

## US Utilities &amp; IPPs

**PowerPoints: PNM M&A, PEG & OGE cases, PPL-TLN, & ES/IDA/AGR/Oregon regulatory**

Industry Overview

**New Year review and development. Waiting on ES & D**

We include links to reports from the past two weeks you may have missed over the holidays as well as more recent developments across the utilities sector. We continue to wait for strategic & business review updates from Eversource Energy (ES) and Dominion Energy (D) on their offshore wind assets that were potentially targeted for late 2023.

**PNM: Merger terminated, standalone growth story intact**

On Tuesday morning, Avangrid (AGR) announced that it had not agreed to extend its merger with PNM Resources (PNM) beyond the December 31, 2023 deadline, terminating the transaction. We had been waiting for an update over the last weeks of December indicating that parties had agreed to extend the merger to March 31, 2024, with no announcement forthcoming. PNM had prepared for such an eventuality, having provided an off-cycle refresh to its long-term investment and capital plan in October.

**PNM: Reiterates 5% EPS CAGR – attractive value today**

PNM published a press release reiterating its 5% long-term EPS CAGR and expects to provide a comprehensive financial update with preliminary 4Q23 results on February 6. Throughout this process we have assessed PNM under a standalone outlook and removed PNM from our Avangrid projects in mid-2023. We still see strong value in PNM's above-average rate base growth plans and gradual shifting of exposure to more favorable Texas and FERC jurisdictions over time. There is near-term risk to EPS from a potentially adverse rate case outcome in New Mexico expected January 3<sup>rd</sup> but we view long-term 5% annual target to be intact as Texas and FERC investment accelerates through mid-decade. [View our more comprehensive research report published in December here](#). Our FY26E adjusted EPS is \$3.19 which implies a 12x P/E, a ~15% discount to electric peers. We remain positive on shares of PNM which are underperforming utility peers -7% and represents an attractive risk/reward profile.

**PPL: TLN settlement more than we expected but small**

On December 22<sup>nd</sup>, PPL Corp (PPL) and Talen Energy (TLN - Not Covered) announced a \$115Mn settlement agreement related to the long-running litigation. Talen Energy was previously PPL's unregulated subsidiary PPL Energy Supply prior to the spin-out and subsequent bankruptcy filing of Talen. We had assumed zero liability for PPL so this is a small disappointing outcome but is much better than the ~\$400Mn that many investors we have spoken to throughout 2023 had feared. The pending Talen litigation was frequently brought-up by investors so resolution with only a modest payment does help the narrative, in our view.

*The ongoing financial impact of the settlement is less than \$0.01 EPS in debt or hypothetical equity financed scenario and is immaterial. We do not anticipate PPL to change any financial guidance assumptions. Maintain Buy on shares of PPL which we continue to view as one of the better value utility opportunities.*

**See the full report for regulatory updates and the latest for a suite of utilities.**

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PSE&G: Public Service Electric & Gas  
BPU: Board of Public Utilities  
OG&E: Oklahoma Gas and Electric  
OCC: Oklahoma Corporation  
Commission  
GRC: General rate case  
NMPRC: New Mexico Public  
Regulatory Commission  
FERC: Federal Energy Regulatory  
Commission

## Catchup on late December notes

### BofA Global Research Reports

#### Title: Subtitle

[US Electric Utilities & IPPs: PowerPoints: CA CoC; AEP securitization; XEL settlement; FSLR tax credits](#)  
[Duke Energy: Our go-to mega cap Utility pick should continue to work in 2024](#)  
[US Clean Tech: Solar Flash: Bloom-SK Deal Extension Nuances; TPIC/Nordex augurs well](#)  
[US Utilities & IPPs: PowerPoints: Hydrogen 45V, EVRG Credit, EXC Regulatory, and Maryland Natural Gas](#)  
[Array Technologies: Still like the story, but expect volatility ahead of '24 guide – Reiterate Buy](#)  
[US Utilities & IPPs: Who Owns What? Crowding a top factor as utilities unwind from Illinois into year-end](#)  
[US Utilities & IPPs: PowerPoints: EPA 'Good Neighbor', ES CT Denial, D Virginia Update, and ALE Latest](#)  
[US Alternative Energy: Hydrogen Conference Recap: Poised to Turn a Corner, Quickly in 2024](#)  
[US Utilities & IPPs: PowerPoints: WEC No FY24 Guide Yet, PEG FY24 Guide & Capex, and HE Credit Update](#)  
[Xcel Energy Inc: CO approval improves visibility to substantial capex upside](#)  
[US Utilities & IPPs: PowerPoints: AEE & EXC Illinois Feedback, Capex cuts, rehearing, & legislation?](#)  
[Enphase Energy: Tough times call for tough decisions – Reiterate Underperform](#)  
[US Utilities & Clean Tech: ERCOT: A tale of moderating demand and material solar delays](#)  
[US Utilities & Clean Tech: PowerPoints: DUK NC Rate Case, XEL CO Resource Plan, SPWR Going Concern, EXC](#)

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## PEG: Large rate case request but more than meets the eye

On December 29<sup>th</sup> Public Service Electric & Gas (PSE&G, PSEG [PEG] subsidiary) filed its first New Jersey rate case with the Board of Public Utilities (BPU) since October 2018 with a large +\$25/month average residential rate increase (+12%) (Dockets ER2312094 and GR23120925). This rate case was required to be filed by YE23 due to prior regulatory programs PSE&G is requesting +\$462Mn electric and +\$364Mn natural gas revenue increases based on \$9.3Bn and \$8.6Bn rate base, respectively. PEG states that it will have invested \$3.7Bn electric and \$4.9Bn gas since approved levels in the last rate case. The rate case includes +\$109Mn deferred major storms (primarily \$72Mn Tropical Storm Isaias) and +\$36Mn of incentive compensation request. There is also a -\$200Mn tax adjustment credit and +\$42Mn gas bad debts in the societal benefit charge.

### Equity ratio a large focus but there is some precedent

PSE&G filed for a 55.5% equity ratio, up from the 54% currently authorized as well as a 10.4% ROE, up from 9.6% currently. PEG reduced the rate request by -\$9Mn due to proforma projected pension income (\$54Mn in the test year) and is requesting a deferral mechanism between rate cases and a working capital adjustment to reflect the non-cash nature of the pension income offset in revenue requirements. PEG is also requesting a symmetrical interest rate adjustment mechanism to defer changes in the actual cost of debt in the first year of the rate plan. PEG has sizable \$1Bn+ 2024-2025 maturities which we incorporate in our estimates as a drag.

The recent Atlantic City Electric (ACE) rate case settlement should provide a reasonable ROE expectation at 9.6%, implying no change for PEG. ACE settled on a 50.2% equity ratio and we take comfort that PEG will receive the 55% equity ratio following the July 2021 transmission settlement with the NJ BPU and NJ Division of Rate Counsel which increased the equity ratio +100bp to 55%. See background here: [Public Service Enterprise Group: Checking Another Constructive Box in New Jersey 15 July 2021](#)

This is a very significant rate case for PEG given the scale and is a critical component of our outsized EPS growth YoY in 2025. While a large increase, it has been multiple years since the last rate case and PSE&G screens well on affordability with below-average electric and gas bill share historically at 2.5-3.0%. Additionally, many of the spending programs have been reviewed by the BPU in some form but there has been only partial or no interim rate recovery. *We maintain Buy on shares of PEG, cognizant of the large rate case and change in BPU composition but take comfort in the company's (1) above average reliability; (2) favorable affordability; (3) interim regulatory review of major capital programs; and (4) prior transmission equity ratio settlement.*

## PNM: Focus turns to balance sheet, shares still attractive

With the NMPRC expected to issue a decision soon in the company's NM rate case, we expect investors may begin to focus on PNM's balance sheet, as we forecast FFO/debt of 12-13% in 2023 and 2024 to trend below its 14% downgrade threshold with S&P. On the other hand, we still see potential for improving fundamentals in NM regulatory environment after this rate case concludes, which could encourage rating agencies to view the regulatory paradigm as more credit supportive than previous. With shares down 6% on the news despite the fact that we see little has changed versus our prior assessments, we view the dislocation of shares below intrinsic value as a strong opportunity. Maintain Buy on visible standalone growth and attractive valuation.

## OGE: OK rate case +\$333Mn, +14% customer bill impact

On December 29th OGE Energy (OGE) subsidiary Oklahoma Gas and Electric (OG&E) filed an electric rate case application (Docket: PUD 2023-000087) with the Oklahoma Corporation Commission (OCC). Key details of the filing include a headline +\$333Mn rate increase request predicated on 10.5% ROE (vs. 9.5% currently) and capital structure of 53.5% (reflecting OG&E's actual capital structure as of test year ending September 30, 2023). The application proposes a +14% increase to current average residential customer bills, which while not an abnormally high request relative to peer filings does represent a significant request closer to the last rate case (see the contrast with PEG above). The application also requests higher inclusion of vegetation management expense in base rates and implementation of a vegetation management tracker for any surplus/deficit spending to be reserved for review in a subsequent rate case. The key elements are:

- \$76Mn Return on new investments
- \$62Mn New depreciation rates
- \$60Mn Return of new investments
- \$58Mn Operating and maintenance expense
  - Excludes +\$28Mn requested vegetation management
- (\$52Mn) Revenue offset to the total deficiency
- \$51Mn Higher ROE and \$12Mn cost of debt
- \$36Mn income taxes and other

Expect most of the focus to be on operating costs which represent ~25% of the net revenue request increase as well as the depreciation rates (earnings neutral).

In OG&E's previous Oklahoma rate case (PUD 2021-00164), the OCC approved a black box settlement calling for a \$30Mn rate increase (just 18% of the \$164Mn request in OG&E's application), 9.5% ROE, and 53.37% equity to total capital. OG&E can implement interim rates around July 1, 2024, subject to refund with rate case impacts reserved until a final order is issued.

The Public Service Company of Oklahoma (PSO) rate case (PUD 2022-000093) resolved in November 2023 represents a cautious datapoint with a 9.3% authorized ROE and 52% equity. The ROE declined -10bp and the authorized equity ratio was well below the 54.6% requested. The +\$131Mn rate change was less than 45% of the original \$294Mn request.

We call out that the customer bill impact in OG&E's last two rate cases in Oklahoma were 0% in 2018/2019 and 2% in 2022, a fact pattern that could help counter the "sticker shock" of the large request and provide more latitude for the company to raise



rates relative to prior requests and other peer utilities. Further, OG&E recently reduced customer bills by 15% in November due to an adjustment in fuel costs reflecting lower natural gas prices, which could add further headroom to a potential bill increase. In the application, OG&E details that its residential rates are 19% below the national average, inclusive of fuel costs. Still, past rate cases in Oklahoma have resulted in highly variable outcomes, demonstrating a capability of driving volatility in OGE's stock price. Maintain Neutral on OGE with heightened regulatory risk as the OCC proceeding unfolds.

## **ES: Files for \$634Mn storm cost review. MA approves PBR**

### **ES requests recovery of historical storms – mostly Isaías**

Eversource Energy's (ES) Connecticut Light & Power (CL&P) subsidiary filed December 22nd with the Connecticut Public Utilities Regulatory Authority (PURA) for a prudency review of \$634Mn of 2018-2021 storm costs for 32 storm events (Docket 23-12-22). ES has collected \$99Mn via cumulative storm reserve recovery so the net increase would be \$535Mn. The \$634Mn is two-thirds outside contractor line crews (\$417Mn), ~10% for direct labor (\$73Mn), and other categories. 98% of the costs were for storms and 2% (\$11Mn) for pre-staging. The largest storms are \$232Mn Isaías and \$139Mn Henri which represent 60% of the total. ES has previously disclosed ~\$234Mn deferred storm costs for Isaías at the CL&P level and \$251Mn at the ES level so this is fairly consistent. ES engaged Pricewaterhouse Coopers LLP (PwC) to perform an examination of the expenses finding them to be materially accurate. The application includes extensive detail such as a 228 page itemization for the largest expense storm Tropical Storm Isaías in Exhibit CLP-8 (MS20C).

Beyond the scope of this prudency application, CL&P has ~\$193Mn net storm costs incurred 2022-November 2023 with \$827Mn gross 2018-November 2023.

As expected, ES is not requesting approval of the storm cost recovery until its next base rate case but is requesting +\$50Mn revenue stream annually. Management states that this will "improve the Company's liquidity and capital-resource constraint... and mitigate the potential for credit metric degradation". ES estimates a \$2.36/monthly residential bill impact in 2025 and 2026 of the \$50Mn annual recovery followed by \$5/month in 2027, declining to \$4/month in 2032. Without the \$50Mn supplemental revenue in 2025 or 2026, ES estimates \$6/month in 2027-2029 declining to \$5/month in 2032.

ES has disclosed that it is possible for storm cost disallowances but it could not estimate the amount but it is not expected to be material to ES or CL&P. We believe most of the stakeholder focus will be on Isaías costs after PURA assesses a penalty for performance standards failure. ES states that it believes its evidence is credible that allegations of below-standard performance is not reasonably related to the storm costs prudently incurred.

### **ES: MA approves BPR rate increase**

On December 26th, 2023, the Massachusetts Department of Public Utilities (DPU) approved Eversource's (NSTAR Electric Company) annual performance-based ratemaking (PBR) adjustment increase effective January 1, 2024 (23-92). ES requested +\$105Mn base distribution revenues (\$51Mn revenue cap and +\$43Mn k-bar' adjustment) and \$16.3Mn additional property tax recovery. Ordinarily these are not contentious proceedings but the Attorney General's Office opposed the k-bar adjustment increase because the capex was not appropriately documented and the 2024 capital investment budget was not timely filed. The DPU disagreed with the Attorney General's position and that the 2024 forecasted budget was for information purposes only in this specific PBR case. ES's proposal to file the 2024 capital budget by March 31st annually was described as "reasonable" by the DPU. The DPU also did not accept other intervenors recommendations regarding performance evaluation metrics in this proceeding, deferring to the next PBR assessment.

## IDA: Idaho rate case settlement approved

On December 28th, the Idaho Public Utilities Commission (PUC) approved Idaho Power's (Idacorp [IDA] primary subsidiary) general rate case settlement with +\$55Mn rate increase (Docket IPC-E-23-11). This was consistent with our expectations. We look for the company's next comprehensive capex refresh with the 2023 10K and 4Q23 earnings call. See our latest deep dive on IDA here: [Idacorp: The premium valuation stands: can growth-phase execution drive upside? 22 November 2023](#) We maintain Neutral on shares of IDA which are approximately trading at fair value with a justified premium given the defensive characteristics and prospects for above-average rate base growth.

## AGR: CT denies interim rate request in harsh order

Avangrid's (AGR) interim \$15Mn rate relief filing with the Connecticut Public Utilities Regulatory Authority (PURA) at its United Illuminating (UI) subsidiary was denied (22-08-08). AGR stated that it would cut distribution capex YoY without rate relief. PURA unanimously declined the application in a harshly worded six page decision on December 29<sup>th</sup>. PURA concluded that: "Here, the Petition is simply a collateral attack, grounded in conjecture, on the 2023 Rate Increase." PURA detailed reasons why the application was flawed and stated that AGR can file a proper general base rate increase with an interim rate request when it chooses if the company is indeed facing "deterioration of its financial condition". The rationale provided by PURA included: (1) lack of justification that a rate increase is necessary; (2) reliance on assumptions, "conjecture", and predictions; (3) lack of documented flaw in the rate case decision and AGR's management presumption that it will be successful in its appeal; (4) interim rate increases are tied by statute to pending rate case applications.

## Oregon Gas: Climate Protection Programs rules invalidated

On December 20<sup>th</sup>, the Oregon Court of Appeals ruled in favor of the state's regulated natural gas utilities - Northwest Natural Gas (NWN - Not Covered), Avista Corp (AVA), and Cascade Natural Gas (MDU subsidiary) versus the Environmental Quality Commission (EQC) and invalidated rules under the Climate Protection Programs (Case A178216). The Climate Protection Programs created "cap and reduce" standards related to fossil fuels distribution in Oregon. The Court determined that the EQC did not substantially comply with elevated disclosure requirements when adopting rules related to Federal Clean Air Act Title V sources. A representative for Northwest Natural stated that the company was "pleased" with the Court's ruling but was still committed to reduce carbon usage in the future. *It is unclear what the impact on customer bills and investment programs of this legal win will be as the CPP has been challenged since it became into effect in early 2022 and the declining limitations on natural gas consumption were not effective yet. The CPP would increase the price of energy for consumers and could incentivize converting away from natural gas.*

## Transmission: Maine goes back to the drawing board - again

The Maine Public Utilities Commission (PUC) terminated the competitive procurement for the Northern Maine Renewables Energy Development Program for transmission and generation projects. The submissions were originally due March-May 2022 and the PUC selected LS Power Grid Maine for transmission and Longroad King Pine Wind. LS Power notified the PUC that it needed a higher price for the transmission and pricing contingencies but did not quantify the final requested adjustment increase request. Without information on pricing, the PUC determined that it would be unfair to other bidders and ratepayers, thus could not approve the project. The PUC will host another competitive procurement in the future.

*This proceeding highlights how challenging it can be to build competitive transmission, particular in the Northeast which has a history of challenging regulatory approvals.*



**Exhibit 1: Primary stocks mentioned in this report**

Prices and ratings for primary stocks mentioned in this report

<b>BofA Ticker</b>	<b>Bloomberg ticker</b>	<b>Company name</b>	<b>Price</b>	<b>Rating</b>
PNM	PNM US	PNM Resources Inc.	US\$ 39.04	A-1-7
PPL	PPL US	PPL Corp.	US\$ 27.38	B-1-7
PEG	PEG US	Public Service	US\$ 61.24	B-1-7
OGE	OGE US	OGE Energy Corp	US\$ 35.27	B-2-7
IDA	IDA US	Idacorp	US\$ 99.07	A-2-7

Source: BofA Global Research

BofA GLOBAL RESEARCH

**Price objective basis & risk****Idacorp (IDA)**

Our \$97 PO is based on a sum-of-the-part valuation (SOTP) of the utility and parent segments. Our utility valuation is based on applying the 2026E sector P/E multiple of 13.6x that is subsequently grossed-up +5% to reflect anticipated sector growth which is consistent with our valuation approach for the regulated utility coverage universe. We apply a 2.0x P/E premium to the base peer multiple to reflect the positive attributes including constructive regulation, execution track record, strong balance sheet, and ESG attributes.

Upside and downside risks to our Price Objective are: 1) political, regulatory, or legislative changes, 2) execution of capital projects, including major investments, 3) workforce attrition and operating cost inflation, 4) changes in interest rates, 5) capital markets access and pricing for debt/equity, 6) ability to earn the regulatory allowed rate of return, 7) crypto mining, memory chip, data center, & large customer load patterns, 8) permitting, 9) natural disasters, precipitation, and weather patterns.

**OGE Energy Corp (OGE)**

Our OGE PO is \$39/share based on a sum of the parts. For the utility and holdco we apply the FY25 peer multiple of 16.0x. Electric peer P/E multiple is grossed up for +5% to reflect capital appreciation across the sector, a consistent methodology across our coverage universe. We apply a 1x premium for incremental growth not yet embedded in plan as well as the above-average balance sheet metrics

Upside and downside risks are changes in: 1) regulatory, legislative, and political outcomes, 2) ability to earn the allowed rate of return, 3) interest rates and commodity costs, 4) customer and sales growth, particularly energy and data mining customers, 5) natural disasters, 6) credit rating agency requirements, 7) capital expenditure plan, and 8) request for proposal outcomes.

**PNM Resources Inc. (PNM)**

We value PNM Resources at \$50 based on a 2026E sum of the parts valuation methodology utilizing P/E multiples for each business segment. We apply the electric utility average 14.1x 2026E which we grossed up for +5% reflect capital appreciation across the sector. This is a consistent approach for the coverage universe. We apply a

+1.0x P/E premium to shares to reflect the visibility into growth and potential upside to the outlook that could offset a potentially unfavorable rate case decision in New Mexico.

Risks to the achievement of our price objective and estimates are changes in: 1) regulatory, political, judicial, and legislative outcomes, 2) operating and financing costs, 3) interest rates and asset returns, 4) pending M&A activity, 6) natural disasters and weather, 8) commodity prices, 9) capital expenditures, 10) credit rating agency actions.

### **PPL Corporation (PPL)**

Our \$32 price objective is based on a sum of the parts methodology applying respective premium/discounts to the 2025E peer group multiple of 16.0x. Electric peer P/E multiple is grossed up by 5% to reflect capital appreciation across the sector, a consistent methodology across our coverage universe. We value all of the utility subsidiaries at +0.5x premium to the sector to reflect the lack of regulatory activity, above-average credit metrics, transmission earnings mix, and reasonable jurisdictions.

Risks to the achievement of our Price Objective are: 1) Integration of Rhode Island assets, 2) regulatory/political/legislative changes, 3) capital markets, 4) ability to earn at or above the regulatory allowed return on equity, 5) cost control, 6) capital expenditures forecasts and execution, 7) natural disasters/weather, 8) equity issuance/repurchase plans, 9) corporate taxes, 10) pension returns, and 11) litigation.

### **Public Service Enterprise Group (PEG)**

Our \$66 PO is derived from our 2025 sum of the parts valuation. For the regulated utilities we utilize the electric (14.2x) and gas (14.2x) 2025E sector P/E multiples, which we then gross-up by 5% to reflect capital appreciation across the sector. We apply a +10% premium to PSE&G Utility due to increasing comfort with the growth outlook in a favorable jurisdiction. PSE&G Utility offering low-risk transmission & distribution (T&D) profile. The Power business is valued at a 14% 2025 free cash flow yield. The other businesses and corporate drag are valued using a discounted P/E versus utility assets.

Upside/downside risks to achievement of our price objective are: 1) regulatory/political/legislative outcomes, 2) changes in capital expenditures relative to forecasts, 3) nuclear incidents and natural disasters, 4) equity and capital markets needs, cost and timing adjustments for offshore wind developments, 5) ability to earn the regulated rate of return, 6) inflation, 7) interest rates, and 8) pension returns.

## **Analyst Certification**

We, 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.

## North America - Utilities and Alt Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Alliant Energy Corporation	LNT	LNT US	Julien Dumoulin-Smith
	Ameren Corporation	AEE	AEE 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
	CenterPoint Energy	CNP	CNP US	Julien Dumoulin-Smith
	Cheniere Energy Inc	LNG	LNG US	Julien Dumoulin-Smith
	Clearway Energy	CWENA	CWEN/A US	Julien Dumoulin-Smith
	Clearway Energy	CWEN	CWEN 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
	Entergy	ETR	ETR US	Paul Zimbardo
	First Solar, Inc.	FSLR	FSLR US	Julien Dumoulin-Smith
	Fluence Energy	FLNC	FLNC US	Julien Dumoulin-Smith
	Hannon Armstrong	HASI	HASI US	Julien Dumoulin-Smith
	Hydro One	YH	H CN	Dariusz Lozny, CFA
	MDU Resources Group, Inc.	MDU	MDU US	Dariusz Lozny, CFA
	Nextracker 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
	Sempra Energy	SRE	SRE 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
	Xcel Energy Inc	XEL	XEL US	Julien Dumoulin-Smith
<b>NEUTRAL</b>				
	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
	Ameresco	AMRC	AMRC US	Julien Dumoulin-Smith
	American Electric Power	AEP	AEP US	Julien Dumoulin-Smith
	Bloom Energy	BE	BE US	Julien Dumoulin-Smith
	ChargePoint Holdings	CHPT	CHPT US	Cameron Lochridge
	Constellation Energy Corp	CEG	CEG US	Paul Zimbardo
	Emera Inc	YEMA	EMA CN	Dariusz Lozny, CFA
	Essential Utilities	WTRG	WTRG US	Julien Dumoulin-Smith
	Evergy, Inc	EVERG	EVERG US	Julien Dumoulin-Smith
	Exelon	EXC	EXC US	Paul Zimbardo
	Generac Holdings Inc.	GNRC	GNRC US	Julien Dumoulin-Smith
	Idacorp	IDA	IDA US	Paul Zimbardo
	Maxon Solar Technologies	MAXN	MAXN US	Julien Dumoulin-Smith
	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
	OGE Energy Corp	OGE	OGE US	Julien Dumoulin-Smith
	Ormat Technologies	ORA	ORA US	Julien Dumoulin-Smith
	Pinnacle West	PNW	PNW US	Julien Dumoulin-Smith
	Southern Company	SO	SO US	Julien Dumoulin-Smith
	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



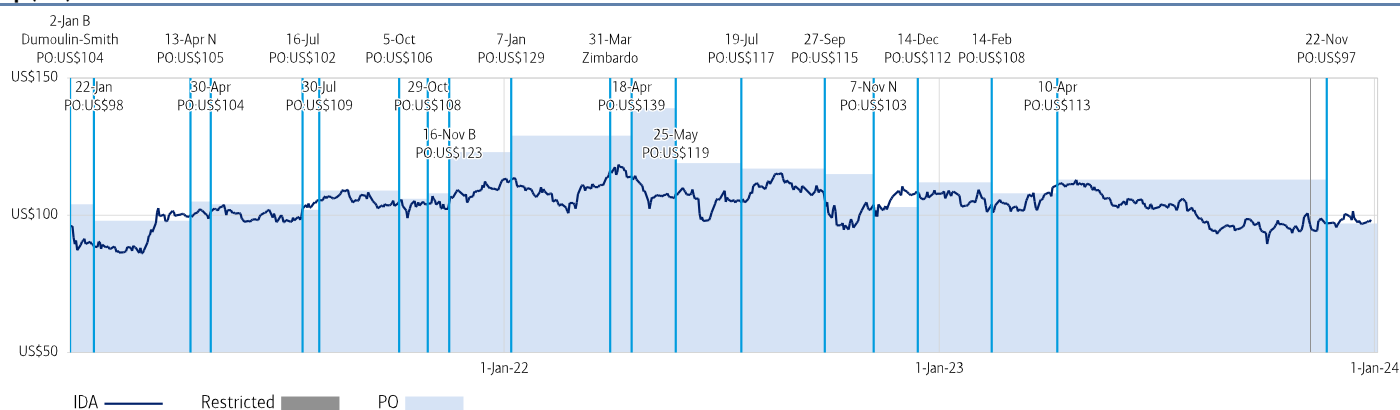
## North America - Utilities and Alt Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	WEC Energy Group Inc	WEC	WEC US	Julien Dumoulin-Smith
<b>UNDERPERFORM</b>				
	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
	FirstEnergy	FE	FE US	Julien Dumoulin-Smith
	Fortis	YFTS	FTS CN	Dariusz Lozny, CFA
	Fortis Inc	FTS	FTS US	Dariusz Lozny, CFA
	FREYR Battery	FREY	FREY US	Julien Dumoulin-Smith
	FTC Solar	FTCI	FTCI 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
	ONE Gas, Inc.	OGS	OGS US	Julien Dumoulin-Smith
	SolarEdge Technologies	SEDG	SEDG 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
	UGI Corp.	UGI	UGI US	Julien Dumoulin-Smith

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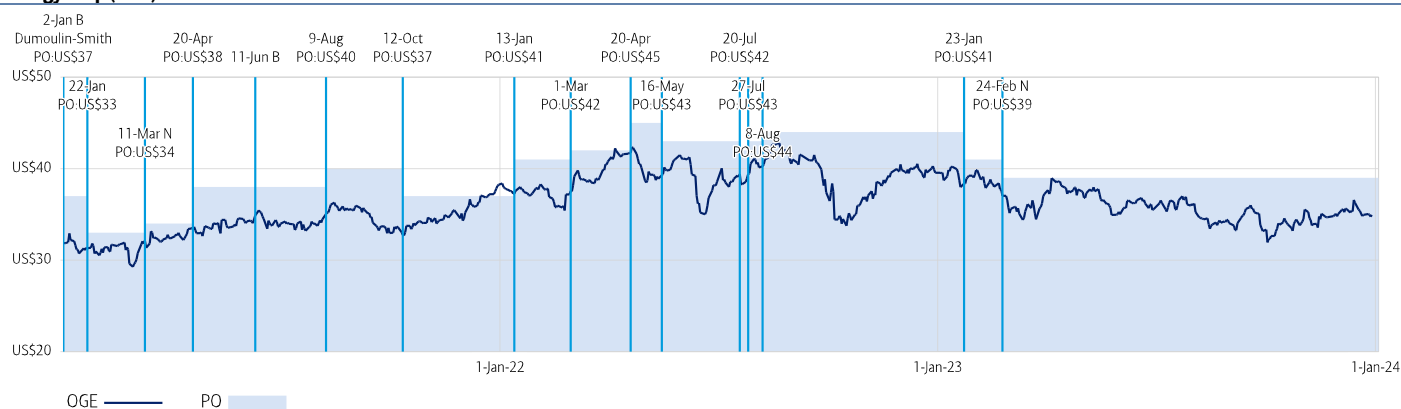
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## Idacorp (IDA) Price Chart



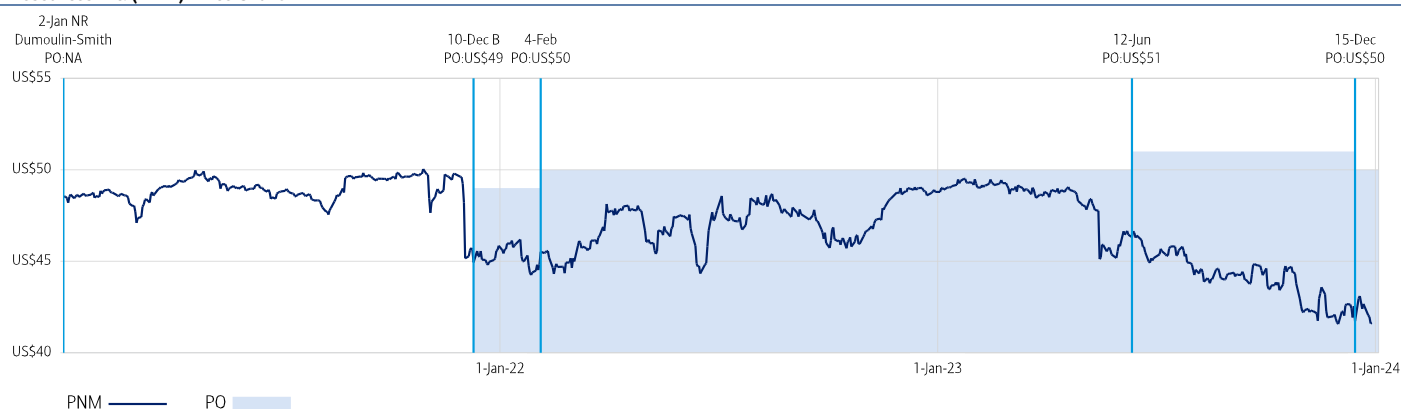
B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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**OGE Energy Corp (OGE) Price Chart**

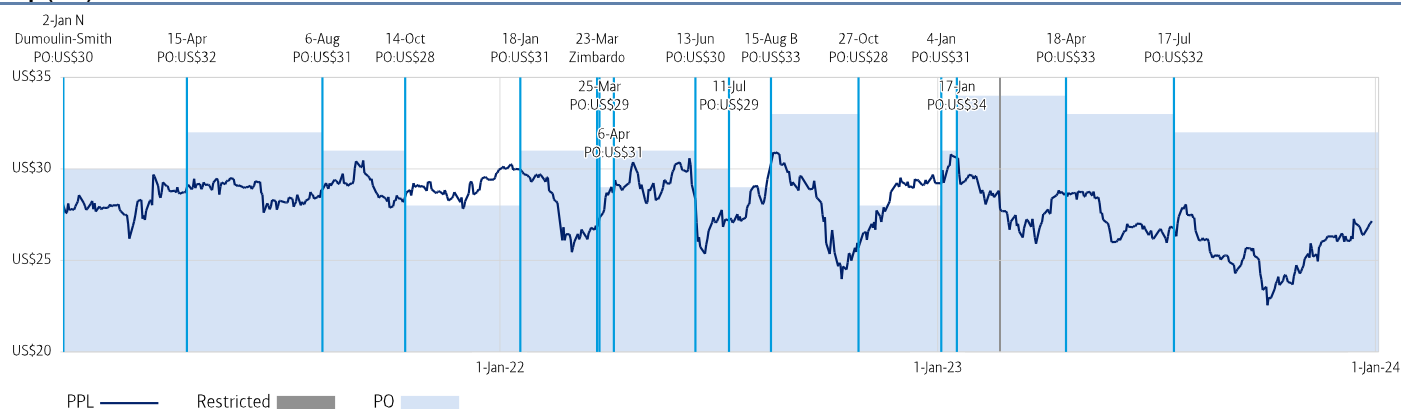
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**PNM Resources Inc. (PNM) Price Chart**

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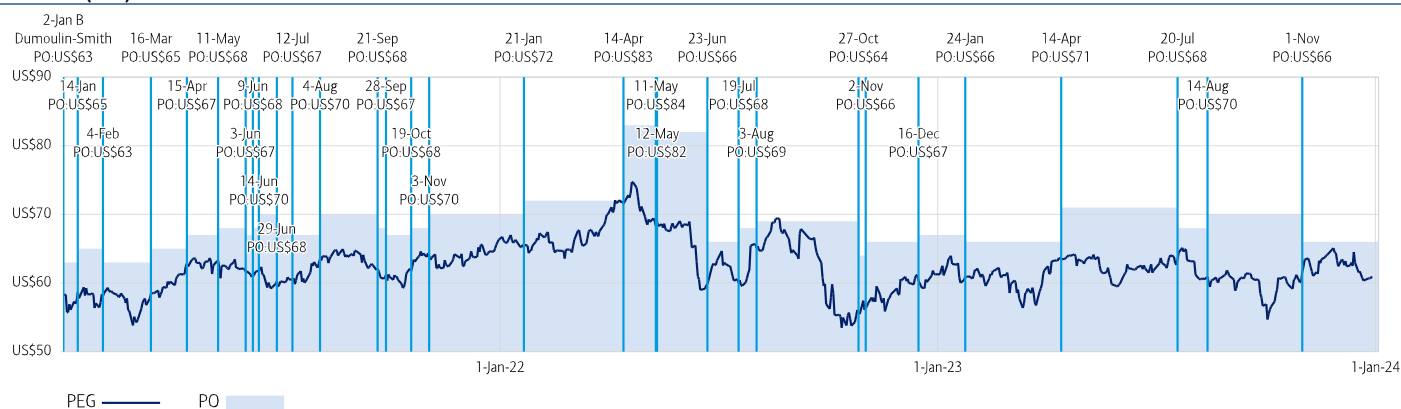
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**PPL Corp. (PPL) Price Chart**

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## Public Service (PEG) Price Chart



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## Equity Investment Rating Distribution: Utilities Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	72	46.45%	Buy	52	72.22%
Hold	45	29.03%	Hold	32	71.11%
Sell	38	24.52%	Sell	21	55.26%

## Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships <sup>R1</sup>	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

<sup>R1</sup> 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.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster <sup>R2</sup>
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

<sup>R2</sup> 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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