

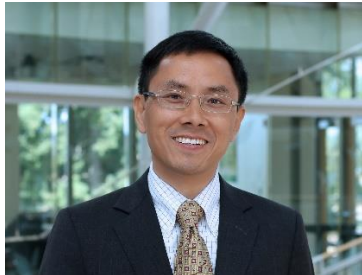
**Department of Banking and Financial Management  
University of Piraeus**



**Academic Seminar Series**

**Thursday, March 16<sup>th</sup>, 2023 / Time: 16:15 - 17:30, Online**

**Private Equity and Gas Emissions: Evidence from Electric Power Plants**



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**Abstract**

How does private equity ownership affect firms' environmental performance? Using electricity generating unit level data from U.S. fossil fuel power plants, we find that private equity-backed buyouts reduce output-scaled CO<sub>2</sub> and NO<sub>x</sub> emissions by 5.5% and 8.1%, respectively. The declines are mainly due to lower heat input per unit of output instead of lower input emission rates. The effects are concentrated in non-add-on deals, and are stronger for small plants and corporate divestiture deals. Our results suggest that private equity improves environmental performance by increasing production efficiency, but their effect on the non-efficiency component of environmental performance is generally insignificant.

**Youchang Wu** is an Associate Professor of Finance and John B. Rogers Research Scholar at the Lundquist College of Business. His areas of expertise include delegated portfolio management, institutional investors, financial advice, corporate finance, and production networks. His research has been published in leading journals including Journal of Finance, Review of Financial Studies, Journal of Financial Economics, Review of Finance, and Management Science. Professor Wu received his doctorate in finance from the University of Vienna, Master and Bachelor degrees in Economics from Peking University. Prior to joining the Lundquist College, he was an assistant professor at the University of Wisconsin-Madison. He has also taught at the University of Vienna and Peking University, and worked as an IPA Financial Economist at the United States Securities and Exchange Commission.

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