

Haas School of Business Class of 2009

Commencement Speech

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Dean Lyons, distinguished faculty, Haas alumni, friends and families and, especially, members of the class of 2009.

You all have worked extremely hard to be here today. I recognize the sacrifices that many of you have made to pursue your degree.

Before I begin, I want to offer a special thank you to all of the spouses, friends, and family of this graduating class who have worked hard in their own right to support you along this path, financially, emotionally, and in countless other ways to make this day possible.

My wife, who is generally very supportive, when she heard I had been invited to speak said – “you’re not 70 years old, and you’re not Oprah Winfrey, so what are you doing up there?”

What am I doing up here?

You know, it was not that long ago that I was in your position, sitting in a cap and gown in this beautiful setting. In fact, it was exactly twelve years ago – I track the years since graduation by the age of my Chocolate Lab - she was six weeks old and sitting in the middle of the Greek Theatre when I graduated.

Of course, things were different then. I was single with a full head of hair, my children were not yet born, and I was filled with questions and uncertainty about the path I was about to travel.

While many of you may relate to these feelings, the world that I was entering looked a lot different than the one that you are about to enter today.

A decade ago, the economy was thriving, and we were entering the heyday of the dotcom, real estate and financial market booms.

The world was relatively peaceful - the World Trade Towers still rose above the Manhattan skyline.

And Haas graduates attracted multiple job offers from prestigious firms with large signing bonuses.

The world that you are now entering has been completely transformed.

You are all well aware of the global economic downturn, our significant environmental challenges, and our struggling job market.

I want to talk to you today about how fortunate you are to be the class of 2009 – entering this world in one of the most difficult, most confusing, and harshest business environments any of us have ever seen.

We have massive problems to solve, and therein lies the greatest opportunity.

I stand here today to suggest that you have an opportunity to have a much greater impact on the world than any Haas graduating class that has come before you.

And that if you apply yourselves and your skills to our world's greatest challenges, you will be measured not just by your financial wealth, but by a fuller and more complete sense of reward, derived from a life lived with a profound sense of meaning and accomplishment.

Today's problems are massive – and they represent tomorrow's opportunities.

In the rubble of our shaken ecosystems and financial markets awaits the chance to reshape the world before you and for generations to come.

Not since the first half of the last century has a generation been asked to accomplish so much.

In his book, “The Greatest Generation,” Tom Brokaw chronicles the heroes and heroines that lived through this period – those brave Americans that survived through the Great Depression, fought in World War II, and built modern day America.

Today’s challenges are at least as daunting as those of your grandparents, and the opportunities for greatness are equally compelling.

Today’s business leaders will be asked to solve problems much greater than expanding revenues, modeling complex derivatives, or designing integrated marketing campaigns.

No, you will be asked to apply your skills to design tomorrow’s energy markets, solve climate change, eradicate poverty, transform education, and rebuild our financial systems.

These challenges may seem daunting, even a bit scary.

With this new world, there is a lack of certainty – a great unknown as to what tomorrow will look like.

When I started down my own path, it was not fueled by a desire for wealth, money, fame or success. I was simply focused on solving a serious global problem.

My interest in energy and business originated from my passion for the outdoors.

It may seem strange, but the most profound and impactful professional experience for me was while working as a whitewater rafting guide in Africa; on the Zambezi river below Victoria Falls.

Living and working in a truly majestic, yet imperiled ecosystem had a dramatic effect on my life in ways I am just beginning to understand.

I was living among elephants, gazelle, baobab trees, and crocodiles; Giraffes would snack on acacia trees in our backyard.

What struck me the most about this experience was that I was seeing the devastating health and environmental issues that I had only read about, playing out before my very eyes.

Zimbabwe had one of the highest rates of AIDS in Africa and species were dying off at historically unprecedented rates.

I witnessed first-hand the impact of man on the environment and its effects on Africa's biodiversity, wildlife, and human inhabitants.

This experience made me realize that I wanted to dedicate my life to protecting our natural environment and ecosystems.

I wasn't sure how I would do this, or where it would lead me, but for the first time in my life I had an intense sense of purpose and passion for something beyond myself.

After leaving Africa, I entered a Master's program in environmental planning at another great public university, the University of Virginia. I was fortunate to meet a great mentor there, a man who changed my life forever, Professor Rich Collins.

Rich helped me to look across disciplines and to broaden my thinking, looking deeply at the interaction between man, the natural world, science, policy, and the financial markets.

As I developed and honed my thesis, I became convinced of two things: first, the only way to solve the environmental problem was to harness the power of the marketplace, using the motive for profits to drive progress; and second, that the most dysfunctional and yet impactful sector within which to drive this change was the energy sector.

My research led me to a very clear conclusion in 1992: Carbon accumulation in the atmosphere was the single biggest problem we face as stewards of this wonderful planet, and the the greatest impact on carbon was the way we produce and consume energy.

As I focused on how to step fully into the business world from my life as a whitewater guide, in the mid 1990s, I enrolled in the Haas School of business, Berkeley CA.

Now I was from Virginia – and Berkeley was viewed as a radical place. A friend of my father’s took me out to lunch to convince me not to go out to that radical hippie school in California, where my values would be warped and destroyed.

But as I learned more about Haas, I became impressed with its global platform; and entrepreneurial culture. I ultimately had to trust my gut – the east coast seemed like a tired place, full of tradition and history, and what we needed in order to alter the path with respect to climate change was to upend tradition, and radically change the way the energy business was managed.

I ended up embracing the opportunity, packed my kayak on my roof and headed west.

I can honestly say that without my Haas experience, I would not be where I am today.

My experience at Haas transformed the way I looked at and engaged with the world, and provided me with a core set of fundamental skills that enabled me to transition into the world of business and develop my passion for addressing the world's energy and climate problems.

My two years at Haas were also the last two years that I was able to spend over 50 days a year kayaking class V whitewater. Those days deep in the Sierras were as vital to me as my time in class, further enhancing my sense of purpose and connection with my emerging mission.

Immediately after graduation, I spent time working at PG&E, and I can't overstate the value of working inside of a large, diversified company at some point in your career (even if it's only for 5 months). I learned a great deal inside of PG&E, and even though my time there was short, it helped shape and inform my views of utilities and large energy companies in invaluable ways.

I left PG&E to form a company called Silicon Energy. We started with a team of three people, and grew the company into the nation's leading provider of energy efficiency and demand side management software – that's a fancy term for a computer system that helped businesses turn their lights, motors, and air conditioning on and off at the right time.

We had a great team, we learned a ton, and we saved over three gigawatts of power for the country - the equivalent of two to three

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nuclear power plants of energy saved with nothing more than zeros and ones.

We sold Silicon Energy in 2003, and I was told by my wife I couldn't work for at least six months - yet another example of her great advice throughout my career.

During those six months, I went to Lawrence Berkeley Labs, up the hill over your shoulder behind the Greek Theatre, and spent time reflecting and planning.

I was able to spend time with experts in energy efficiency, solar and wind energy; scientists, economists, policy experts – and to remove myself from the daily business cycle in order to reflect, strategize, and plan.

I emerged from my time at the Labs focused on two things – solar energy, and the challenge of de-carbonizing our power plants at a scale that could be impactful.

The challenge we all face is immense – in order to stabilize CO₂ in the atmosphere at 450 ppm - the consensus target in the scientific community - we need to build the equivalent of 12-20,000 new carbon free power plants over the next 40 years.

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That's 300 new carbon free power plants each the size of a nuclear plant, every year; that's six plants a week. By the way, last year we only built 1/10th of what we needed to stay on pace and we are now on a trajectory to do even less this year.

300 power plants a year. That's a big number, the equivalent of a nuclear power plant every day.

The company I run today, BrightSource Energy, is taking on this challenge of building out renewable energy at massive scale. In fact, just this week, we announced the world's largest solar contract with a utility, a commitment by PG&E to purchase all of the power from seven of the world's largest solar power plants.

This build-out will be challenging, and we must execute effectively if we are to make an impact on the thousands of plants that must be built in the next forty years by BrightSource and our competitors.

I tell you this story because it is but one example of how passion leads to success. I never once thought about being successful or making money – they were just a natural byproduct of a passion for solving the world's energy challenges.

As I continue to grow and study leadership, I've found that most great leaders never look for success - they focus on solving real problems for the pure reward of the pursuit of excellence.

When I look back on the last twelve years, I am always struck by how people choose to measure themselves. Without fail, those who chose to measure their lives by the size of their bank accounts, the size of their houses, or how many cars they have are always struggling and rarely happy.

If you chose to measure yourself by external measurements, there is always someone richer, always someone with a bigger house. You are never content.

There is a paradox of success: – if you seek success, it will constantly elude you, but if you follow your passions and pursue excellence – on whatever path you choose – success will find you.

I have found that the most successful people I have encountered in my life have exhibited many of the same tendencies. It's a pretty simple set of factors:

- Be passionate
- Trust your gut
- Look for disruption and confusion

The first and most important attribute is passion. Passion and intensity – if you are completely passionate about solving a problem, you will actually enjoy spending all of the time and effort required to become an

expert, develop solutions, and bring others along to build a team around a common vision.

The second key attribute is to trust your gut: Many young businesspeople make the common mistake of assuming that everyone around them actually knows what they are doing.

Here's a clue: If there's one conclusion that we all can make from the current economic situation – it's that nobody knew what they were doing.

Wall Street investment bankers were overleveraged and didn't understand the risks associated with their complex and opaque investment structures.

Policymakers in DC didn't understand how their policies were incentivizing all Americans to overspend and borrow excessively.

The very leaders that we entrusted our savings and livelihoods to did not know what they were doing.

This level of misunderstanding occurs in every office and in every organization every day. Once you have true passion, and have become an expert, the fog starts to clear and you realize that you actually know more about a particular problem than anyone around

you, and you can then lead the development of a new path; a new solution. Become an expert first, but then trust your gut.

Finally, it is hard to improve on Tom Peter's maxim: Thrive on Chaos.

The most interesting challenges, and opportunities, generally don't present themselves in stable situations.

Look for disruption, look for confusion; the best opportunities come at times when the rate of change is accelerating and the path forward is not clear. Your job is to define that path forward.

Conclusion

I would like to conclude my comments by discussing a topic on many MBAs' minds: MONEY.

There is nothing wrong with making money. Without money, we cannot live, payback our student loans, pursue our hobbies, or sustain our families.

But money is not a great way to measure success, in fact it is one of the worst yardsticks around – incomplete at best.

As you start upon the next great chapter in your lives, I would challenge all of you to develop your own, personalized, measurement of success:

- If you are entering healthcare, it might be lives saved, or diseases cured
- In education, it might be kids attending university, or reading above grade level
- In energy, it might be emissions saved, or renewable power generated

These are the true measures of success. True wealth is a by-product of accomplishing meaningful and impactful results.

I'd like to challenge you to measure your career by what role you play in rebuilding our economy and environment, or by creating a world free of poverty and violence.

The challenges before you are profound, generational, and require leaders that are willing to question the orthodox.

So begin now. Question your motivations. Question your leaders. Question the basic principles you just learned from your professors.

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If you follow your passions, question orthodoxy, and seek to solve our greatest challenges, you can live a successful and meaningful life.

It's the kind of success measured in human lives and chronicled in History books.

On behalf of Haas alumni, faculty, and your parents, I offer you a warm and well-earned congratulations!

This is now your world, class of 2009.

We have left it somewhat damaged, but filled with opportunity – go out and make a difference; ask yourselves, which one of these big problems am I going to solve?

Thank you and good luck.

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