

TRANSCRIPT

Environmental Insights

Guest: Vicky Bailey

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- Vicky Bailey: I believe in America. I have said that through my own public service. I've demonstrated that and I believe in humanity. I do. And I believe we always aspire to do better.
- Robert Stavins: Welcome to [Environmental Insights](#), a podcast from the [Harvard Environmental Economics Program](#). I'm your host, [Rob Stavins](#), a professor here at the Harvard Kennedy School and director of the [Environmental Economics Program](#) and our [Project on Climate Agreements](#). As listeners know, we feature in this podcast, conversations on policy and practice with interesting people who are working at the interface of economics, energy and the environment, whether they're from academia, NGOs, business, or government.
- Robert Stavins: My guest today fits that to a tee. [Vicky Bailey](#) has over 30 years of experience in high-level national and international corporate, executive, and government positions in the energy sector. I've had the privilege and pleasure of knowing and working with Vicky for more than 20 years, originally as part of a multi-year Harvard energy project.
- Robert Stavins: Vicky has served as commissioner of the [Indiana Utility Regulatory Commission](#), a member of the [Federal Energy Regulatory Commission](#), appointed by President Bill Clinton, and as president and CEO of [PSI Energy Inc.](#), Indiana's largest electric utility, now [Duke Indiana](#).
- Robert Stavins: Reflecting her bipartisanship, she was appointed by President George W. Bush to be the first Assistant Secretary of Energy, for both international affairs and domestic policy. And in the Obama Administration, she was appointed by Secretary of Energy Steve Chu to the [Blue Ribbon Commission on America's Nuclear Future](#), and then in 2014 to the [National Petroleum Council](#) by Secretary of Energy Ernie Moniz. And she's the founder of Anderson Stratton International, a management advisory services.
- Robert Stavins: Finally, she has served on numerous corporate and non-profit boards, including the board of directors of [Resources for the Future](#), the Washington-based think tank, which has brought Vicky and me together again over the past several years.
- Robert Stavins: I'll tell you I'm exhausted having described all of that and it represents less than 20 percent of her professional biography, so I'm going to stop there and just say, Vicky, welcome to Environmental Insights.

Vicky Bailey: Thank you. Rob, you're such a dear friend and I am so glad to be able to be here with you today.

Robert Stavins: I'm interested to hear your impressions of the changes you've seen in the electric industry and other parts of the energy sector, Vicky. But before we talk about that, I'd like to begin, as I do with all of my guests in this podcast, by going back to how you came to be where you are and where you've been. And when I say go back, I do mean go way back. So where did you grow up?

Vicky Bailey: I grew up in Indianapolis, Indiana, a Midwest girl, home of the Indy 500.

Robert Stavins: Right.

Vicky Bailey: And super, super basketball fans and I always have fun going to the Indiana State Fair and I can always tell you some of the delicacies that we have there but I'll leave that off for now.

Robert Stavins: Okay. So that meant primary school and high school?

Vicky Bailey: Sure did. Elementary school, high school and I went on to Purdue University. So Hoosier all the way through.

Robert Stavins: And what were you studying at Purdue?

Vicky Bailey: At Purdue? Well, it might fascinate you to know, I started out wanting to be an English major and I wanted to be an English teacher. I love to read Rob. One of the fun things my mother did in my upbringing and just learning to read and the enjoyment and the reason why we read, she'd read the funny papers to me. And I always enjoyed listening to her read the funny papers to me. That was a treat. But then as I got older, we'd take trips to the library and you probably remember this, where you had to go to the library, and you read so many books and you get a-

Robert Stavins: Sure.

Vicky Bailey: ... gold star and all that.

Robert Stavins: Right.

Vicky Bailey: Well, I used to be a ferocious reader. I could get through about eight books a week. So I don't do that now. I'm not going to say I do that now.

Robert Stavins: It sounds like your mother was a very important factor.

Vicky Bailey: She was.

Robert Stavins: Influence on you.

Vicky Bailey: Yes she was huge in so many ways, yes.

Robert Stavins: Tell me about her.

Vicky Bailey: Well, she was a very strong lady. She had modest jobs, really. It may surprise you to know that my mother was a domestic actually, starting out and then she moved on to work for [Allison Transmission](#) and she worked on the line as an inspector. And she just loved the fact that she was able to do that and progress in that way. She was a hard worker though. She'd worked different shifts and sometimes double shifts.

Vicky Bailey: And I mean, I admired her so but there was just, reading, education was so critical to her. Even nutrition, from making sure that I had breakfast and I never went hungry. I really never knew that maybe I didn't have all the things that others might have had.

Vicky Bailey: And then the other thing that was very important to her and we can talk about this later was the fact that she always wanted to make sure she voted. My mother would walk in the rain, the snow, whatever it was doing at that time to make sure that she cast her vote and I observed that. I really didn't realize the importance of that at all but she was so determined to do that. No matter what was going on, no matter what she was struggling to do, she made sure she voted and I'm not raising that to be political at all. It was just something truly that I remember and I noticed and I know that was important to her.

Robert Stavins: Yeah. No, that's great to hear. Actually, by coincidence, I just agreed for an NGO, an organization that tries to get people out to vote, to make calls on their behalf.

Vicky Bailey: Yeah.

Robert Stavins: And I said, "I'm willing to do it," but what I'm going to tell them is, "No matter who you're voting for, I want you to get out and vote."

Vicky Bailey: I want you to get out and vote. Exactly.

Robert Stavins: Right.

Vicky Bailey: Exactly.

Robert Stavins: When you left college, what was your first job?

Vicky Bailey: I sat in the placement office of [Purdue University](#) and I signed up to visit with [Owens-Illinois Glass](#). And that was my very first job out of college, was working for Owens-Illinois Glass. And it also provided the reason for me to get on the first plane in my life, leaving home and I flew down to Georgia. The plant was located in a place called Hapeville, Georgia, but I lived outside East Point,

Georgia, I think is where I lived or what have you. But that was my very first job. And I was a labor relations trainee because I majored in management.

Vicky Bailey: As I said earlier, I started out to be an English teacher because I love to do that but then something, some bug, got into me and I wanted to really kind of go into management and maybe rise up in a big corporation, probably something I read, I don't know. But I thought that would be fascinating. And so I was fortunate enough to get a position with Owens-Illinois Glass and I got on my first plane and flew to Georgia and started my professional career that way.

Robert Stavins: And then what took you from Owens to eventually being in the energy sector?

Vicky Bailey: Oh boy! I was invited to come back to Indiana. My roommate at Purdue, her father, was one of the deans at the [IU School of Medicine](#). He asked me to come back and take a position with the Medical School. And then as it might happen, I got married at the time, when I came back to Indiana. My husband was very involved in... He was a minority business man. He was an entrepreneur. So was very involved in the political scene, different... Either party, what have you.

Vicky Bailey: But at the time, he got to know then Republican Governor Bob Orr. He became aware of a position that was open on the [Indiana Utility Regulatory Commission](#) and he thought it'd be great for me to apply. So I'm short-circuiting a lot, but I applied. I put my name in and all my credentials and everything into that. Long story short, the state legislature sent three names to the governor and Governor Orr selected me. So that was in 1986.

Robert Stavins: And a lot has happened since then, certainly.

Vicky Bailey: A lot. Yes.

Robert Stavins: As I was outlining in terms of your career. Let's start with the situation Vicky, in which you and I, and everyone listening for that matter, finds ourselves, the global COVID-19 pandemic. What have been the impacts in the sectors with which you're most familiar?

Vicky Bailey: Well, the slow down. Yes, it's had an impact on energy. The energy demand, the changes from the standpoint of the workforce. I'm on the board of [PNM Resources](#) out in Albuquerque. I'm on the board of [Cheniere](#), [Equitrans Midstream](#). All of our people had been working from home pretty much for some time now. Now out in Albuquerque, folks had to get back to work. You got to keep the plants and everything, you've got to keep things running. So they've had to do it more.

Vicky Bailey: Equitrans, of course, we still have our teams out there, but a lot of the senior leadership team are still working from home and that's the case. I think [Pat Collawn](#) has brought most of the senior leadership team, has come back into the

office, if they wanted to. It wasn't a requirement but so many people were ready to get back to the office.

Robert Stavins: Sure.

Vicky Bailey: ... at Cheniere because being in Houston, Houston was a much more of a hotspot. And then all the tragedies from Hurricane Laura hitting us. I mean, it's just been one thing after another somewhat, for us at Cheniere. So please keep them in your prayers as we go along.

Vicky Bailey: But it's been a different thinking, how to reimagine the workforce, how will we work in the future? So working from home will change energy demand. We can plan for some things but this is something probably we hadn't planned for but we're seeing energy demand come back. Things are coming back but it's very slow and coming back in a different way.

Robert Stavins: And this has been a relatively short period of time. I guess we're talking about six months.

Vicky Bailey: Six months aren't we? Yes.

Robert Stavins: Over the 30 years that you've been engaged in the broader energy sector, electricity, and broader than that, you've seen, I assume, some pretty significant changes. What stands out for you, if you can think back now, across those three decades? What stands out as some of the highlights of changes that you've observed over that period of time?

Vicky Bailey: Rob, you and I, in our travels and times together, we talked about energy. We talked about the nexus of energy in the economy and we've talked about the nexus of all two of those, both of those to the environment. So you remember, we used to talk about the three E's.

Robert Stavins: Right.

Vicky Bailey: And as I've come along in my professional career, I still see that nexus. The nexus is still there. It changes somewhat. I think they move together, the environment, the energy and the economy. They're so intertwined. And I think I continue to see that. You asked me what differences. Maybe what I'll say is the differences, environment, the word environment. The words 'climate change,' it seems to now conjure up positions or sides.

Vicky Bailey: That wasn't the way it was for me coming along. And I guess I had a good mentor in Senator Richard Lugar, who passed away very recently, well, at the beginning of this year. And he was one who was very supportive of climate issues. He recognized the importance of climate issues. He was a farmer and he recognized the importance of... He was a strong supporter of climate actually because he recognized that the environment can cause stress on crops, which

then has an issue as it relates to feeding, getting that produce, and getting that out to feed people.

Vicky Bailey: He saw this nexus in many, many ways as a farmer, especially. And that brings in the ability of farmers to sell their crops and to do things. So he's someone that I have just looked up to. He's been such a strong supporter and he was and he actually, in Indianapolis, in Indiana, he created the [Richard G. Lugar Center for Renewable Energy](#). He did that back in 2007.

Vicky Bailey: So, I mean, he was kind of before his time. And I'm just grateful that I had that opportunity to see, to work with him, and be around him, and to see his thought processes on things because most people think about him as a foreign relations expert. But there was just other sides of him and he gave an award every year called the Nancy Maloley Award to those who he thought were good stewards of the environment and one year I was the recipient of that award.

Robert Stavins: Oh, it's interesting. Well, you know what's striking and will be surprising to our younger listeners, is that when you're talking about Senator Lugar who had strong views, what we'd say today called strong, progressive views on environment, that he was a Republican.

Vicky Bailey: Yes.

Robert Stavins: What used to be called a moderate Republican.

Vicky Bailey: Yes.

Robert Stavins: But that's a phrase now that doesn't have as much application as it had-

Vicky Bailey: I know.

Robert Stavins: ... in an earlier era. And you're also talking about a time, as you pointed out, in which environment was not a polarizing issue as it is today, right? Think of the George H.W. Bush administration, when the [Clean Air Act Amendments](#) in 1990 passed with, I think it was 97 percent of Democrats and 85 percent of Republicans in the House of Representatives.

Vicky Bailey: Correct.

Robert Stavins: That's a remarkable fact that one couldn't picture today.

Vicky Bailey: I'm glad you raised that. Yes, exactly. And so Senator Lugar, he believed and he's quoted in an article, that it was just important for all of us, to even as a country, to be governed by civility and compassion. And he worked hard every day to build that consensus. That's when he felt we could make the best decisions. And as you raised, he's a Republican. He was a Republican.

Vicky Bailey: So I just want folks as they come along, young people, especially, to realize that environment and climate, those shouldn't be positions or sides. This is a feeling, this is a thought process. This is a policy. This is something we want to do.

Robert Stavins: So in speaking of that and thinking about climate change and today, what's your assessment of the energy sector's performance now, in regard to climate change?

Vicky Bailey: Oh, I think it's very good. I mean, obviously, I'm a believer in we need it all, okay? And that shouldn't surprise you or your listeners, coming from the background of being a regulator and being a commissioner, being assistant secretary, Department of Energy and what I saw internationally. Oh my goodness. We need it all.

Vicky Bailey: And all of our fuel sources in its diversity, is able to supply different needs, different regions. Even here in the U.S., different states, different regions. But you go around the globe, it's even more diverse, the fuel sources, and the need and the ability, solar, wind, geo-thermal.

Vicky Bailey: All the things that you can think of that might help countries in Africa, India, Russia, other places around the world that I have traveled in, you yourself, we know the importance of being able to use our natural resources and harness our natural resources for our needs and the quality of life. So I think here in the U.S., we made great strides in emissions reduction. And I don't have those figures on top of my head, but I'm sure you probably do, Rob, and your listeners too.

Vicky Bailey: But I think we've made great strides in the face of mandates or regulations or whatever you may say. I think the industry, as a whole has said, "We want to be good stewards of our environment. We want our children and grandchildren to breathe clean air as well."

Vicky Bailey: Another dear friend of mine, [Jim Rogers](#), I guess I'm-

Robert Stavins: Oh gosh!

Vicky Bailey: ... mentioning people who have left us but what was it? The save a watt? His whole philosophy and his whole thinking towards the environment and policy and all of that, I mean, I can't help but think of his name as well.

Robert Stavins: Right. He wrote a book not long before he tragically passed away-

Vicky Bailey: That's right.

Robert Stavins: ... about bringing electricity to Sub-Saharan, Africa and other poor regions of the world.

Vicky Bailey: There you go.

Robert Stavins: He was a wonderful man. And to talk about a progressive force within the electricity sector, certainly he was.

Vicky Bailey: He was. So hopefully I've answered your question. But I think, Pat... I keep talking Pat Collawn, I just admire her so much, our CEO at PNM Resources. Our governor out there, put out an energy transition plan. And so our CEO said, "Okay, we will meet those goals by," I think the governor had put in there 2045. And we said, "Okay, we'll do our best to meet those goals by 2040."

Vicky Bailey: And so now people are trying to say, "Well, are you going to..." And not to our company, but I'm just talking about the industry as a whole. "Due to this global pandemic, is that going to then mean you're going to pull back?" No, it doesn't mean we're going to pull back, but like everything, it may take somewhat longer or maybe take a different path.

Robert Stavins: Right.

Vicky Bailey: But we have not reframed those goals at all. Those goals are still there. We still believe in those goals.

Robert Stavins: Let me ask you about young people today. So there have been, I think youth movements of climate activism, which I had not seen until maybe the last year in 2019, both in Europe and the United States. What's your reaction to those youth movements of climate activism that we've been seeing?

Vicky Bailey: It's important to see. It's good to see. We need, no pun intended, that kind of energy to get movement many times from our state and local leaders and our leaders in Congress, and our leaders in the administration. You have to see that the millennials or whichever generation you're talking about, they care about these issues. They want to work for clean tech companies where they go. They want to know that the companies, the energy companies, are active in the communities in which they serve, that they are cognizant of the needs for, some call it environmental justice.

Vicky Bailey: You want to look at areas from Indian lands to other areas, and maybe other minority neighborhoods, other places where energy sources are maybe somewhat strained. But you also have to be cognizant. We're trying to move to renewables, or to move to solar, move to wind. But some of those areas may not be able to economically afford to move as quickly. Natural gas is a more economic resources for them and I'm not trying to make excuses for them. I'm just talking about reality.

Vicky Bailey: And so I think it's wonderful to see the young people involved. I mean, you've seen them in that area, you've seen them in the social issues that we're also living in today.

Robert Stavins: Right.

Vicky Bailey: And it's been great to see the different faces and to see the interest around the globe. So I think it's good. We just have to make sure that we all stay at the table and we don't walk away because we may not get what we want-

Robert Stavins: Right.

Vicky Bailey: ... that day. It's so important to bring people to the table, so that we can discuss these issues and we can kind of understand the different positions and different thought processes.

Robert Stavins: So speaking of activism and you mentioned environmental justice movement and then social issues today, you just mentioned. I think it's fair to say Vicky, that the brutal killing of [George Floyd](#) in May of this year and brutality towards many other black men and women over decades, indeed centuries, has greatly increased national consciousness about personal and systemic racism-

Vicky Bailey: Correct.

Robert Stavins: ... both in the United States and globally. And I wonder if you can say anything about your own perceptions of this, given your truly diverse set of experiences in business and in government over decades.

Vicky Bailey: Yes. It has been a hard time. The murder of George Floyd that we all witnessed, or those of us who did see this video and see it on TV and other areas, streaming, all those sort of things I don't do, you can't unsee that. And you have to say, you know, why? I mean, why is that happening? Why did it turn into that? And even if you thought, "Well, okay, he did something bad, he did something criminal, what have you," I mean, all that is being discussed. But it's like, "Well, doesn't he at least get to make it to the jailhouse?"

Robert Stavins: Yeah, really.

Vicky Bailey: "Can we make it to the jailhouse?" Others seem to be able to do that, even though they commit horrendous crimes. They seem to be able to make it to the jailhouse and our men and women don't. And so people, I mean, we're weary of that. And people are angry about that. And they see other segments of society treated differently and given latitudes and benefits of the doubt, that other segments are not. So I don't agree with violence and those of you who know me, I'm not a sharp elbow. I'm not a loud and boisterous kind of individual.

Robert Stavins: Right.

Vicky Bailey: But there are those who feel that you don't hear them. You don't hear their cries.

Robert Stavins: Yes.

Vicky Bailey: You don't feel their pain. And it's like, well, this behavior, unless we come out and speak loudly, this behavior is just going to continue. It just seems to continue. And for me, it's a time for reflection. It's a time for conversation. It's a time to lend your voice. Lend your voice. And don't be afraid to.

Vicky Bailey: I think my dear, dear friend, and I say he's only a dear friend because [Drew Brees](#) and my family can all tell you that I'm a big Drew Brees fan, because he graduated from Purdue and I did get to meet him at one point. But I think he came out and he said something. And at the time it seemed insensitive and what have you.

Robert Stavins: Right.

Vicky Bailey: And people just jumped all over him and everything. I'm like, "Folks." This is what I'm saying. You got to say, "Okay, let me tell you why." Let me tell you why that was insensitive or why it came across insensitive because it's always perception. It's about how people perceive and what you bring to that. A lot of people talk about unconscious biases. We all bring our own experiences to things. So I was telling my folks, I said, "Oh no, no, no, no. The NFL, that was just terrible." So I said, "Well, stop a minute."

Vicky Bailey: This is what we want to do. So we have to be tolerant as well. It's hurtful. It's hurtful, Rob. It stuns you. And then we've had another, recent horrible incident. And you're like, "What is it that they're thinking at the time things get escalated? Why can't we deal with that? Why can't we deal with that in a different way?"

Robert Stavins: So let me ask you then, Vicky, as a final question, when you were talking about climate change policy, I detected optimism, rather than pessimism. On this issue that we're talking about now, which is personal and systemic racism in the United States and elsewhere, which I think is absolutely undeniable, where do you fall on that realm, from optimistic to pessimistic, in terms of where we're going now and into the future?

Vicky Bailey: I am optimistic. I believe in America. I have said that through my own public service. I've demonstrated that and I believe in humanity. I do. And I believe we always aspire to do better but we need our leaders. We need our leadership, to help us with that because that is all lovely to say but it doesn't happen without leadership, okay? Leadership and character, what you see in front of you, what we teach our children from kindergarten on. They always say, "What you learn in kindergarten, how important that is."

Vicky Bailey: So I'm saying, "I know. We are a great country but we continue to strive to do better." And that's what I want to appeal to. I want to appeal to that. That better side of us. We all have that that other side. We all have those biases and things. And it's just part of our upbringing and our families.

Vicky Bailey: Families are made up of a diverse set of thoughts and opinions and you have to respect that. You have to respect other cultures. And my friend [Barry Worthington](#), I'm going to miss him. I know I'm going way too long. My friend Barry Worthington, who just recently passed away, he was the executive director of the [United States Energy Association](#). He passed away very suddenly, unexpectedly and shockingly, a couple of weeks ago. But his whole life's work was spent thinking about the quality of life for others. He spent his life work doing this. Focused on developing countries, focusing on improving what was out there, focusing on how to maintain what we have. The quality of life, not only here domestically, but around the globe.

Vicky Bailey: And once again, that brings me back to energy, through the access to energy for people of all cultures.

Robert Stavins: Right.

Vicky Bailey: And trust me, his life was made so much richer for that. So I want us all to have that rich experience of different cultures and trying to put yourself maybe in an uncomfortable position and ask the questions and have the conversation. And don't be afraid of that. Don't be afraid to open up. I mean, it just keeps us eager and optimistic about life. So I'm optimistic.

Robert Stavins: Well, that's a perfect place to bring our conversation to a close. Thank you very much Vicky, for having taken this time to join us today. Our guest today has been [Vicky Bailey](#), who brings 30 years of experience in high level national and international corporate executive and government positions in the energy sector.

Robert Stavins: Please join us for the next episode of [Environmental Insights: Conversations on Policy and Practice](#) from the [Harvard Environmental Economics Program](#). I'm your host, [Rob Stavins](#). Thanks for listening.

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