

## Rapid Response Transcript – Mary Powell

“Solar energy’s time to shine”

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**MARY POWELL:** Let's face it. It's Grandpa's electric system. It's fundamentally an old technological way to think about delivering energy. How do we just move to that next grid of the future?

Oh, no, it's not complicated at all. It really isn't.

You get to move to this kind of energy source at a rate that's lower than you're paying for energy already. And is stable and is powered by the sun. I feel like we are at a tipping point.

Get your oar in the water, and row. Let's go. My view is let's go.

**BOB SAFIAN:** That's Mary Powell, CEO of Sunrun, America's largest solar panel and home batteries provider for homes.

When Ford announced its new all-electric F-150 Lightning, Sunrun was its partner on charging stations.

I'm Bob Safian, former editor of Fast Company, founder of The Flux Group, and host of Masters of Scale Rapid Response.

I wanted to talk to Mary because, with gasoline and fossil fuel prices soaring, she argues that now is a critical inflection point for expanding adoption of alternative energy, including solar.

With boycotts of Russian oil and gas wreaking havoc across the global economy, on top of dislocation from storms and wildfires, Mary notes that U.S. homeowners are increasingly looking for new solutions to stabilize their energy costs and improve reliability.

A longtime proponent of turning homes into virtual energy plants, she shares an insider's insight into why utilities haven't been quicker to embrace new systems, addressing what she calls a “no and slow” culture.

By instead emphasizing what she describes as “fast, fun, and effective,” Mary provides a framework that can apply to any situation where an entrepreneurial innovator takes on an established incumbent in service of building a better tomorrow.

**[THEME MUSIC]**

**SAFIAN:** I'm Bob Safian, and I'm here with Mary Powell, the CEO of Sunrun. Mary, thanks for joining us.

**POWELL:** Oh, my pleasure, Bob. I'm really looking forward to the chat.

**SAFIAN:** So, it's an uncomfortable moment in energy right now, gasoline prices have skyrocketed, the U.S. government's searching for ways to reverse things, but nothing's quite clear. You have a lot of experience in the energy industry, not just at Sunrun, but as CEO of a utility company in Vermont, Green Mountain Power, for more than a decade. Can you try to set the landscape for us just a little bit about how this phase is proceeding, whether it's the same or perhaps different from previous energy cycles, where do we sit right now?

**POWELL:** Where we sit is just in a place of having to move as fast as humanly and technologically possible to the cleaner, more cost effective future. I've been working on this for a long time, none of the things that are happening in many ways are a surprise to me relative to the perilous nature of relying on fossil fuels.

My work at Green Mountain was all about accelerating what I always viewed as a customer-led revolution to distributed energy technologies. And so, now leading the country's largest solar storage and now EV transformation company, it is the time to move as quickly as we can to not just harness the demand, but to again, accelerate this customer-led revolution.

**SAFIAN:** When the cost of fossil fuels go up, as has been happening, the cost of renewables, like solar, looks even better. Does that mean that you immediately start seeing heightened interest in demand? Are there things that you do to take advantage of a moment like this to help reset habits and assumptions?

**POWELL:** Well, it's all about making people aware of their options. It's still so stunning to me that I run into people that literally don't realize that solar and storage and the services we provide are economically accessible to all.

Yes, we do see demand going up. And then we work really hard to make customers aware that they have alternatives for how they power their homes, how they power their lives, how they power their transportation.

**SAFIAN:** We had your predecessor Lynn Jurich on the show about a year and a half ago, and she was stressing that 90% of Americans favor solar, but it's hardly ubiquitous in residential, certainly, and I guess like, why is that? Is it because people think it's too complicated? Is it still too complicated, a little too complicated, and could be made simpler?

**POWELL:** Oh, no, it's not complicated at all. It really isn't. Bob, you don't even have to own this stuff if you don't want to; we can take care of it for you.

Basically you just get to, again, move to this kind of energy source at a rate that's lower than you're paying for energy already. Right? And is stable, and isn't going to go up, and is powered by the sun. I feel like we are at a tipping point. It's very different from a couple of years ago. We started selling in Costco, Home Depot, you saw ADT get into solar.

So the good news is I feel like it is becoming for customers not that technology that like your strange uncle had 10 years ago. And then the other piece is we're having more and more climatic events that are making people feel insecure in their own homes. If you're spending time in California, like I am these days, you also routinely get your power just shut off.

So it is fundamentally a value proposition for customers that is becoming more powerful by the day, let alone the incredible energy cost inflation around us and the utility rates that are going up, in many cases, double digits all around the country.

**SAFIAN:** Yeah. So, as those costs go up, is there something that you start doing differently than you were doing six months ago or three months ago because that competitive landscape is shifting?

**POWELL:** We're the nation's leader, and we're growing incredibly fast. And now with our partnership with Ford on the F-150 Lightning, which I'm sure you've followed. Right?

**SAFIAN:** Yes.

**POWELL:** Now we have that method of meeting new customers and installing their charger and offering them the opportunity to go solar. And there's an incredible statistical correlation between those who go solar and those who want an EV and those who go EV and then want solar. So yes, we're driving demand, we're harnessing demand and we are scaling.

**SAFIAN:** So your house can charge your car, and your car can charge your house?

**POWELL:** Charge your house. I know. How cool is that? To scale at the pace that I want to scale from just a climate perspective, we need as many customers converting as fast as humanly possible.

I'm out and about; I'm boots on the ground leader, and so I've been at 36 different locations of ours. I've been meeting with installation crews and really universally, I find that people are all excited. I see them on the job site, and they're like, "Oh, my cousin wants to work here. This is my friend, my neighbor." So it's really heartening in the context of being on the front lines of battling climate change.

**SAFIAN:** Yeah. I've heard that you spent a fair amount of time on the road in the field with sales people and meeting with customers and prospects, and even going up on the roof during installations.

**POWELL:** Yep.

**SAFIAN:** Are there any memorable stories from those visits, anything new that you've learned and seen about the business?

**POWELL:** I do it because I believe it's the right way to lead. Leading from the front creating connection with the amazing folks that work at Sunrun. But I learn, every time. You learn how hard somebody's job is. You learn about tools and extra things we can do to make jobs easier, to be more supportive. One customer I'll never forget. I was in their living room, and they're going to get an EV as soon as they go solar, and then they want to get heat pumps.

So of course I said, "Oh. Well, then maybe we should size you up," right? Only to find out in that jurisdiction, the utility doesn't allow that. I literally can't prepare you for the future. So you learn about things that you need to work on and improve from a policy perspective.

**SAFIAN:** So you took over as CEO last fall, about nine months ago, from Lynn. Coming over from the board, what's different about being CEO versus being on the board, the transition?

**POWELL:** Everything. Everything. As I knew it would be. You know, because I've been a CEO before. And you appreciate your board members, and your board members appreciate the company. It's totally different when you're actually in the seat.

**SAFIAN:** Sunrun competes with Tesla, with the Tesla Energy unit, so you're going head to head against Elon Musk now. What does that mean to compete with Elon Musk?

**POWELL:** I honestly don't view us or myself as competing with Tesla. In fact, they're an important partner. We put power walls in customers' homes. And the reality is, this problem we're all facing is massive. We should all be in a state of abundance in the context of, to solve the problem, to get the kind of adoption we need to get in time to save the human race, we need to all win. So you can't be at 4% of the market with 80 million addressable homes and spend a lot of emotional or intellectual energy thinking about others that are trying to move towards that same future. You've got to use all of your intellectual and emotional energy on how to scale and how to scale fast.

I should note, though, we're the largest in the context of having residential storage in homes in the United States, so.

**SAFIAN:** Yes. You're larger than Tesla is, right?

**POWELL:** Right, in the context of having the personal units in homes, yes, and customers. Yeah, for sure.

**SAFIAN:** And then I guess the partnership with Ford to install solar panels for the Ford F-150 charging station, I mean, that kind of puts you in competition with Tesla on the other side, on the vehicle side, through that partnership, right?

**POWELL:** Yeah. I mean, again, that's a way to look at it. I mean I didn't really appreciate that the Ford F-150 has been the top selling vehicle in the United States of America for 40 years. That's crazy. And now we're partnering on the electric version of it. But then again, you drive around, Bob, and there's a lot of people that still need to adopt electric vehicles. So back to, is it about competition, or is it about we're at a state of abundance? Everybody, get your oar in the water, and row. Let's go. That's my view: let's go.

### [AD BREAK]

**SAFIAN:** Before the break, we heard Sunrun CEO Mary Powell talk about the state of the energy market today.

Now, she shares why traditional utilities haven't more aggressively embraced solar and other new technologies, and what differentiates a culture of speed from one that she calls "no and slow."

Plus, she shares lessons about optimism, the importance of being yourself as a leader, and her hatred of bureaucracy.

What's different about running Sunrun than about running Green Mountain Power?

**POWELL:** For me, a big part of my need to move on was I'm so passionate about driving this transition, and I was getting tired by the level of, frankly, accolades we were getting proportionate to how fast we actually could scale because we were a regulated utility. So even being noted as the most innovative utility, winning awards, even within that, because of the whole structure of being a utility, which is a system built for slow and no.

It's built for slow and no, and we broke that mold. We moved fast by those standards, but those standards were wearing the crap out of me. I needed to be in a role doing work where I felt like I could run as fast as I can run with the organization, not have artificial constraints.

And so it feels so good to be with a company where, again, the only governors on our scaling and growth are ours, right? We have to tackle those challenges, and we can just then move faster. So that feels incredibly freeing.

**SAFIAN:** And that slow and no culture, I mean, in part, it's regulatory. Is some of it technological, too? Because we hear a lot about the power grid being outdated. Is that part of it also?

**POWELL:** Oh my gosh, yes. The work I was doing in Vermont, I used to say, "Let's face it. It's Grandpa's electric system. It's fundamentally an old technological way to think about delivering energy." That's why I became so fixated on "how do we just move to that next grid of the future? Where again, the utility has this role, but it's way more of being the conductor of the orchestra. Having thousands of points of storage around the system, it's a culture that's been around a long time. And then you overlay the politics of energy; you overlay the regulation of energy. And again, yes it's a system built for slow and no.

**SAFIAN:** And the solution is rather than sort of start from scratch because we're not really going to do that, it's to create more resilience by creating these nodes through each of the residences.

**POWELL:** I was chasing distributed generation ideas even before solar was mainstream. We were the first utility in the country to actually propose to our regulators to pay customers to go solar. As you know, most utilities are still fighting any kind of compensation for customers for their energy, right, that go solar. It wasn't just that the grid itself is like 40-some odd percent economically efficient. It wasn't just that we needed to move to clean energy fast.

It was also seeing your customers without power, seeing the effects of climate change on them, and knowing that there was no utility solution for providing the kind of resilience when we provide solar plus storage in their homes. You create these homes that are then these little virtual power plants, and these folks never have to worry about an outage. And then you get to, then, leverage those resources to make the grid operate more cost effectively and more resiliently.

**SAFIAN:** And when you talk to your colleagues who run utilities now and you sort of explain this, do they say, "Yeah no that's never going to happen?" Do they say, "Oh yeah, we want to do that but it's just too hard for us?" Like what's the dynamic that keeps that from getting more momentum more quickly?

**POWELL:** We have some virtual power plants. We do have, now, the utility in Hawaii that is being very innovative. You have Green Mountain Power. You do have a couple examples of leaders facing also that we're hitting this tipping point, and this is what customers want. What I see holding back the leaders is the system that they operate in. So both in the context of their own imagination I think it holds them back.

There are many that are still dabbling in a way. A pilot of like 100 if you have a million customers. And then there are some that really seem to want to combat climate change. But then they also do operate in a system not built for speed nor innovation.

**SAFIAN:** You mentioned your personal motivation about saving the human race, the heating up, the changing of the climate of the planet. A lot of people I guess don't necessarily make their homeowner decisions based on that. They make it based on financial matters. And I guess how do you bridge that? How much is that an impediment or an opportunity in trying to turn things over to the next phase?

**POWELL:** Why I think we are so much at this tipping point, solar polls across the country, across political parties, right? It polls the highest. It's always polled in the 90s in terms of customer favorability. And you're right Bob, there's going to be a lot of different reasons that people want to go solar, and yes, a certain percentage of them, absolutely, it's about savings. But then that's great because some of the numbers I looked at just yesterday of what's going on in Nevada, what's going on in California with peak pricing this summer.

I mean, I saw numbers as high as 50 cents a kilowatt that utilities will be charging. So this gives those customers a chance and an opportunity to save money. And then there's a bunch of customers who do it for value reasons; there's a bunch of customers that just want to be more independent. They don't like feeling so dependent on things they can't control. So we try to always meet customers wherever they are in their journey, because it isn't about my reason for being passionate about what I do. It's about their reason for being passionate about how we can help them.

**SAFIAN:** And so a customer doesn't have to believe that this is saving the human race to say they want to do this.

**POWELL:** Oh gosh no, no, no. There's diversity of views and diversity of reasons why folks pursue things.

**SAFIAN:** And even within the company, that mission of saving the planet, is that evoked for all the employees or do you recognize that oh, maybe some of them don't buy into that?

**POWELL:** There's no doubt that for a large swath, creating a planet run by the sun and being a part of the solution for climate change is a huge motivation. Is that for all of them? Absolutely not. So many recently I've talked to, they want to be part of the future, part of newer technology. Some folks just want to put food on the table for their family and want to work for a company that they feel like respects them, right? So you're going to have all different drivers for folks and it's all good right? It's all good.

**SAFIAN:** You've worked most of your career in energy, which hasn't always been a particularly hospitable industry for women and for women leaders right? What's the impact of that been, and how much is it changing?

**POWELL:** Yeah, it's not changing fast enough for sure. I've tried to lead the change I want to see. There were many things we did at Green Mountain that were very different and viewed as innovative. My leadership team was actually from a gender perspective pretty much evenly split, which I think was the only utility leadership team I know of in the country. At a personal level, I've always felt like an outlier, and it's not just because of my gender. I was raised in a theatrical family. I actually felt sorry for business people; I never wanted to be one. I went to an art high school; I got an associate's degree.

I call myself the accidental executive. So really for me, it was powerful to just lean into being an outlier. It gave me great freedom. When I became CEO at Green Mountain Power, I think I was one of three in the entire United States of an investor owned utility of a woman. And I remember going to my first CEO's meeting and feeling a little awkward. It just felt like nobody really wanted to talk to me. And I was kind of like, "Okay. I'm just going to do what I want to do, because I'm not going to waste time or energy trying to fit in or fit the mold." I basically just leaned into being an outsider.

I definitely do feel frustrated that we haven't made more progress and kind of in disbelief that we haven't.

**SAFIAN:** It's interesting you have frustrated and disbelief about that issue and about that things aren't moving faster in solar. And yet your energy about it, your spirit about it, is still upbeat and optimistic. Where does that come from?

**POWELL:** The team here has used those exact words. Like, "Wow, you hit the brutal facts dead on, but you do it with such optimism and high energy," and I'm like yeah. I think I was born an optimist.

Do I get discouraged by things? Yeah. But then it's like well what am I going to do with that? Am I going to drive that towards high energy and optimism to tackle it or just live in despair?

**SAFIAN:** That's not your choice.

**POWELL:** No, exactly.

**SAFIAN:** You're just not choosing that.

**POWELL:** I'm not wired that way.

**SAFIAN:** You've been a board member on several public companies. What should a company look for in a board member and how does a prospective board member know if a company is a good fit for them?

**POWELL:** Over the years I've had people, whether they're interviewing for a board seat or whether they're interviewing at a company, I always say the same thing, which is: "Whatever you do be yourself, because you don't want them to hire the wrong person. You don't want to morph yourself into this uber formal culture of a board if that's not who you are, because you're not going to do your best, you're not going to contribute and they're not going to benefit." I think culture is super important, and that's one of the reasons I actually always said Sunrun was my favorite board.

**SAFIAN:** So the board at Sunrun was looser?

**POWELL:** Culturally I love organizations that are fast, fun, and effective. I feel like the whole work I did at Green Mountain was about becoming the un-utility. At Sunrun, there was a level of urgency. Let's get to the point, let's talk about what really matters, and then let's scale. That was very clearly a part of the culture that permeated the board.

**SAFIAN:** Do you have any lessons from your first year at the helm at Sunrun, any advice to our listeners about dealing with change in this environment?

**POWELL:** What has made this feel like a meaningful and impactful role every single day has been my connection with the work, the real work that we do. Why wouldn't you want to have that joy, that learning, that connection with the work that you do? I find actually a lot of leaders don't do that, and the ones then that do seem to all say the same thing, which is wow, that gives me drive, it feeds that passion and being the ambassador of change.

**SAFIAN:** What's at stake for Sunrun right now?

**POWELL:** What's at stake is just losing the opportunity of how fast we could scale if we don't keep getting faster, better, stronger. What's at stake is like we want to be that beloved, trusted partner of customers, we want to be that solution for customers to deliver them an energy future that is more sustainable, that's more cost-effective where they feel more safe and secure in their home.

We've streamlined layers of management. I hate bureaucracy, can't stand it. I can't stand it.

When you have a lot of bureaucracy in an organization, the customer feels that. Getting things done feels a little bit harder and takes a few too many phone calls. How do you keep the necessary components of a control structure, of a leadership structure, but

build it in a way that is as streamlined as possible for the customers we serve and the employees who serve them?

**SAFIAN:** So you don't fall into that no and slow category.

**POWELL:** Yeah, exactly. Or even worse, I don't know. We want to be fast, fun, and effective.

**SAFIAN:** Well, this has been great. Well thank you again for doing it, we really appreciate it.

**POWELL:** For sure, anytime.