BofA SECURITIES

US Utilities & IPPs

PowerPoints: NI guide up, ETR/FTS beats, EXC/OGS in-line, SR/AVA guide down, LNT

Industry Overview

02 August 2023

Equity
United States
Utilities

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O&M: operations and maintenance

NI: 2Q in line with expectations, FY guidance increased

NiSource (NI) reported 2Q23 non-GAAP EPS of $0.11, in line with our/Consensus expectations for $0.12/0.11 and down slightly from $0.12 last year. New rates and capital programs for the gas utility contributed +$60.5Mn revenue increase vs. our estimate for $58.2Mn. On the negative side, lower customer usage drove an $11Mn YoY drag ($3.2Mn for gas, $7.8Mn for electric) vs. our estimate for a $3Mn drag. Additionally, higher O&M YoY resulted in a $5Mn drag vs. our estimate for a $7Mn drag. For the FY, NI raised EPS guidance to the upper half of the $1.54-1.60 range, which compares favorably vs $1.58 BofA/$1.57 Consensus. Mgmt. also reaffirmed the non-GAAP EPS growth target of 6-8% through 2027 on annual rate base growth of 8-10% (2023-2027). We continue to monitor NIPSCO's (Northern Indiana Public Service Company) electric rate case, which was filed last Sept. and achieved settlement in Mar. NI continues to expect a final order from the IURC (Indiana Utility Regulatory Commission) this month, with rate steps beginning in Sept. 2023 and Mar. 2024. The sale of NI's minority stake in NIPSCO remains on track to close by YE, with a definitive agreement reached with Blackstone Infrastructure Partners in June. NI did indicate modest changes to expected costs and timelines for renewable investments in Indiana – details in the full report.

EXC: In-line print with LT targets maintained

Exelon Corp (EXC) reported $0.41 2Q23 EPS, in-line with $0.41 Street and slightly above $0.40 BofA. $0.34 GAAP EPS included -$0.05 ($46Mn pre- and post-tax "SEC Matter Loss Contingency") and is a cash item that would need to be financed long-term. The SEC investigation was previously disclosed, and it did not appear that a loss contingency was reflected before this new 2Q23 charge. 2Q23 delta versus BofA was driven by +$0.01 lower unfavorable weather at PECO Energy (PECO) and +$0.01 lower unfavorable weather at Delmarva. EXC reaffirmed $2.30-$2.42 FY23 adjusted operating earnings and 6-8% 2021-2025 EPS CAGR / 6-8% 2022-2026 CAGR with expectation to be at or above midpoint of the CAGR range. Importantly the full matrix of segment-by-segment annual "key modeling drivers and assumptions" was fully unchanged. Unfavorable weather is a -$0.07 YoY driver 1H23 with -$0.03 unfavorable weather 2Q23 at PECO. Management was able to clearly identify offsets for 1Q23 weather and with reaffirmed FY23 EPS guidance we expect the same ability to flex O&M as needed to maintain the ability to achieve the guidance midpoint. Continuing a utilities 2Q23 theme, weather adjusted sales volumes were generally weak YoY with ComEd -3%, BGE/Pepco/ACE -2%, and PECO -1%; however, DPL electric was a bright spot +2%. The 2Q23 earnings update was fairly in-line with the new $46Mn SEC matter cash items a small negative although it does reduce prospective uncertainty. *We maintain Buy on shares of EXC given the above-average earnings growth trajectory which is backstopped by multi-year investment plans.*

Please see the full report for more on NI, ETR, SR, FTS, AVA, and OGS.

Timestamp: 02 August 2023 11:14AM EDT

NI: Solar development shuffles (Cont.)

In the 2Q23 slide deck, NI's investment in four BTA (build and transfer) projects were indicated to be above the prior stated targets, though total expected BTA project costs remain at $2.0-2.2Bn. The projects sum to $2,075Mn vs $2,025Mn as of 1Q23. In addition, NI entered into three new power purchase agreements (PPAs): Appleseed Solar, Templeton Wind, and Carpenter Wind. The $230Mn+ Gibson Solar was converted to a BTA. The changes come after mutual termination of Brickyard Solar, Greensboro Solar + Storage, and Gibson Solar PPAs and the $180Mn+ Elliott Solar BTA. In the 10Q, NI indicated changes in MISO's (Midcontinent Independent System Operator) resource adequacy construct, cost pressured, and development delays spurred the contract terminations.

The 2Q23 update with favorable FY23 guidance shift up was a small positive. We will be closely watching for a capital expenditure outlook refresh with the 3Q/Edison Electric Institute (EEI) update this Fall with net upside to rate base and earnings. We maintain Buy on shares of NI where we see the key ingredients for further positive re-rating after the minority stake sale and consistent execution.

NiSource Inc: Improving Outlook: Best Sale of Year, More Capex to Come, Reit Buy 21 June 2023

ETR: Strong 2Q on weather offsets helps de-risk 2H23

Entergy Corp (ETR) reported $1.84 2Q23 EPS well-above $1.63 BofA / $1.68 Street. Delta versus BofA was driven by more favorable 2Q23 weather (+$0.07 versus +$0.02 BofAe), +$0.17 better than expected 'Other O&M savings' and +$0.16 higher 'other income' versus BofA. This was offset by -$0.21 higher Parent drag and -$0.06 higher income taxes. Better than normal weather (+$0.07 vs. normal) during 2Q23 offsets portion of -$0.22 1Q23 weather headwind. Unfavorable weather is -$0.15 YTD headwind. We flag that despite weather +$0.07 versus normal in 2Q23, ETR reported weather-adjusted sales -1% versus normal.

ETR executed on stronger than expected contribution from O&M savings and other income during 2Q23 to offset YTD weather and de-risk the FY23 earnings outlook. ETR +$0.30 YoY 2Q23 'other O&M' savings is a key driver of the 2Q23 beat versus BofA and de-risks 2H23. ETR plans +$0.70 FY23 O&M savings versus +$0.32 executed in 1H23. Recall, ETR pulled forward significant O&M spend in 3Q22, and we expect to see strong O&M savings in 3Q23 as a result. Further, +$0.21 2Q23 YoY benefit from 'other income' implies +$0.24 1H23 benefit from other income. This exceeds $0.15 full-year 'other income' benefit initially outlined during 4Q22 earnings. ETR reaffirmed $6.55-$6.85 FY23 EPS guidance.

ETR disclosed expectations for 3Q23 Entergy-Louisiana (ETR-LA, ETR subsidiary) rate case. This is in-line with management commentary earlier this year to either request formula rate plan (FRP) extension or file a rate case in LA given the current FRP framework expires in 2024. It is unclear whether a rate case filing is explicitly necessary for FRP extension or more of a formality contingency plan. Yet, we view a new LA rate case increases near-term regulatory uncertainty given the elevated regulatory volatility of late.

Further, Entergy cited that Public Utilities Commission of Texas (PUCT) decision on Entergy-Texas (E-TX, ETR subsidiary) base rate case is now expected 3Q23 versus 2Q23 prior. *We maintain Neutral on shares of ETR with near-term regulatory uncertainty balancing long-term above-average investment outlook.*

Entergy: Lots of Uncertainty into Regulatory Outlook Justifies More Subdued Outlook 19 May 2023

SR: Weak 3Q23 and FY23 guidance cut

Spire Inc (SR) reported -$0.42 fiscal 3Q23 (calendar 2Q23) net economics loss per share vs +$0.01 net economics earnings per share in the prior year. All segments net economic earnings decline YoY but the largest was for the core gas utilities -$16.5Mn and "Other" -$2.6Mn. At the utility, contribution margin declined -$2.5Mn with Missouri +$4Mn, Alabama -$5Mn ("ineffective weather normalization" and regulatory timing), and Gulf was -$2Mn on lower residential usage. Higher Other net economic loss was due to additional interest and corporate expenses. Spire attributed the quarterly results to (1) higher costs; (2) regulatory timing; (3) unfavorable weather; (4) weaker unregulated marketing & midstream performance from unfavorable market backdrop. Short-term borrowings favorably declined to $558Mn at 6/30/23 from $1038Mn at 9/30/22. The FY23 capex target was unchanged at $700Mn with +$20Mn utility spending and -$20Mn storage spending shifted to FY24.

Spire moderated its FY23 net economics earnings guidance -$0.05 to $4.15-$4.25. This included a -$5Mn gas utility segment adjustment which would represent ~$0.09 EPS before other mitigation. On May 3rd Spire increased and narrowed FY23 guidance to $4.20-$4.30 following increasing FY23 guidance +$0.10 previously to $4.15-$4.35 from $4.05-$4.25 on February 1st. While FY24 guidance was not provided, the company stated that the natural gas utilities are "positioning for a rebound in FY24". **On the earnings call when asked about a base for growth and FY24 expectations, management discussed ongoing challenges from higher interest rates that are expected to persist for longer than anticipated.**

Despite reducing FY23 guidance, management reaffirmed its commitment to its long-term 5-7% net economic earnings per share CAGR. The previously disclosed base for the guidance was $4.15 original $4.05-$4.25 FY23 guidance midpoint; the earnings release and presentation did not state a base for the long-term growth target. On the conference call management stated that the $4.15 base is still valid. FY23 common and hybrid equity target increased to $154Mn from $52Mn, FY24 increased to $50-$100Mn (+$25Mn), and FY25 $0-$50Mn was unchanged. FY24 net debt plans increased to $75-$100Mn from $0-$100Mn. The additional financing was expected after the midstream acquisition announced intra-quarter. *We maintain Underperform on shares of SR after the weak 3Q23 results and FY23 guidance moderation. We look for continued progress on the balance sheet metrics, resolution of the management succession plan, and details of any further utility acquisitions plans to get more constructive on the outlook ahead.*

FTS: Small beat with plan intact

Fortis (FTS) delivered Q2 EPS of C$0.62/sh, a penny below BofAe and above Street. Improvement over 2Q22 was well diversified with +2c contributions across Western Canadian utilities, Other Electric, and Energy Infra. Transmission contributed +1c while US Electric and Gas was dragged by -1c with mild weather at UNS' Arizona footprint the main driver. Foreign exchange was a +2c improvement as expected. FTS does not have annual or long-term EPS guidance but reiterated its goal of growing the dividend by 4-6%. Regulatory commentary was limited with the company stating on the earnings call that it hopes the Arizona commission considers a generation rider, which was opposed by staff and in the recommended order. *Maintain Underperform on FTS where the valuation is relatively expensive vs peers with similar financial profiles.*

AVA: 2Q23 beat but lower-in-range

Avista Corp (AVA) reported $0.23 2Q23 adjusted, a beat vs $0.16 BofA/Consensus. Electric utility margin was +$0.14 YoY along with +$0.07 income taxes YoY (-50% negative effective tax rate) that contributed to the outperformance vs our expectations. Management reaffirmed its 2023 EPS guidance of $2.27 to $2.47 with Avista Utilities contributing to the range of $2.15 to $2.31. However, the company expects to be in the lower end of utility and consolidated guidance ranges, given higher costs under the Energy Recovery Mechanism (ERM) with record mild temperatures in May, and lower hydro generation partially offsetting increased electric and gas utility margin associated with general rate cases and customer growth. AVA sees higher contribution in utility margin in the third and fourth quarters of 2023. 2H23 corporate & other is guided to be higher in 2H23 to recover from 1H23 losses recorded.

The company is planning to invest $509mm in capex in 2023 that includes $475m in utilities, $19m in AEL&P and $15m in other businesses. AVA does not expect to issue any further debt in 2023 but expect to issue another $60m in equity in-addition to $60m issued in 1H23.

We maintain Underperform on shares of AVA after the 2Q23 update with weaker FY23 guidance. We continue to view shares as relatively expensive given the regulatory uncertainty.

OGS: In-line quarter, FY guide reaffirmed; favorable regulatory update

ONE Gas (OGS) reported 2Q23 results essentially in line with Consensus, with EPS coming in at $0.58 vs. the Street at $0.59. Quarterly performance was positively impacted by new rates (+$14.1Mn) and customer growth in Oklahoma and Texas (+$1.1Mn). These tailwinds were partly offset by higher employee-related costs (-$6.7Mn) and unfavorable weather (-$1.7Mn). For the full year, mgmt. reaffirmed EPS guidance of $4.02-4.26, which compares to Consensus at $4.13 and our estimate of $4.11. Capital expenditures are still expected to be $675Mn for the year. From a regulatory perspective, OGS noted several key developments of late. In July, the Oklahoma Corporation Commission (OCC) approved a Performance-Based Rate Change settlement calling for a revenue increase of $26.3Mn (original ask was for $27.6Mn), a $2.5Mn energy efficiency incentive (original ask was for $2.5Mn) and a $12.6Mn excess deferred income tax credit (EDIT) credit (original ask was for $11.9Mn). The new rates took effect June 29, 2023. In June, the Railroad Commission of Texas (RRC) approved a Gas Reliability Infrastructure Program (GRIP) filing requesting an $11.5Mn revenue increase, with new rates going into effect in June 2023. In March, an additional GRIP was approved by the RRC for a $7.3Mn revenue increase (original ask was for $7.4Mn) after opposition from certain municipalities, with new rates going into effect in June 2023. Lastly, in June, a rate case filing was made by Texas Gas Service requesting a $9.8Mn revenue increase, with new rates expected to take effect in late-2023 or early-2024. *Maintain Neutral on shares of OGS which trade at approximately fair value.*

LNT: Partial advance ratemaking settlement

Alliant Energy (LNT) announced that it has reached a non-unanimous settlement with the Office of the Consumer Advocate (OCA) for its proposed 400 MW of solar build in the state, including projects at the former Duane Arnold site as well as Creston and Wever. The 75 MW of battery storage are not included in the settlement, nor did the two other parties Iowa Business Energy Coalition (IBEC) and Large Energy Group (LEG) sign on. The settlement includes a 10.75% ROE which is a premium to 10.02% for LNT's other Iowa rate base investments. The cost target of $735m implies $1875/kW which is consistent with the revised cost projections that the company requested and embeds in its capital plan. The partial settlement is a clear positive, particularly as it should allow LNT to achieve a premium ROE which had not been included in the initial application. The settlement is being discussed at a commission hearing today, which should be a key data point as two of three commission seats have turned over this year. *Maintain Buy on LNT on valuation and premium defensive characteristics.*

[Alliant Energy Corp: Upgrade to Buy: Regulatory clouds parting in the Midwest 6/26/233]

Exhibit 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
NI	NI US	NiSource Inc	US$ 27.48	B-1-7
EXC	EXC US	Exelon Corp	US$ 41.47	B-1-7
ETR	ETR US	Entergy Corp.	US$ 101.17	B-2-7
SR	SR US	Spire	US$ 62.05	B-3-7
FTS	FTS US	Fortis	US$ 41.8	A-3-7
AVA	AVA US	Avista Corp	US$ 37.51	B-3-7
OGS	OGS US	ONE Gas, Inc.	US$ 78.03	B-2-7
LNT	LNT US	Alliant Energy Corp	US$ 53.3	A-1-7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk

Alliant Energy Corporation (LNT)

Our $58 PO is based on a sum of the parts analysis employing relative premium and discounts to the large cap regulated peer multiple of 15.8x 2025E P/E. We note that electric peer P/E multiple is grossed up for a year by 5% to reflect capital appreciation across the sector. We apply a 1.0x P/E premium on IPL as we see the rate case overhang being resolved. We apply a 1.0x P/E premium on Wisconsin Power & Light Company reflecting 1) low risk investment nature of the state, 2) above average ROEs, 3) higher than average growth runway for investments, and 4) potential risks around solar deployment in both WI and IA. At ATC, we reflect a 4.0 x P/E premium on LNT's 16% share in the transmission company. Growth expectations for this segment are high, paired with above average ROEs that we believe face less downward pressure vs. regulated state distribution ROEs. We apply an in line multiple at the parent to account for the blend of numerous businesses some which benefit from long term stable PPAs via intercompany generation. Risks to our Price Objective are: 1) rate case outcomes, 2) further equity dilution beyond our estimates, 3) interest rate fluctuations, 4) natural disasters, and 5) inflation and ability to earn the allowed rate of return

Avista (AVA)

Our $39 PO is based on our 2025E sum-of-the-parts (SOTP) analysis, based on the electric group multiple of 16.6x for electric and 17.0x for gas. Both electric and gas peer P/E multiples are grossed to reflect the group's 5% CAGR to reflect capital appreciation across the sector. We then use a blended electric and gas multiple of approximately 80% and 20%, respectively, for AVA's WA and ID jurisdictions given the composition of its rate base. We apply a -2x discounts to WA, ID, and OR to capture below average-growth, inconsistent execution, and regulatory uncertainty. We apply the gas multiple to its OR jurisdiction as it is entirely comprised of natural gas distribution assets. We apply an electric multiple to its Alaska subsidiary, AEL&P, as it is a vertically integrated electric utility. The Corporate & Other segment is valued with (1) a utility P/E multiple on the HoldCo expenses, (2) fully offset by the disclosed fair market value of other assets & investments.

Risks to achievement of the price objective are changes in: 1) regulatory, political, and legislative, 2) interest rates and commodities, 3) wildfires and natural disasters, 4) phase-out of natural gas, 5) capital expenditures, 6) debt and equity needs, 7) credit ratings, 8) clinical trials, and 9) other investments.

Entergy (ETR)

Our $107 Price Objective is based on a sum-of-the-parts analysis. The 2025E electric utilities average P/E of 15.8x is grossed-up +5%, to reflect capital appreciation across the sector. We apply -1x discounts to Arkansas, Mississippi, and SERI to reflect elevated regulatory uncertainty and the below-average credit rating versus peers for consolidated Entergy. We value Louisiana at a -2x discount, consistent with the treatment for American Electric Power, due to even higher regulatory volatility than other jurisdictions. We net out 50% of the parent HoldCo long-term debt and apply a P/E multiple to 50% of the interest expense.

Positive and negative risks to achievement of our Price Objective are: (1) regulatory, political, and legislative changes, (2) natural or nuclear disasters including hurricanes, (3) ability to deploy capital expenditures consistent with guidance, (4) earned rates of returns at the jurisdictions, (5) interest rates fluctuations, (6) equity issuances relative to management's forecast and access to capital markets, (7) pension and nuclear decommissioning fund performance and (8) costs and operational volumes at the remainder of the wholesale commodity subsidiary.

Exelon (EXC)
Our $46 PO is based on an sum of the parts valuation. Our base electric peer 2025 P/E multiple of 15.8x is grossed up for a year by 5% to reflect capital appreciation across the sector. We apply an in-line multiple across EXC utilities ComEd, PECO, BGE, PHI with above-average growth prospects and below average risks counterbalanced but non-linear growth and inconsistent execution.

Risks to achievement of the rating and price objective include: 1) Adverse regulatory, political, and legislative outcomes, 2) inability to deploy the guided capital expenditures, 3) equity needs that differ from guidance, 4) storms and other natural disasters, 5) inability to control operating costs, 6) changes in effective tax and interest rates, and 7) changes in credit rating agency metric requirements.

Fortis (YFTS;A-3-7;C$55.55)/ FTS)
Our C$53 (US$40) PO is based on our sum of the parts methodology. We assign a 2025E forward base peer P/E multiple of 16.1x to the US utility business with a further applied discount of -1.0x for UNS Energy (AZ) to reflect regulatory risk, a 3.0x premium for ITC for long-term expansion investment opportunities, and in-line Central Hudson (NY) .

For Canadian utilities, we assign a base peer 2025E P/E multiple of 15.9x. Lower ratebase growth profiles and generally lower authorized equity layers/ROEs, paired with a more challenging regulatory environment, will continue to warrant a discount to US peers, in our view.

At Caribbean utilities, we apply 60% ownership share to the publicly listed subsidiaries' current market cap.

We assign an 6.0x 24E EV/EBITDA multiple to FTS's non-regulated segment seeing the contracted nature of its non-regulated segment positively offset lower growth opportunities. We account for FX upside based on current spot prices

Upside risks are: 1) favorable regulatory outcomes, 2) improvement in USD/CAD exchange rate, 3) performance at the unregulated Fortis Energy segment which largely depends on Belize Hydro and moves directionally with seasonal rainfall.

Downside risks are: 1) unfavorable regulatory outcomes, 2) regulatory lag and overall inability to achieve the allowed ROEs, 3) deterioration in USD/CAD exchange rate, and 4) dilution from additional equity to strength credit ratings

NiSource Inc (NI)
Our $31 PO is based on a sum of the parts valuation. We value each gas and electric utility separately using 2025 forward P/E multiples that are marked-to-market to the

latest peer utility multiples of 15.8x for gas and 15.8x for electric. Consistent across our coverage universe, the base electric & gas peer P/E multiples are grossed up by +5% to reflect capital appreciation across the sector. We utilize a +1x premium for NIPSCO Gas/Electric due to generally constructive regulatory outcomes. We subtract the value of excess holding company debt at the parent not supporting the utility subsidiaries.

Positive and negative risks to our Price Objective are changes in 1) regulatory, political, and legislative outcomes, 2) ability to execute on capital expenditure plan, 3) inflation, operating expense, and interest rates as they influence earned rates of return, 4) customer count and load growth, 5) commodities, 6) natural disasters, 7) pension plan returns, 8) equity and asset sale needs.

ONE Gas, Inc. (OGS)
We use a sum-of-the-parts analysis to calculate our $80 price objective for OGS, applying a FY25E Gas LDC peer multiple of 16.0x (grossed up by 5% to reflect capital appreciation across the space). We use a 1x premium to the group for TX to reflect the constructive regulation and growth trends. We apply in-line multiples for Kansas and Oklahoma.

Upside and downside risks are: 1) political, regulatory, and legislative changes, 2) capital expenditures, 3) inflation and operating costs, 4) commodity prices, 5) pandemics, natural disasters, and weather, 6) policy changes for natural gas investments.

Spire (SR)
Our $66 PO for SR is based on a sum-of-the-parts analysis. Consistently across our coverage universe we apply the peer gas 2025 P/E multiple (16.8x) as a starting point and 'gross-up' by five percent to account for growth across the sector. We include a 3x discount for Missouri given a less-constructive regulatory environment and an in-line multiple for Mississippi/Gulf and AL assets given their location and de-risked nature. For the midstream assets, we use a base 9.5x EV/EBITDA multiple with a 4x discount for storage given uncertainty, and a 2x discount for marketing due to volatility. We weight STL pipeline as 75% in our valuation given uncertainty with the pipe's future.

Upside risks: 1) favorable regulatory and/or legislative outcomes, 2) lower interest rates, 3) ability to earn the regulatory allowed rate of return, 4) lower equity needs, 5) higher capital expenditures, 6) Favorable FERC ruling on STL pipeline commercial operations, and 7) favorable unregulated performance.

Downside risks:
1) adverse regulatory and/or legislative outcomes, 2) higher interest rates, 3) inability to earn the regulatory allowed rate of return, 4) higher equity needs, 5) lower capital expenditures, 6) unfavorable ruling from FERC on STL pipeline commercial operations, and 7) natural disaster

Analyst Certification

We, Julien Dumoulin-Smith, Dariusz Lozny, CFA 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
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
	Maxeon Solar Technologies	MAXN	MAXN US	Julien Dumoulin-Smith
	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
	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
	Hannon Armstrong	HASI	HASI 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

North America - Utilities and Alt Energy Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Pinnacle West	PNW	PNW 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
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
	Evergy, Inc	EVRG	EVRG 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

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Important Disclosures

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

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	84	61.76%	Buy	65	77.38%
Hold	28	20.59%	Hold	20	71.43%
Sell	24	17.65%	Sell	15	62.50%

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.

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

[R2] 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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