

Technicals meet Fundamentals

US Utilities and Clean Tech

Market Analysis

Utilities continue to track rates – the sector’s detriment

Utilities are the worst performing S&P 500 sector by a wide margin in 2023, now -9% YTD vs the S&P +17% and only outperforming Financials (-4.6%) and Real Estate (-7.6%) over the past six months at -4.5%. Higher interest rates lead to more substantial financing costs that pressure fundamental earnings and create a true alternative to the sector with Treasuries yielding 4%+ across the curve vs ~3.3% utility dividend yields.

Utilities and power – a tale of two stories

This Technicals meet Fundamentals report focuses on several debated utility, power, and alternative energy companies covered by Julien Dumoulin-Smith and team within BofA Global Research: **Atmos Energy (ATO)**, **Dominion Energy (D)**, **Eversource Energy (ES)**, **Generac Holdings (GNRC)**, **NRG Energy (NRG)**, and **Vistra (VST)**. This is a mix of regulated utilities that are generally at or near 52-week lows and power companies that have performed far better due to a more favorable backdrop.

Technicals meet Fundamentals

The more challenged technical setups align with cautious fundamental views on Underperform-rated Dominion and Eversource. These companies have downside to Consensus EPS forecasts, historical credit metrics notably below Moody’s downgrade thresholds, and regulatory uncertainty. In contrast, the backdrop for Buy-rated Atmos, NRG Energy, and Vistra (VST) is brighter. NRG and VST are independent power producers with competitive retail affiliates that are benefitting from higher short-term margins which bolsters already robust shareholder returns (buybacks and dividends).

Technical and Fundamental one-liners

Atmos Energy (ATO): Technicals: Needs bullish breakout above 121-125.28 to confirm big base. Fundamentals: Above average growth despite some setbacks for peers.

Dominion Energy (D): Technicals: Bearish flag breakdown says risk to 45 and 41. Fundamentals: Advancing to the likely September business review refresh.

Eversource Energy (ES): Technicals: Bearish breakdowns with risk to low 60s/upper 50s. Fundamentals: Connecticut regulatory is an overhang while we wait on Offshore.

Generac Holdings (GNRC): Technicals: Failed double bottom breakout suggests risk back to 92-90 area. Fundamentals: Low visibility with a congested inventory channel.

NRG Energy (NRG): Technicals: Bottom pattern breakout favors 42 to 43.60s. Fundamentals: Positive macro backdrop with a buyback & activist tailwind.

Vistra (VST): Technicals: Big base breakout favors 34 and 39. Fundamentals: Strong free cash flow generation finally resonating.

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Market Analysis
United States

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IPP: Independent power producers

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Refer to important disclosures on page 15 to 19. Analyst Certification on page 13. Price Objective Basis/Risk on page 11.

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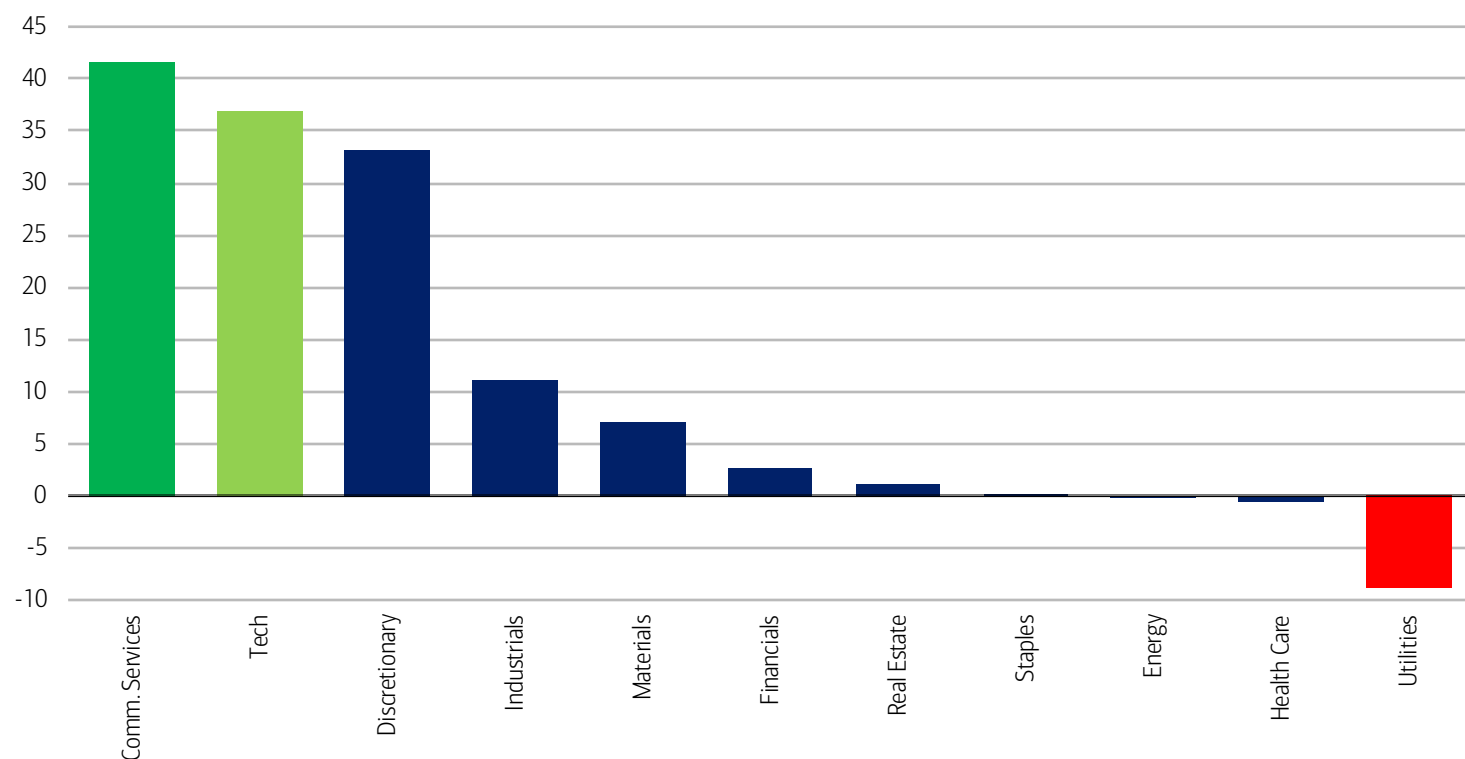
Utilities continue to track rates

Utilities worst performing S&P 500 sector by wide margin

Utilities are the worst performing S&P 500 sector by a wide margin in 2023, now -9% YTD vs the S&P +17% and only outperforming Financials (-4.6%) and Real Estate (-7.6%) over the past six months at -4.5%.

Chart 1: S&P 500 GICs Level 1 Sector YTD Performance (%)

Utilities are the worst performing S&P 500 sector by a wide margin in 2023, now -9% YTD vs the S&P +17% and only outperforming Financials (-4.6%) and Real Estate (-7.6%) over the past six months at -4.5%.



Source: BofA Global Research, Bloomberg

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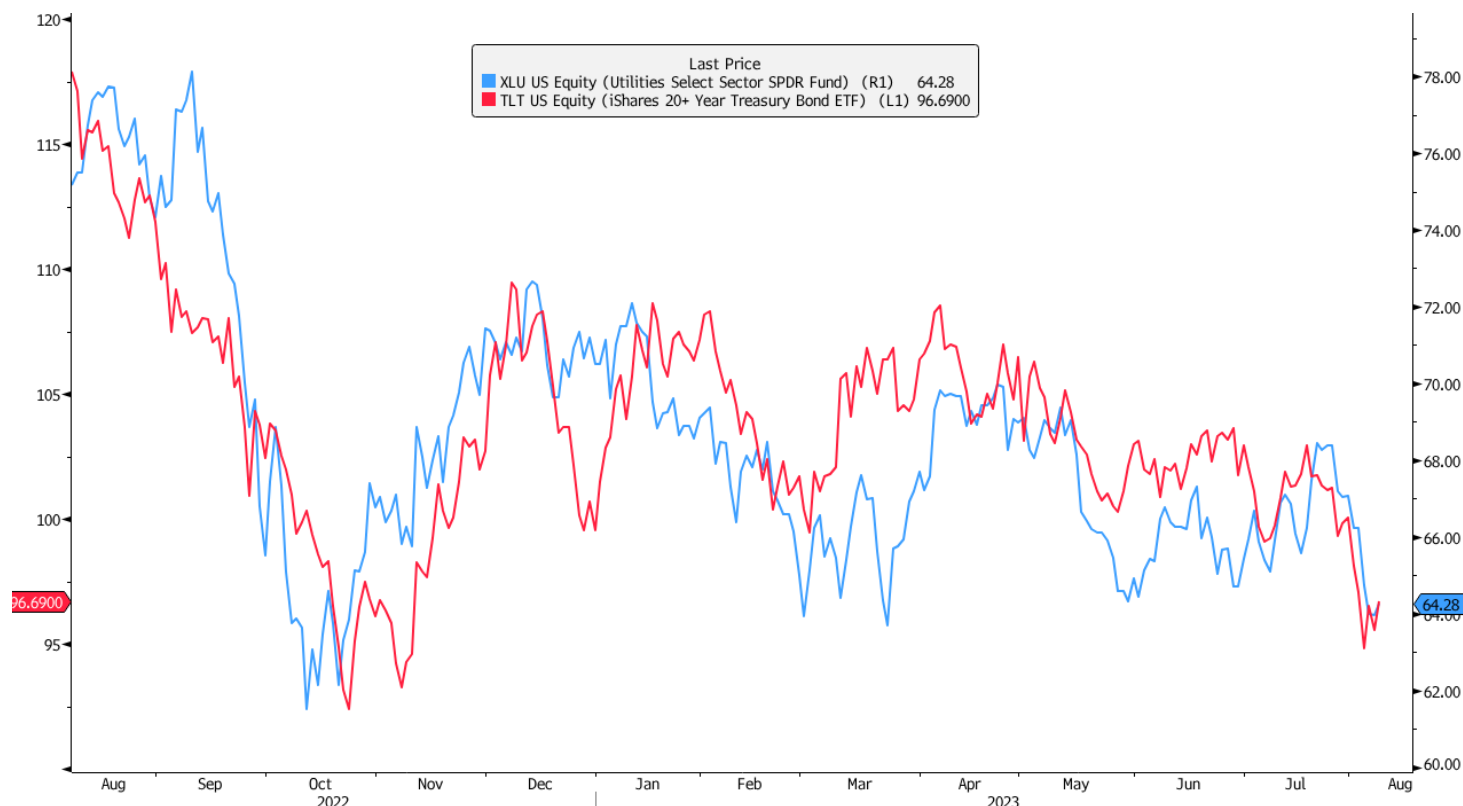
Utilities continue to track rates – the sector’s detriment

Higher interest rates (lower bond prices) lead to more substantial financing costs that pressure fundamental earnings and create a true alternative to the sector with Treasuries yielding 4%+ across the curve vs ~3.3% utility dividend yields.

The chart below shows the positive linkage between Utilities (XLU) and Treasury Bond prices (TLT) to confirm an inverse relationship for Utilities vs the direction of interest rates.

Chart 2: Utilities Select Sector SPDR Fund (XLU) and iShares 20+ Year Treasury Bond ETF (TLT): Daily line chart

This chart shows the positive linkage between Utilities (XLU) and Treasury Bond prices (TLT) to confirm an inverse relationship for Utilities vs the direction of interest rates.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Technicals meet fundamentals

Atmos Energy (ATO) – Buy (A-1-7)

Technical: Needs bullish breakout above 121-125.28 to confirm big base

ATO has traded sideways since topping out in February 2020. The 121 to 125.28 area is capping upside, keeping ATO within a potential 3.5-year big base. A decisive breakout above 121-123 (February 2020 and April 2022 peaks) and 125.28 (late July peak) is required to confirm a big base that favors upside to pattern counts at 145 and 157. Until then, the rising 13, 26 and 40-week MAs underpin ATO from 117 to 115 with chart supports near 111-110 and 106-105 (also the rising 200-week MA).

ATO has a positive trend relative to the S&P 500 Utilities (S5UTIL).

Fundamentals: Above average growth despite some setbacks for peers

Consistent execution from this premium natural gas utility has become somewhat routine but it stands in growing contrast to local distribution company (LDC) peers. There is elevated rate case activity in calendar 2H23 in Texas but we expect a reasonable outcome based upon the company's track record and our engagement with Texas stakeholders.

[Atmos Energy Corporation: Constructive outlook heading into earnings – Reiterate Buy 31 July 2023](#)

Chart 3: Atmos Energy Corporation (ATO) (top) and relative to the S&P 500 Utilities (bottom): Weekly chart with moving averages

A decisive breakout above 121-123 (February 2020 and April 2022 peaks) and 125.28 (late July peak) is required to confirm a big base that favors upside to pattern counts at 145 and 157. Until then, the rising 13, 26 and 40-week MAs underpin ATO from 117 to 115 with chart supports near 111-110 and 106-105 (also the rising 200-week MA).



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



Dominion Energy (D) – Underperform (B-3-7)

Technicals: Bearish flag breakdown says risk to 45 and 41

D has bearish absolute and relative price trends. A breakdown from an early June into late July bearish flag is intact below 50-52 with deeper downside risk to 45 and 41. While below declining 26 and 40-week MAs, both the absolute and relative price trends are down with risk for continued lower lows.

Fundamentals: Advancing to the likely September business review refresh

Dominion has been one of the worst performing regulated utilities in the past year, down ~40% and are trading at the lowest level since September 2011. Despite the relative underperformance, we remain cautious as we see downside to Consensus adjusted EPS forecasts and uncertainty about the prospective outlook after the highly anticipated business review update.

[Dominion Energy: Preparing for the 3Q Investor Day: Why We are Still Bearish on Catalysts Ahead 10 July 2023](#)

Chart 4: Dominion Energy, Inc. (D) (top) and relative to the S&P 500 Utilities (bottom): Weekly chart with moving averages

A breakdown from an early June into late July bearish flag is intact below 50-52 with deeper downside risk to 45 and 41. While below declining 26 and 40-week MAs, both the absolute and relative price trends are down with risk for lower lows.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Eversource Energy (ES) – Underperform (B-3-7)

Technical: Bearish breakdowns with risk to low 60s/upper 50s

ES has bearish absolute and relative price trends. A breakdown from an early June into late July bearish flag remains intact below 69-71 with deeper downside risk into the low 60s (December 2018 and March 2020 lows) and then 59-57 (bearish pattern counts). While below declining 26 and 40-week MAs, both the absolute and relative price trends are down with risk for continued lower lows.

Fundamentals: Connecticut regulatory is an overhang while we wait on Offshore

Eversource's strategic review to exit offshore wind resulted in a \$331Mn pre-tax 2Q23 impairment with a final announcement expected soon. The subsector outlook remains challenged from inflationary pressures and an exit will ultimately be positive versus the alternative. Regulatory uncertainty in one of its core jurisdictions (Connecticut) and credit metrics that are below Moody's downgrade thresholds (Baa1 on negative outlook) are the critical areas to watch ahead.

[Eversource Energy: Offshore Impairment Grows. Long-term EPS pressured by future CT rate cases 01 August 2023](#)

Chart 5: Eversource Energy (ES) (top) and relative to the S&P 500 Utilities (bottom): Weekly chart with moving averages

A breakdown from an early June into late July bearish flag remains intact below 69-71 with deeper downside risk into the low 60s (December 2018 and March 2020 lows) and then 59-57 (bearish pattern counts). While below declining 26 and 40-week MAs, both the absolute and relative price trends are down with risk for continued lower lows.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Generac Holdings Inc (GNRC) – Underperform (C-3-9)

Technical: Failed double bottom breakout suggests risk back to 92-90 area

GNRC looked bullish and attempted a late June into July breakout from a double bottom from the April and December lows near 92-90. This breakout did not hold. The move below 142-131 invalidated the bullish setup and the push below the 13, 26 and 40-week MAs near 127-114 places the 92-90 area lows at risk. Rallies on GNRC that do not reclaim the weekly MAs from 114 to 127 keep the pattern bearish. If the recent lows break, the next support is the March 2020 low at 75.50.

Fundamentals: Low visibility with a congested inventory channel

Generac recently cut its FY23 guidance for revenue, gross margin (GM), EBITDA margin, and net margin due to home standby weakness but we remain below Consensus. There is limited visibility into the outlook due to high channel inventory and it is challenging to underwrite a fundamental turnaround at this stage. The September 27th Investor Day will be a critical event to watch to see how long-term targets are positioned.

[Generac Holdings Inc.: 2023 review: HSB difficulties appear more complicated than meets the eye 03 August 2023](#)

Chart 6: Generac Holdings Inc. (GNRC) (top) and relative to the S&P 500 Utilities (bottom): Weekly chart with moving averages

GNRC looked bullish and attempted a late June into July breakout from a double bottom from the April and December lows near 92-90. This breakout did not hold. The move below 142-131 invalidated the bullish setup and the push below the 13, 26 and 40-week MAs near 127-114 places the 92-90 area lows at risk.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

NRG Energy (NRG) – Buy (B-1-7)

Technicals: Bottom pattern breakout favors 42 to 43.60s

NRG broke above resistance at 35.86-36.32 to confirm a late 2022 to mid 2023 bottom that suggests upside potential to 42 (pattern count) and 43.60s (chart resistance). The mid 2021 into late 2022 peaks from 45.80-46.10 to 47.82 offer additional resistance if NRG achieves a stronger rally. Holding the 36.32-35.86 breakout point down to the 13, 26 and 40-week MAs near 35.80-34.50 on interim dips would keep the pattern bullish.

NRG broke out from a bottom vs the SPX that confirms the bottom on the absolute price chart as highlighted above.

Fundamentals: Positive macro backdrop with a buyback & activist tailwind

NRG Energy is benefiting from a favorable macro backdrop with strong demand in its core Texas geography, lower power prices (except Texas which has been relatively reasonable), and an ability to see margins expand. At the recent June Investor Day NRG announced incremental cost cuts which also helps strengthen the backdrop. Elliott Management (Elliott) has been vocal around a management change and pivot away from Vivint. Early integration and cross-selling at the recently acquired Vivint smart home business appears to be tracking ahead of management's internal plans as well. With a large repurchase plan set to accelerate in late 2023, we continue to see a favorable setup.

[NRG Energy: Post-Analyst Day follow through to begin: Reiterate Buy 20 July 2023](#)

Chart 7: NRG Energy, Inc. (NRG) (top) and relative to the S&P 500 Utilities (bottom): Weekly chart with moving averages

NRG broke above resistance at 35.86-36.32 to confirm a late 2022 to mid 2023 bottom that suggests upside potential to 42 (pattern count) and 43.60s (chart resistance). Holding the 36.32-35.86 breakout point down to the 13, 26 and 40-week MAs near 35.80-34.50 on interim dips would keep the pattern bullish.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH

Vistra (VST) – Buy (B-1-7)

Technical: Big base breakout favors 34 and 39

VST broke out from a mid 2019 through mid 2023 big base. Holding 28-27 keeps this breakout firmly in place with upside potential to base pattern counts at 34 and 39. Rising and bullish 13, 26 and 40-week MAs from the 26.20s to the 24.30s underpin this big base breakout along with a chart support near 25.70. A leadership breakout from a 3-year bottom for VST vs Utilities confirms this bullish pattern.

Fundamentals: Strong free cash flow generation finally resonating

Similar to NRG, Vistra should have tailwinds from high Texas power prices, expanding retail margins, and a favorable mark-to-market on its nuclear assets from peer Constellation Energy (CEG) which is +11% in the past month alone. Vistra recently set its own all-time high as its strong free cash flow profile is finally being recognized more fulsomely by investors after being out-of-favor for a number of years.

[Vistra Energy: 2Q Preview: Steady update expected – reiterate Buy 24 July 2023](#)

Chart 8: Vistra Corp (VST) (top) and relative to the S&P 500 Utilities (bottom): Weekly chart with moving averages

VST broke out from a mid 2019 through mid 2023 big base. Holding 28-27 keeps this breakout firmly in place with upside potential to base pattern counts at 34 and 39. Rising and bullish 13, 26 and 40-week MAs from the 26.20s to the 24.30s underpin this big base breakout.



Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



Stocks mentioned in this report

Table 1: Primary stocks mentioned in this report

Prices and ratings for primary stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
ATO	ATO US	Atmos Energy	US\$ 117.14	A-1-7
D	D US	Dominion Energy	US\$ 49.27	B-3-7
ES	ES US	Eversource Energy	US\$ 66.94	B-3-7
GNRC	GNRC US	Generac	US\$ 108.34	C-3-9
NRG	NRG US	NRG Energy	US\$ 36.78	B-1-7
VST	VST US	Vistra Energy	US\$ 28.82	B-1-7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk

Atmos Energy Corporation (ATO)

Our \$135 PO is based on our 2025E sum-of-the-parts (SOTP) analysis, based on the gas LDC peer group multiple of 17.4x.

Our gas peer P/E multiple is grossed up to reflect the group's 5% CAGR (2021-26E) to reflect capital appreciation across the sector. We then apply a 2.0x premium across jurisdictions to reflect the high-quality nature of the assets given a sustainable runway for capex/EPS underpinned by constructive regulatory mechanisms and jurisdictions. For the Pipeline & Storage segment we apply a 9.0x EV/EBITDA multiple as a base to our '25E EBITDA. We then apply a 2.0x premium to the assets given their fully regulated nature and unique ability for APT to benefit from the spread differentials.

Upside risks: 1) improving regulatory relationships, 2) decrease in interest rates, 3) incremental capital spending, 4) constructive rate case outcomes, 5) less equity needs. Downside risks: 1) deteriorating regulatory relationship, 2) increase in interest rates, 3) less or deferred capital spending, 4) poor rate case outcomes, 5) more equity needs.

Dominion Energy (D)

We value Dominion Energy at \$48 using a 2025E sum-of-the-parts analysis. For the utilities we apply the comparable electric (15.7x) and gas (15.5x) peer multiples which we gross-up by 5% to reflect capital appreciation across the sector. We apply -1.5x discount for base Virginia (-9%). We apply discount adjustments to lower value utility sources in South Carolina (NND) and Utah (Wexpro) as well as the South Carolina bill credits.

Contracted assets are valued at: 13x EV/EBITDA Cove Point, 5x Millstone (13% FCF Yield), and 5x for renewables. For remaining debt beyond that allocated to state utilities, we include a 50% weight towards a straight netting of leverage, with the remaining 50% using a P/E multiple on associated interest expense, in line with the methodology employed for diversified utilities with relatively higher levers of leverage. We lastly include prospective interest rate exposure that is not impacting near-term estimates due to hedges.

Risk to achievement of the Price Objective are 1) regulatory, legislative, and political actions, 2) ability to earn or exceed the regulatory allowed ROE, 3) capital markets and equity requirements, 4) changes to the capital expenditure and rate base forecast for both regulated & unregulated segments, 5) volatility in interest rates and pension returns, 6) changes in commodity prices, 7) natural disasters, nuclear accidents, and weather, 8) nuclear performance, 9) inflation, & 10) offshore wind construction.



Eversource Energy (ES)

Our sum of the parts based price objective of \$69 uses P/E multiples on 2025E earnings. The valuation is based on a 2025 sum of the parts analysis. We apply the 2025 average peer P/Es of 15.9x electric, 15.8x natural gas, and 23.8x water. For Connecticut electric & gas utilities, we value at -20% discount (-3.3x) to reflect historical challenges and prospective earnings risks. Connecticut water is valued in-line with natural gas. The other utilities are valued at a -1x discount for below-average consolidated growth and weaker balance sheet metrics. Parent net loss per share is valued at an average electric utility multiple.

Upside and downside risks to our Price Objective are 1) regulatory/political/legislative changes, 2) capital expenditures forecasts, 3) ability to earn the regulatory allowed ROE, 4) offshore wind development, 5) natural disasters & storms, 6) operational performance and gas incidents, 7) integration of historical and prospective M&A, 8) pension plan performance, and 9) equity issuances.

Generac Holdings Inc. (GNRC)

Our PO of \$93/share is based on a blended 50 / 50 EV/EBITDA / DCF valuation methodology. To account for growth, we use 11x 2024E EV/EBITDA, which implies a valuation of \$112/share. Our target multiple is the average of industrial peers, and does not credit a premium for the developing clean energy business. Our DCF uses a 12.5% discount rate and a 9x terminal multiple, resulting in a valuation of \$73/share.

Upside and downside risks to our Price Objective are changes in 1) interest and discount rates, 2) supply chain efficiency and access, 3) margins, 4) home standby order intake, 5) cost of raw materials, 6) competition in the energy storage market, 7) a large accretive or dilutive clean energy acquisition, 8) regulatory, legislative, or tax policy, 9) power outages, 10) market share, 11) equity markets activity, and 12) macroeconomic conditions including householder formations.

NRG Energy (NRG)

Our \$46 price objective is based on our 2025E sum-of-the-parts analysis. We value NRG in six parts based on approximately EV/FCF: (1) 6.5x Legacy Retail, (2) 6.0x Direct Energy, (3) 7.0x Vivint, and (4) 1.5x Coal plus Hedges. The debt and preferred stock obligations are reductions from equity value.

We value Legacy Retail at a slight premium to peers given strong competitive positioning. We value Direct Energy in line with the Legacy Retail portfolio. For Vivint, our target multiple is a discount to NRG's other retail platforms given lower free cash flow conversion. Gas value reflects fair near-term profitability opportunity but limited long-term visibility. Last, our subdued Coal value is driven by limited terminal value for the assets.

Risks to the price objective are changes in 1) commodity prices, 2) operating cost, 3) environmental requirements, 4) cost of capital, 5) retail margins and customer counts, 6) natural disasters, 7) regulatory, legislative, and political changes, 8) customer acquisition costs, 9) retail competition, 10) pension and nuclear decommissioning trust assets/liabilities, and 11) interest rates.

Vistra Energy (VST)

Our \$31 price objective is based on a 2025E SOTP valuation. For Vistra Vision, we arrive at a 8.5x blended EV/EBITDA. We apply a 9.0x EV/FCF multiple to nuclear, which we believe fairly represents the risk/reward profile of the assets. For Renewables and Storage, we apply a 12.0x EV/FCF multiple given the accelerating nature of the end markets. For Retail, we apply a 7.0x EV/FCF multiple, consistent with peers. For Vistra Tradition, we arrive at a 4.4x blended EV/EBITDA multiple. We apply a 6.0x EV/FCF multiple to Gas Generation given favorable spark spreads and end market demand

dynamics and a 2.0x EV/FCF multiple to Coal Generation which we believe appropriately captures the limited long-term value of the assets.

Downside risks to our PO are: 1) changes to regulatory, political, or legislative standards, 2) wholesale power, natural gas, & capacity prices, 3) competitive & regulatory change to retail businesses, principally in Texas, 4) operational performance, 5) development of new renewables and storage assets, 6) natural disasters, 7) interest rates, 8) nuclear fuel access/cost, and 10) retail market attrition.

Analyst Certification

We, Stephen Suttmeier, CFA, CMT, Julien Dumoulin-Smith and Paul Zimbardo, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

BofA Securities is currently acting as financial advisor to IMM Private Equity Inc in connection with its proposed sale of 30% stake of AirFirst Co Ltd, which was announced on June 9, 2023.

BofA Securities is currently acting as exclusive financial advisor to Constellation Energy Corp in connection with its proposed acquisition of NRG Energy Inc's 44 percent ownership stake in the South Texas Project Electric Generating Station, which was announced on June 1, 2023.

North America - Utilities and Alt Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Alliant Energy Corporation	LNT	LNT US	Julien Dumoulin-Smith
	Ameren Corporation	AEE	AEE US	Julien Dumoulin-Smith
	Ameresco	AMRC	AMRC US	Julien Dumoulin-Smith
	Array Technologies	ARRY	ARRY US	Julien Dumoulin-Smith
	Atlantica Sustainable Infrastructure	AY	AY US	Julien Dumoulin-Smith
	Atmos Energy Corporation	ATO	ATO US	Julien Dumoulin-Smith
	Bloom Energy	BE	BE US	Julien Dumoulin-Smith
	CenterPoint Energy	CNP	CNP US	Julien Dumoulin-Smith
	ChargePoint Holdings	CHPT	CHPT US	Alex Vrabel
	Cheniere Energy Inc	LNG	LNG US	Julien Dumoulin-Smith
	CMS Energy	CMS	CMS US	Julien Dumoulin-Smith
	Consolidated Edison	ED	ED US	Julien Dumoulin-Smith
	DTE Energy	DTE	DTE US	Julien Dumoulin-Smith
	Duke Energy	DUK	DUK US	Julien Dumoulin-Smith
	Enlight Renewable Energy Ltd	ENLT	ENLT US	Julien Dumoulin-Smith
	Enlight Renewable Energy Ltd	XENLF	ENLT IT	Julien Dumoulin-Smith
	Exelon	EXC	EXC US	Paul Zimbardo
	First Solar, Inc.	FSLR	FSLR US	Julien Dumoulin-Smith
	FREYR Battery	FREY	FREY US	Julien Dumoulin-Smith
	FTC Solar	FTCI	FTCI US	Julien Dumoulin-Smith
	Hydro One	YH	H CN	Dariusz Lozny, CFA
	Maxon Solar Technologies	MAXN	MAXN US	Julien Dumoulin-Smith
	MDU Resources Group, Inc.	MDU	MDU US	Dariusz Lozny, CFA
	Nextacker Inc	NXT	NXT US	Julien Dumoulin-Smith
	NiSource Inc	NI	NI US	Julien Dumoulin-Smith
	NorthWestern Corporation	NWE	NWE US	Julien Dumoulin-Smith
	NRG Energy	NRG	NRG US	Julien Dumoulin-Smith
	PG&E Corporation	PCG	PCG US	Julien Dumoulin-Smith
	PNM Resources Inc.	PNM	PNM US	Julien Dumoulin-Smith
	Portland General Electric Company	POR	POR US	Julien Dumoulin-Smith
	PPL Corporation	PPL	PPL US	Paul Zimbardo
	Public Service Enterprise Group	PEG	PEG US	Julien Dumoulin-Smith
	ReNew Power	RNW	RNW US	Julien Dumoulin-Smith
	Sempra Energy	SRE	SRE US	Julien Dumoulin-Smith
	SolarEdge Technologies	SEDG	SEDG US	Julien Dumoulin-Smith
	Sunnova Energy	NOVA	NOVA US	Julien Dumoulin-Smith
	SunRun	RUN	RUN US	Julien Dumoulin-Smith
	TPI Composites	TPIC	TPIC US	Julien Dumoulin-Smith
	Vistra Energy	VST	VST US	Julien Dumoulin-Smith
	WEC Energy Group Inc	WEC	WEC US	Julien Dumoulin-Smith
	Xcel Energy Inc	XEL	XEL US	Julien Dumoulin-Smith
NEUTRAL				
	AES	AES	AES US	Julien Dumoulin-Smith
	Algonquin Power & Utilities Corp	AQN	AQN US	Dariusz Lozny, CFA
	Algonquin Power & Utilities Corp	YAQN	AQN CN	Dariusz Lozny, CFA
	AltaGas	YALA	ALA CN	Dariusz Lozny, CFA
	American Electric Power	AEP	AEP US	Julien Dumoulin-Smith
	Clearway Energy	CWENA	CWEN/A US	Julien Dumoulin-Smith
	Clearway Energy	CWEN	CWEN US	Julien Dumoulin-Smith
	Constellation Energy Corp	CEG	CEG US	Paul Zimbardo
	Emera Inc	YEMA	EMA CN	Dariusz Lozny, CFA
	Entergy	ETR	ETR US	Paul Zimbardo
	Essential Utilities	WTRG	WTRG US	Julien Dumoulin-Smith
	Fluence Energy	FLNC	FLNC US	Julien Dumoulin-Smith
	Idacorp	IDA	IDA US	Paul Zimbardo
	New Fortress Energy	NFE	NFE US	Cameron Lochridge
	NextEra Energy	NEE	NEE US	Julien Dumoulin-Smith
	NextEra Energy Partners	NEP	NEP US	Julien Dumoulin-Smith
	Northwest Natural Holdings	NWN	NWN US	Julien Dumoulin-Smith
	OGE Energy Corp	OGE	OGE US	Julien Dumoulin-Smith
	ONE Gas, Inc.	OGS	OGS US	Julien Dumoulin-Smith
	Ormat Technologies	ORA	ORA US	Julien Dumoulin-Smith
	Pinnacle West	PNW	PNW US	Julien Dumoulin-Smith

North America - Utilities and Alt Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Southwest Gas Holdings	SWX	SWX US	Julien Dumoulin-Smith
	TransAlta Corp	TAC	TAC US	Dariusz Lozny, CFA
	TransAlta Corporation	YTA	TA CN	Dariusz Lozny, CFA

UNDERPERFORM

	Allete Inc	ALE	ALE US	Julien Dumoulin-Smith
	American Water Works	AWK	AWK US	Julien Dumoulin-Smith
	Avangrid	AGR	AGR US	Paul Zimbardo
	Avista	AVA	AVA US	Julien Dumoulin-Smith
	Black Hills Corporation	BKH	BKH US	Julien Dumoulin-Smith
	Dominion Energy	D	D US	Paul Zimbardo
	Edison International	EIX	EIX US	Paul Zimbardo
	Enphase Energy	ENPH	ENPH US	Julien Dumoulin-Smith
	Eversource Energy	ES	ES US	Paul Zimbardo
	EVgo Inc.	EVGO	EVGO US	Alex Vrabel
	FirstEnergy	FE	FE US	Julien Dumoulin-Smith
	Fortis	YFTS	FTS CN	Dariusz Lozny, CFA
	Fortis Inc	FTS	FTS US	Dariusz Lozny, CFA
	Generac Holdings Inc.	GNRC	GNRC US	Julien Dumoulin-Smith
	Hawaiian Electric Industries	HE	HE US	Julien Dumoulin-Smith
	MGE Energy	MGEE	MGEE US	Julien Dumoulin-Smith
	New Jersey Resources Corp	NJR	NJR US	Julien Dumoulin-Smith
	Southern Company	SO	SO US	Julien Dumoulin-Smith
	Spire	SR	SR US	Julien Dumoulin-Smith
	Stem, Inc.	STEM	STEM US	Julien Dumoulin-Smith
	SunPower Corp.	SPWR	SPWR US	Julien Dumoulin-Smith
	Tellurian Inc	TELL	TELL US	Julien Dumoulin-Smith
	UGI Corp.	UGI	UGI US	Julien Dumoulin-Smith
	Unitil Corporation	UTL	UTL US	Julien Dumoulin-Smith

RSTR

	Hannon Armstrong	HASI	HASI US	Julien Dumoulin-Smith
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Disclosures

Important Disclosures

Equity Investment Rating Distribution: Machinery/Diversified Manufacturing Group (as of 30 Jun 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	31	46.97%	Buy	11	35.48%
Hold	18	27.27%	Hold	6	33.33%
Sell	17	25.76%	Sell	8	47.06%

Equity Investment Rating Distribution: Utilities Group (as of 30 Jun 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	80	51.61%	Buy	52	65.00%
Hold	40	25.81%	Hold	29	72.50%
Sell	35	22.58%	Sell	23	65.71%

Equity Investment Rating Distribution: Global Group (as of 30 Jun 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1877	53.28%	Buy	1040	55.41%
Hold	815	23.13%	Hold	464	56.93%
Sell	831	23.59%	Sell	385	46.33%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

Exchange-Traded Funds Investment Rating Distribution: Global Group (as of 30 Jun 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R2}	Count	Percent
Buy	77	20.32%	Buy	50	64.94%
Hold	293	77.31%	Hold	222	75.77%
Sell	9	2.37%	Sell	6	66.67%

^{R2} Exchange-traded funds (ETFs), or the ETF providers, that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only ETFs. An ETF rated 1-FV is included as a Buy; an ETF rated 2-FV, 3-FV, 1-NV, 2-NV, 3-NV, 1-UF or 2-UF is included as a Hold; and an ETF rated 3-UF is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R3}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R3} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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