EPRI Sustainable Energy Research Summit:

How the energy industry can pursue sustainability

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I attended the inaugural **Sustainable Energy Research Summit** put on by the Electric Power Research Institute (EPRI) on May 15, 2019 in Washington, DC. EPRI put on this meeting to discuss how the energy industry can pursue sustainability. The energy industry is becoming increasingly interested in sustainability because of customer demand. Jed Lynch, Head of Social Impact Investment Banking at Barclays said that 25% of all investments in the market today are chosen based on sustainability. Investors are making these decisions as a way to control their financial risks because companies that are more sustainable have better returns on investment. In some cases, particularly in Europe, investors are making decisions to invest in sustainable companies even at the detriment of return on investment. These customer and market forces have caused the energy industry to become increasingly aware of their need to become more sustainable.

The difficulty is that sustainability is broadly defined and not often clearly understood. Each company and industry has their own definition of sustainability. In addition, each industry often silos themselves, creating communication barriers that restrict the exchange of ideas and innovations that would support broader sustainability achievements. EPRI is focused on three primary categories for defining sustainability through **environmental, social, and economic metrics.** These categories are similar to the popular investor model defined by environmental, social, and governance (ESG) metrics.

Despite these understandable differences in how each company emphasizes and defines their sustainability goals, each company should clearly define their intentions to become sustainable and provide a plan to achieve **clear objectives**. At the meeting, we learned that each organization has talented people that can innovate solutions, but if the objectives are not clear, then sustainable goals can't be achieved.

The meeting also taught that words matter in defining sustainability. An example of this came from Taresa Lawrence regarding the implementation of a solar program in the District of Columbia. Taresa said the public was immediately skeptical when they offered "free" solar, but if they called it solar at "no cost" then the public was accepting of their solar program.

Similarly, the way sustainability is defined to the public will matter and sometimes have unintended consequences. For this reason, we learned that including stakeholders into the development of a sustainability program can be beneficial. The stakeholder process not only creates a **social benefit** for your sustainability program but it also improves the program by generating **new ideas** and identifying any potential miscommunications. Kelly Barr, Associate General Manager and Chief Corporate Services and Sustainability Executive for the Salt River Project in Arizona recommended identifying different individuals with operational knowledge to draft the sustainability program and gain ownership around the outcomes. Then take this sustainability plan to a pilot-group of stakeholders to review and provide feedback on the plan.

Some companies use **third party nonprofits** for verification and scoring of project sustainability. The Institute for Sustainable Infrastructure uses a program called Envision. Envision is used by many industries and therefore the sustainability metrics are more generalized. Alternatively, Performance Excellence in Electricity Renewal (PEER) is an example used by the Ameren Corporation because it is more specific to the energy industry. Each of these programs are designed to assist the project developer with making sustainable decisions, but they would work best during the planning stages. Anthony Kane from the Institute for Sustainable Infrastructure showed an interesting graph about how the cost of sustainability increases and the opportunity to meet sustainable objectives decreases as a project advances from planning to design and then construction. If sustainable objectives are baked into the early planning stages then the **cost to achieve sustainable goals will not be extra.**

This summit helped me to understand the following key elements to a sustainability program:

1. ***Communication is key*** – choose your words carefully and plan to engage a pilot-group of stakeholders to hone your message.
2. ***Specify the goals*** – provide your team with goals that can be clearly defined and measured.
3. ***Team ownership*** – allow your team to develop the goals that are meaningful to them. They will know where the low hanging fruit is in your business and be more engaged in reaching the goals.
4. ***Patience*** – some goals take longer than others to achieve. Include a temporal component to the plan goals to not discourage your team.
5. ***Success is interdependent*** – each goal is often tied to the success of other goals. Meeting environmental and social goals will often support economic goals too, and vice versa.