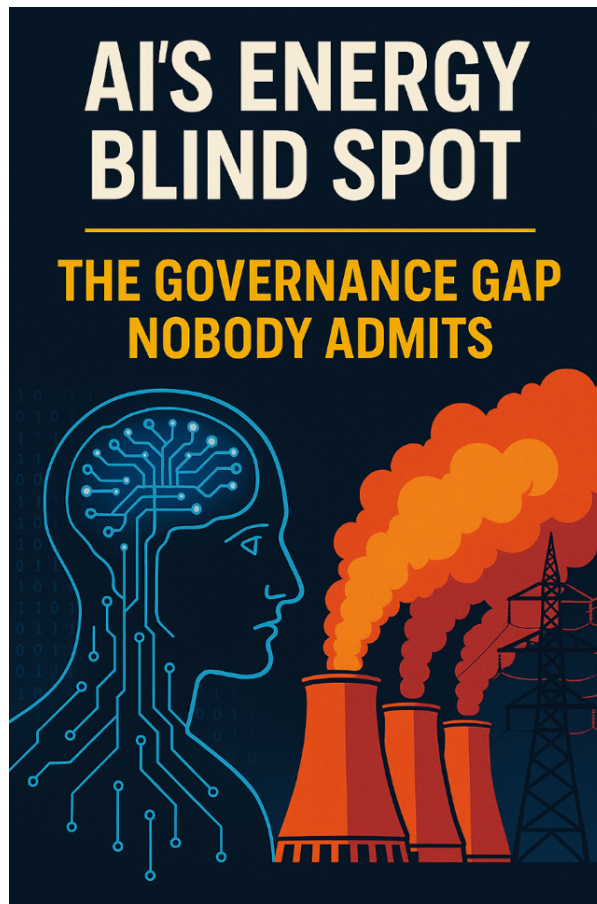


## Boardroom Pulse #14 | AI's Energy Blind Spot — The Governance Gap Nobody Admits



### The Missed Reality

Most boardroom debates on AI governance circle around **ethics, bias, and transparency**. Yet the single factor that decides whether AI actually runs – *energy* - is left out of the conversation.

- Training GPT-4 used about **1,000 MWh of power** - more than 100 U.S. homes consume in a year.
- A single ChatGPT query consumes roughly as much energy as **boiling a kettle of water**.
- In Ireland, data centers are on track to consume **30% of national electricity by 2030**.

Boards are approving “AI strategies” without once asking: *do we even have the power to run them?*

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### The Confusion

The governance field is riddled with misalignment:

- **Policy vs. Reality:** Regulators focus on AI ethics charters, while utilities warn of grid instability from AI-driven demand.
- **Green Labels vs. Physics:** “Sustainable AI” often means carbon offsets - not actual renewable supply at the hour of use.
- **Innovation vs. Infrastructure:** Executives celebrate AI pilots, while engineers quietly beg for substation upgrades.

The result? A governance conversation that looks complete but misses the cables, turbines, and substations that decide success.

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## The Boardroom Gap

Energy governance is not a technical detail. It is *AI infrastructure*.

Boards that fail to integrate energy risk into AI oversight will face:

- **Cost shocks** when data centers bid against factories and households for power.
  - **Reputation damage** when “green AI” is exposed as accounting rather than real supply.
  - **Operational fragility** when AI workloads stall during grid stress or blackouts.
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## The Way Forward

Directors can close the gap with four moves:

1. **Joint AI + Energy Risk Reviews**  
Map AI workloads against actual grid and supply contracts. Link digital ambition to physical capacity.
  2. **Demand Transparency**  
Require metrics that show *real energy source and time-of-use*, not just annual offsets.
  3. **Treat Energy as Strategic Infrastructure**  
Move energy procurement and resilience out of procurement and into *board-level risk oversight*.
  4. **Rehearse the Red Lines**  
Run cutover drills: what happens if a major data center loses power? Who decides what to cut first?
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## Closing Thought

Boards are rehearsing ethics while ignoring physics.

The companies that thrive will be those that see **AI governance and energy governance as one conversation**.

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