

## Utility Greenwashing in Websites and Investor Reports

It is well known that fossil fuel companies are fighting the clean energy transition. What many do not realize is that major electric utilities are also actively preventing this transition by pouring millions of dollars into efforts to maintain a positive, pro-renewable energy public image, while continuing to rely heavily on fossil fuels and funding anti-renewable energy efforts.<sup>1</sup>

To better understand how utilities are promoting a clean energy image that is inconsistent with their actual investments in new clean energy resources (i.e., greenwashing), we reviewed 20 major utilities' websites and investor reports in 2018 for images and keywords related to any energy sources. We found that:

- Across all utility websites, clean energy (wind, water and solar) images outnumbered fossil fuel images 2-to-1. Solar images alone outnumbered all fossil fuel power images.
- Across all annual reports, clean energy images outnumbered fossil fuel images nearly 4-to-1.
- Across all sustainability reports, clean energy images outnumbered fossil fuel images nearly 6-to-1.

Although we did not do a thorough review of advertisements, we did find some examples of utility greenwashing via advertising:

- Duke Energy multimedia gallery hosts [video advertisements](#) stating: "Watch how we're ushering in a clean energy transformation and providing access to more renewable energy choices."
- NextEra and Florida Power and Light host [TV ads](#) espousing a clean profile featuring solar, wind, and energy efficiency.

### Why Utility Greenwashing Matters

The United States is not transitioning off fossil fuels quickly enough to address the climate crisis, and many utilities are slowing progress while gaslighting customers.

- The U.S. electricity mix is (as of 2018)<sup>2</sup>:
  - 63.5% fossil fuels
  - 19.3% nuclear
  - 15.2% wind, water, solar

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<sup>1</sup> See Anderson, D., M. Kasper, and D. Pomerantz. (2017). *Paying for Utility Politics: How utility ratepayers are forced to fund the Edison Electric Institute and other political organizations*, Energy and Policy Institute. Available at <https://www.energyandpolicy.org/wp-content/uploads/2017/05/Paying-for-utility-politics-ratepayers-funding-the-Edison-Electric-Institute.pdf>.

<sup>2</sup> U.S. Energy Information Administration. What is U.S. electricity generation by energy source? Available at: <https://www.eia.gov/tools/faqs/faq.php?id=427&t=3>

- Large-scale solar makes up 1.6%. Small-scale solar is not included in this total, but accounts for the equivalent of about 1%.
- 1.5% biomass
- 0.4% geothermal

According to a recent [report](#) by the Energy and Policy Institute, many of the largest investor-owned utilities are planning to slow down their decarbonization efforts over the next decade compared to the previous one. This is unacceptable.

## Background

To keep climate change to 1.5 degrees Celsius, the U.S. electricity system must transition to one largely reliant on renewables by 2030. The hard truth is that we have a long way to go in the next 10 years, especially as electricity needs increase to meet the demands of electric vehicles. Clean electricity generation currently makes up less than 16 percent of our electricity mix, and utilities are locking in plans for fossil fuel power that far exceed the level safe to meet the 1.5 degree target.<sup>3</sup>

Utilities and fossil fuel companies have known about climate change and its projected harms to people and the environment since the 1960s yet have consistently funded climate denial, resisted clean-air and water regulations, and actively fought efforts to build up renewable energy markets through shady industry association groups.<sup>4</sup>

But utilities also realize that the public overwhelmingly supports clean energy, and thus have worked to curate a public image that takes advantage of this support. From advertisements to websites and investor reports, utilities paint the false picture that they're leading the way in supporting clean energy.

This greenwashing is dangerous. It misleads investors and ratepayers to believe that utilities are further along in investing in clean energy solutions than they actually are. It also distracts from the utilities' participation in anti-renewable-energy political actions, such as Pinnacle West's spending \$38+ million to fight a clean energy ballot measure in Arizona in 2018.<sup>5</sup> Pinnacle West also recently admitted to spending almost \$11 million to influence utility commission elections in 2014.<sup>6</sup>

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<sup>3</sup> See IPCC, "Global Warming of 1.5°C, an IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty" ("IPCC 2018"), available at <http://www.ipcc.ch/report/sr15/>.

<sup>4</sup> See Anderson, D., M. Kasper, and D. Pomerantz. (2017). "Utilities Knew: Documenting Electric Utilities' Early Knowledge and Ongoing Deception on Climate Change From 1968-2017," Energy and Policy Institute. Available at: <https://drive.google.com/file/d/0B8l-rYonMke-NG5ONVZkZVVJMG8/view>.

<sup>5</sup> Randazzo, R. (Jan 17, 2019). "APS parent company spent \$37.9M fighting clean-energy measure," Arizona Republic. Available at: <https://www.azcentral.com/story/news/politics/arizona/2019/01/17/pinnacle-west-spent-38-million-fight-arizonas-prop-127-clean-energy-measure/2595711002/>.

<sup>6</sup> Randazzo, R. (2019). "APS acknowledges spending millions to elect Corporation Commission members, after years of questions," Arizona Republic. Available at:

To evaluate the extent to which electric utilities rely on images and words related to clean energy relative to fossil fuel energy, in 2018 we examined every page of the websites and investor reports for 19 top investor-owned utilities. We reviewed and catalogued 2,364 images from 188 website pages and all annual investor and sustainability reports for the 19 utilities. We also searched key energy-related words to track how many times they appeared on each page. Our main findings include:

- Across all utilities, **clean energy (wind, water and solar) images outnumbered fossil fuel images 2-to-1**. Solar images alone outnumbered fossil fuel images.
  - Why is this significant? Solar energy makes up less than 2 percent of U.S. electricity generation.
- Duke Energy and NextEra Energy have the highest proportion of clean energy to fossil fuel energy images, with ratios of 15-to-4 (almost 5-to-1) and 6-to-1 respectively.
  - Florida Power and Light, the largest subsidiary of NextEra and a utility known for fighting solar policy, has a ratio of 6-to-0.
  - Florida Power and Light generates less than 1 percent of its electricity from renewables. NextEra's total generation data are unclear.
  - In 2017 Duke Energy utilities and infrastructure generated only 1 percent of their electricity (net output MWh) from hydro and solar, with the remainder from coal, oil, natural gas and nuclear.
  - Note: Duke Energy Renewables, a subsidiary, produces and sells wind and solar projects to other utilities and private companies as well, making up approximately 6 percent of Duke Energy's total energy produced (this does not count toward its total electricity generation portfolio).

For images in investor reports:

- Across all annual reports, clean energy images outnumbered fossil fuel images nearly 4-to-1.
- Across all sustainability reports, clean energy images outnumbered fossil fuel images nearly 6-to-1.

For keywords:

- In annual reports, mentions of fossil fuel sources actually did outweigh clean energy sources. ConEd and Dominion are the only companies whose clean energy words outweighed dirty energy words in their annual reports.
- On websites:

- PG&E really skewed results, with 236 mentions of solar/wind/hydropower out of a total of 362 across all utilities.
- NextEra also disproportionately spoke to solar/wind/hydropower, with a ratio of 15-to-4.

## Methodology

### *Determining Major Electric Utilities*

To identify the top investor-owned electric utilities in the United States, we did a search for top electric utilities and found multiple lists with electric utilities ranked by metrics such as market share, retail sales, customers and megawatts. Rankings from three lists were placed side by side and cross-referenced. All utilities that appeared on at least two of the three lists were noted, yielding a final list of 19 U.S. energy utilities to be used in the study (plus one subsidiary).

Utilities included in the review are (not in order):

1. Duke Energy
2. Southern Company
3. Exelon Corporation
4. FirstEnergy Corporation
5. American Electric Power
6. Xcel Energy
7. Entergy
8. Dominion Energy
9. PPL Corporation
10. PSEG Corporation
11. Edison International
12. PG&E
13. Consolidated Edison
14. Eversource Energy
15. DTE Energy
16. CMS Energy
17. NextEra Energy<sup>7</sup>
18. Ameren
19. Berkshire Hathaway

### *Website Search*

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<sup>7</sup> We also included subsidiary company **Florida Power and Light**, since it makes up the majority of NextEra's generation and on its own is one of the biggest utilities in the country.

The websites of all 19 utilities (and one subsidiary) on the final list were searched, identifying the webpages and sections of the website that were most representative of the company. Primary categories and investor report types were noted. Pages such as “About Us” and “Company Information” were recorded. Links to investor reports, specifically annual reports and sustainability/corporate responsibility reports, were stored for later use.

### *Image Search Overview*

For each individual company, the main corporate website was used for the purpose of cataloguing and categorizing images chosen to represent the company and its services. All webpages under tabs such as “About Us” and “Company Information” were used, including resulting sub-categories and relevant pages listed within. Thirty-one codes were created to categorize images. Codes include “solar” (including “solar PV” and “solar CSP”), “wind,” “biomass or biofuel,” “hydro(power),” “nuclear,” “fossil fuel infrastructure” (including “natural gas,” “coal,” “oil,”), “pipeline” “transportation/vehicles,” “electricity (general),” “buildings/cities,” “people” (broken down into types of employees (corporate, construction), communities, other), “nature/wildlife/greenspace,” “construction/machinery,” “technology/office space,” “grid/transmission,” “graphic,” “map graphic,” “word graphic,” “other/miscellaneous” and “unidentifiable.” A single image could be given multiple codes, based on the aspects of the photo that were most prominent and image type. Data was collected on the date that the website and images were accessed, the company name, webpage name, image number, screenshot number, appropriate categorization and URL. An additional “notes” category was included to list any relevant notes on location or categorization, as well as identification if necessary.

Images for all relevant webpages were screenshotted, assigned a screenshot number, and stored in their respective company folders by individual webpage. Images were categorized according to the context of the photo. For the sake of relevance to the study, pages containing only headshots, such as “Board of Directors,” were included in the search, though headshots were not included in the study. Following website image searches, investor reports were analyzed for the same data. The most recent annual report, as well as the most recent sustainability/corporate responsibility reports were used. Photos were categorized and catalogued using the same methodology. All investor reports were stored, and all website pages were screenshotted and saved for our records.

### *Keyword Search Overview*

For each individual company, the main corporate website was used for the purpose of searching for and cataloguing keywords chosen for text representing the company and its services. As with the image search, all webpages under tabs such as “About Us” and “Company Information” were used, including resulting sub-categories and relevant pages listed within. For the sake of later data analysis and breakdown, two tiers were established in order to separate language concerning types of energy, versus general sustainability and utility action words. Keywords included in Tier One are “solar,” “wind,” “hydro,” “bio-,” “nuclear,” “fossil,” “natural

gas,” “coal,” “oil,” “clean,” “green,” “renewable,” “traditional” and “alternative.” Keywords included in Tier Two are “sustainab-,” “environment,” “conservation,” “efficien-,” “habitat,” “wildlife,” “climate” and “communit-.” Additional data was collected on the date that the website and investor reports were accessed, the company name, webpage name, keyword category, number of keywords and URL. An additional “notes” category was included to reference any relevant notes on word counts or breakdowns, as well as identification if necessary.

For all utility websites, keywords were searched on all company pages using a generated word search method. Pages were searched in the Google Chrome browser, and Safari was used to double-check identical search results before continuing solely in Chrome. The number of times each keyword appeared on a given webpage was recorded, and any relevant context noted. If the keyword search yielded no results, the category was assigned a “0.” For terms such as “green” that yielded multiple relevant search results, such as “greenhouse gases” and “green energy,” the breakdown was noted in the notes. For all results, general context was referenced in order to ensure accurate keyword count results, as well as distinguish between keywords and false results, such as names and places. Keywords that remained constant across every sub-page within a given utility website were noted, such as those included in general menu bars consistent across the entirety of a website. Following website image searches, investor reports were searched for the same data. The most recent annual report, as well as the most recent sustainability/corporate responsibility reports, were used. Keywords were counted and catalogued using the same methodology.

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