



Annual Utility Decarbonization Report 2022

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SECTION 01

Preface

The Next Generation of Energy

Clean energy technologies are central to limiting the impacts of climate change as the world shifts away from emissions-intensive energy sources.

Embracing clean energy alternatives means fundamentally changing the way we produce and consume energy—in all its forms.

While electric power has been pivotal to our growth as a society, the industry is one of the largest contributors to global greenhouse gas (GHG) emissions. Decarbonization is the reduction and eventual removal of GHG emissions resulting from human activities, including the generation of electricity. It can be achieved by switching from fossil fuels to low-carbon energy sources across all sectors.

From the transportation and manufacturing sectors to households and offices, all cogs of the economy rely on electric power to operate and produce goods and services.

Therefore, decarbonizing the generation of electricity can simultaneously help reduce emissions from all adjacent industries. Electric utilities have a powerful opportunity to not only enable but also spearhead decarbonization at an economy-wide level. And even though utilities have been making strides to decarbonize for decades, dramatically reducing emissions in the next decade to reach net-zero by 2050¹ will take a paradigm shift.





The State of Decarbonization

While the ecological, economic, and social risks of human-caused climate change are well established, the solutions are still taking shape. In collaboration with Visual Capitalist, the National Public Utilities Council (NPUC) has developed the 2022 Annual Utility Decarbonization Report, serving as a comprehensive and viable ranking system for public utilities that will drive the decarbonization conversation forward.

The report uses data-driven analysis to provide utilities, administrators, investors, and utility customers an insight on the status of decarbonization among U.S. utilities.

More specifically, the report highlights the decarbonization progress and efforts of the 30 largest investor-owned utilities (IOUs) in the United States. Based on these utilities' overall progress, they have been assigned a score between 1 (lowest) and 5 (highest), indicating whether they are trailing or leading in decarbonization respectively.

The decarbonization score is based on six individual metrics relating to factors such as the utility's fuel mix, amount of CO₂ emissions, and the intensity of emissions per unit of electricity, in addition to their decarbonization targets.

This report also sheds light on the obstacles that utilities face on their road to decarbonization,

and provides adaptable alternatives over the short- and long-term to help ease the transition to cleaner sources of energy.

It illustrates the power of collaboration and enterprise in developing business-led solutions, as well as the role of utilities in advancing decarbonization.

Through the knowledge, enthusiasm, and willingness of industry leaders, the NPUC intends to bring significant change to practices within the electrical power sector, leading to decreased GHG emissions, informed policies on both the state- and federal-levels, and a sustainable ecological economy.