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S&P: U.S. Electric Cooperative Utilities' Decarbonization Initiatives Improve Some ESG Risk Attributes

Key Takeaways

- Several carbon-intensive electric cooperative utilities are adopting decarbonization strategies.
- We believe decarbonization initiatives could reduce the environmental exposures we associate with utilities' environmental, social, and governance (ESG) attributes.
- When considering ESG risks, our view of a utility's health and safety characteristics will likely improve with decarbonization, but the costs consumers might bear could create affordability issues that add to social risks.
- We believe that adopting decarbonization strategies reflects positive governance attributes.
- Whether due to size, the composition of their generating fleets, or their customers' income levels, some utilities will face significant hurdles that could frustrate decarbonization efforts.

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