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Topic: What is the Cost of Carbon?

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Key Knowledge Points Developed

- **ACCESS** - Over the next 100 years, there will be a mass migration of people around the globe into modern economies. Presently, more than one billion people do not even have access to electricity. The next 100 years is going to put tremendous pressure on fuel types—all fuel types.
- **SUSTAINABILITY** - Sustainability is a tricky question. What is really, truly sustainable? How can we find a sustainable business model and be morally responsible to the environment? What are some of the reasonable factors that should be considered?
- **ENERGY POLICY** - The questions you are going to have to contend with involve the interface between the private sector and government, particularly related to how energy policy gets developed. And there are more questions than answers. How will we know whether our mechanisms for developing national policy are working in a way that can effectively allow the private sector to respond to the kinds of problems and challenges that we face as a society? No one wants to invest in anything at this point because of the high level of uncertainty surrounding energy policy.
- So, what happens if the governments do not make a decision? What happens if there is no legislation, and we go from year to year to year and there is no national energy policy? Where does the investment come from? How do you get the generation we need? How does the private and public sector make the decisions that we have to make to decide our energy future? How do you rise up from those concerns and needs and see the vision for a much longer perspective?
- **COST** - When you talk about renewable energy, everything is always compared to the fuel costs of coal. It's important to prepare for a new generation. Until we can create alternative energy resources in a more efficient manner or a more competitive manner, from a procurement standpoint, it doesn't make financial sense for companies.
- You can go entirely green but the costs are going through the roof. If you don't do anything, how responsible are you being to the environment? How responsible are you being as a corporate citizen?
- Leadership is critical given the uncertainty. Ultimately, the P&L is better off if you are ahead of the game and taking an active role in policy decisions. You always know when policy is right – when it holds up in a recession.
- **CONSUMERS** - We need conservation to lower demand. The question is how to educate consumers to use energy wisely and what it means when you don't.
- Do consumers really know what the price of carbon is and how that will affect their next energy bill? If they turn off their lights when they are not in a room, how much money will that really save them? That's not well communicated. How do you get the information to consumers about how to reduce consumption?
- **VIRGINIA** - Virginia is a leader, not a follower. We have a lot of faith in and enthusiasm for the private sector, and we have the ability and willingness to incentivize the building of new generation sources.
- Being inquisitive – about the history, how and why we got here – will be an important skill going forward. We can't discount the past.
- The best run utilities are coops or municipalities dealing with a tremendous vibrant private sector. We want Richmond to be the energy capital on the East Coast, and that means attracting business and incentivizing business to expand.
- We have to resist short-term solutions and wanting the quick fix, which is really hard in the political environment that we live in. We have to have a much broader, longer-range vision and be realistic about what our demands and expectations are and meet those in realistic ways. There is a lot that technology will meet if we let it. The energy, creativity and intellectual fire power that is going into solving these problems is really remarkable.

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