

Electric Utilities Search for Customer Buy-In on Sustainability Amid Widespread Environmental Pessimism, J.D. Power Finds

Energy Affordability Far Outranks Sustainability as Top Customer Concern

TROY, Mich.: 31 July 2024 – With the average electricity rate in the United States up nearly 3%¹ and the cost of summer season cooling costs projected to rise 8%² this year, the nation’s residential and business electric utility customers are far more concerned with energy prices than they are with sustainability initiatives. According to the J.D. Power 2024 Sustainability Index,SM released today, just 21% of electric utility customers are even aware of their electric utility’s carbon reduction initiatives, despite that 80% of U.S. utility customers are served by a utility with a 100% carbon reduction target.³ Customers are nearly three times more likely to list “energy prices” than “environmental issues” as their most important energy-related issue.

“Electric utilities need buy-in from customers on sustainability targets to justify rate cases, garner support for infrastructure projects and drive the kind of consumer usage and behavioral changes needed to achieve sustainability goals,” said **Andrew Heath, vice president of utilities intelligence at J.D. Power**. “But the lack of awareness of these initiatives and the large amount of pessimism surrounding climate change is creating an uphill battle. If utilities are going to build the customer support and participation required to reach their goals, they need to find ways to effectively communicate the goals and benefits of their clean energy strategy.”

Following are some of the key findings of the 2024 index:

- **Awareness of sustainability efforts increases slowly:** Overall, just 21% of electric utility customers are aware of whether their utility has declared a goal to eliminate greenhouse gas emissions, up from 19% in 2023. The overall sustainability score for electric utilities evaluated in the study—which is based on customer awareness, engagement and advocacy for their local utility’s climate initiatives—is 32 (on a 100-point scale), up 5 points from 2023.
- **Affordability outpaces sustainability as most important customer issue:** When asked what the most important energy-related issue facing their family/business is, 18% of respondents say energy prices, compared with 6.4% who say environmental issues.
- **Widespread pessimism about ability to address climate change:** More customers are becoming pessimistic, with 21% now stating that either “nothing” or “very little” can be

¹ U.S. Bureau of Labor Statistics Average Energy Prices for the United States
https://www.bls.gov/regions/midwest/data/averageenergyprices_selectedareas_table.htm

² 2024 NEADA Summer Cooling Outlook
<https://neada.org/#:~:text=The%20financial%20burden%20to%20families,and%20the%20Center%20for%20Energy>

³ SEPA Utility Carbon-Reduction Tracker™. Smart Electric Power Alliance (SEPA). Retrieved July 25, 2024, from
<https://sepasandbox.wpengine.com/utility-transformation-challenge/utility-carbon-reduction-tracker>

done to mitigate the problem. Meanwhile, fewer customers say climate change is “serious” or “very serious,” down to 51% from 53% in 2023.

- **Customers skeptical that their utility will reach its clean energy goal:** On average, only 28% of customer say their local electric utility will reach its clean energy goal. Most customers believe the goal will not be achieved and many say they don’t know. There also are large differences between utilities: top performers have more than 35% of customers stating the goal will be achieved, whereas some have less than 25%.
- **Highest-scoring utilities:** The **L.A. Department of Water & Power** (39) and **Sacramento Municipal Utility District** (39) each have the highest score. Other top performers include **NextEra Energy** (38) and **Con Edison** (38).

The J.D. Power Sustainability Index evaluates electric utility customer awareness, support, engagement and advocacy for their local utility’s climate sustainability programs and goals. The index applies to the 35 largest U.S. electric utility companies and cities, each serving 500,000 or more residential customers and is based on responses from 73,255 business and residential electric utility customers and was fielded from June 2023 through May 2024.

Following is the full list of electric utility companies and cities that were evaluated, along with their index score:

Utility	2024 Sustainability Index Score
L.A. Dept. of Water & Power	39
Sacramento Municipal Utility District	39
NextEra Energy	38
Con Edison	38
Edison International	37
Southern Company	37
DTE Energy	37
Salt River Project	36
Puget Energy	35
Portland General Electric	34
CPS Energy	34
Dominion	34
Exelon	34
Pacific Gas and Electric	33
CMS Energy	33
Duke Energy	33
Xcel Energy	32
Emera	32

Sempra Energy	32
Entergy	32
Pinnacle West	32
Ameren	31
Berkshire Hathaway Energy	31
PSEG	31
National Grid	31
Duquesne Light	30
PPL Corporation	29
Alliant Energy	29
OGE Energy Corp.	28
Evergy	28
Eversource	28
AEP	27
WEC Energy Group	27
FirstEnergy	25
Avangrid	24

For more information about the J.D. Power Sustainability Index, visit <https://www.jdpower.com/business/sustainability-certification-program>.

See the online press release at <http://www.jdpower.com/pr-id/2024075>.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 55 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit JDPower.com/business. The J.D. Power auto-shopping tool can be found at JDPower.com.

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