing with this amazing team here for customers and for Vermonters and to innovate solutions and to try different things versus worrying about, you know, conforming or traditional arguments, you know, I suppose I've never been that traditional, so again it was easy to, when you're an outlier, it's easy to act like an outlier.

Q: What can we expect next from the outlier CEO?

A: You know, who knows? The cool thing is I have a lot of

different possibilities. I'm really excited, and you know, I think first and foremost, and I want to take a little breather which I've done every time I've made a significant move. I've actually really only once in my entire career every jumped from one thing right to another. I'm going to take a little breather, and then we're going to launch.

Q: Do you think you want to be in the energy sector? Before that, you were in finance. Might you go back there? What kind of avenues?

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A: I've worked in, yeah, I started my career in finance. Again, never would have guessed that. Never would have sought out to want to do that. I worked in government for a few years, worked in banking. You know, I've started 2 businesses: one that is actually very interesting and has some interesting developments coming up, so who knows if that might sweep me back in a little bit. You know, I also have some interest in, you know, serving society, so whether that would be best rooted through another role like this or something else in the clean energy space or public office, I think all those things are possibilities.

Q: The last question, Mary, is how important do you think experimenting is at a utility right now? In the background

of it, utilities as you know, are among the most capital intensive sectors. There will be a lot of built-in road blocks to experiment in. What do you think is the best way to get past those roadblocks and what should we should CEOs across the country be looking to achieve?

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A: First of all, I think innovation is critical. The reality is, you know, I love that line: if you sit on the lid of progress, expect to be blown to pieces. The reality is that people want change. We're seeing that all over the country. We need to move to a greener, cost-effective environment, and you know, you don't get from where we are to there without innovating and without taking some well-thought-out risks, so I think that that's essential. I would say that the way to get there, you know, another one of my favorite lines is culture eats strategy. I think a lot of where, you know, the utilities and many of them are starting there and need to start is really building a culture of customer obsession, not share holder obsession. I think that, yes, it is a capital intensive, and yes, it's a no-brainer that you need to have, you know, you need to be financially strong to be able to provide good for society in this business, but you know, it really is about,

from my perspective, when you start with a customer obsession and you start with really thinking about how to deliver the kinds of things that customers are demanding of businesses and industry today, you know, you have to then get to innovation. There's no other way to deliver on customer obsession that doesn't involve innovation.

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Q: I said that was the last question. One more quick one: what about regulators in the financial community? How do you get them on board to embrace the kind of experiments you're doing in Vermont?

A: I mean, at the end of the day, again, I come back, Marty, to customer obsession. Again, you know, to me, it's funny because when I first used to talk about that, you know, 20 years ago, it was looked at almost like, oh my gosh, oh geez, she must not really understand financials. Oh, no, no, I do actually and I know what it takes to build a successful company, and you know, it starts with that. That doesn't mean, you know, customer obsession doesn't mean you give away the store. Customer obsession means you put yourself in the really challenging seat of saying, "How do I satisfy customers in a way that is affordable, in a way that can work within the confines of the environment

I'm working in?" Then, as you do that, what happens is, in my experience, you're customers bring along your other stakeholders whether they are regulators or politicians or, you know, the rating agencies, right? All of our success was really built on that foundation and that backbone, and then, you know, what others saw is like, oh my gosh, they are successful, and oh my gosh, it's the same company that then pulled off the larger merger in the state of Vermont because, again, we had this well of support from our customers that then become the foundation of all these other changes that others would see as, you know, growth opportunities. We didn't see them through the lens of growth opportunities. We saw them through the lens of how could these things, if we pulled them off, provide incredible value to the Vermonters we serve, and that's, you know, at the end of the day, that's what sells success.

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Q: Thank you, Mary Powell, and I'm going to extract a promise from you that we reconvene early in the year when your future is clearer.

A: Okay, super.

Q: Good luck; thanks.

A: All right, Marty. Nice to chat with you again. I'm sorry

about the difficulties getting this going, but I'm glad we
got through them.

Q: No problem. Okay, have a good weekend. Bye-bye.

A: Thanks, you too. Bye.

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