



Edison Electric  
INSTITUTE

# Stock Performance

Q4 2021  
FINANCIAL UPDATE

QUARTERLY REPORT  
OF THE U.S. INVESTOR-OWNED  
ELECTRIC UTILITY INDUSTRY

### About EEI

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for 220 million Americans, and operate in all 50 states and the District of Columbia. As a whole, the electric power industry supports more than 7 million jobs in communities across the United States. In addition to our U.S. members, EEI has more than 60 international electric companies, with operations in more than 90 countries, as International Members, and hundreds of industry suppliers and related organizations as Associate Members. Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

### About EEI's Quarterly Financial Updates

EEI's quarterly financial updates present industry trend analyses and financial data covering 44 U.S. investor-owned electric utility companies. These 44 companies include 39 electric utility holding companies whose stocks are traded on major U.S. stock exchanges and five electric utilities who are subsidiaries of non-utility or foreign companies. Financial updates are published for the following topics:

- Stock Performance
- Dividends
- Credit Ratings
- Rate Review

EEI Finance Department material can be found online at [www.eei.org/QFU](http://www.eei.org/QFU).

### For EEI Member Companies

The EEI Finance and Accounting Division maintains current year and historical data sets that cover a wide range of industry financial and operating metrics. We look forward to serving as a resource for member companies who wish to produce customized industry financial data and trend analyses for use in:

- Investor relations studies and presentations
- Internal company presentations
- Performance benchmarking
- Peer group analyses
- Annual and quarterly reports to shareholders

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### We Welcome Your Feedback

EEI is interested in ensuring that our publications and industry data sets best address the needs of member companies and the regulatory and financial communities. We welcome your comments, suggestions and inquiries.

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### Future EEI Finance Meetings

EEI Financial Conference  
November 13-15, 2022  
Diplomat Resort & Spa  
Hollywood, Florida

For more information about future EEI Finance Meetings, please contact Aaron Cope, Jr. at (202) 508-5128 or [acope@eei.org](mailto:acope@eei.org).

# The 44 U.S. Investor-Owned Electric Utilities

The companies listed below all serve a regulated distribution territory. Other utilities, such as transmission provider ITC Holdings, are not shown below because they do not serve a regulated distribution territory. However, their financial information is included in relevant EE data sets, such as transmission-related construction spending.

ALLETE, Inc. (ALE)  
Alliant Energy Corporation (LNT)  
Ameren Corporation (AEE)  
American Electric Power Company, Inc. (AEP)  
AVANGRID, Inc. (AGR)  
Avista Corporation (AVA)  
*Berkshire Hathaway Energy*  
Black Hills Corporation (BKH)  
CenterPoint Energy, Inc. (CNP)  
*Cleco Corporation*  
CMS Energy Corporation (CMS)  
Consolidated Edison, Inc. (ED)  
Dominion Energy, Inc. (D)  
*DPL, Inc.*  
DTE Energy Company (DTE)  
Duke Energy Corporation (DUK)  
Edison International (EIX)  
Entergy Corporation (ETR)  
Eversource Energy (ES)  
Exelon Corporation (EXC)  
FirstEnergy Corp. (FE)  
Hawaiian Electric Industries, Inc. (HE)  
IDACORP, Inc. (IDA)  
*IPALCO Enterprises, Inc.*

MDU Resources Group, Inc. (MDU)  
MGE Energy, Inc. (MGEE)  
NextEra Energy, Inc. (NEE)  
NiSource Inc. (NI)  
NorthWestern Corporation (NWE)  
OGE Energy Corp. (OGE)  
Otter Tail Corporation (OTTR)  
PG&E Corporation (PCG)  
Pinnacle West Capital Corporation (PNW)  
PNM Resources, Inc. (PNM)  
Portland General Electric Company (POR)  
PPL Corporation (PPL)  
Public Service Enterprise Group Inc. (PEG)  
*Puget Energy, Inc.*  
Sempra Energy (SRE)  
Souther Company (SO)  
Unitil Corporation (UTL)  
WEC Energy Group, Inc. (WEC)  
Xcel Energy, Inc. (XEL)

*Note: Companies shown in italics are not listed on U.S. stock exchanges for one of the following reasons — they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firms.*

# Companies Listed by Category

## (Based on Business Segmentation Data as of 12/31/2020)

Please refer to the Quarterly Financial Updates webpage for previous years' lists.

Given the diversity of utility holding company corporate strategies, no single company categorization approach will be useful for all EEI members and utility industry analysts. Nevertheless, we believe the following classification provides an informative framework for tracking industry financial trends.

Regulated                      80% or more of total assets are regulated  
Mostly Regulated            Less than 80% of total assets are regulated

Categorization is based on year-end business segmentation data presented in SEC 10-K filings, supplemented by discussions with and information provided by parent company IR departments.

The EEI Finance and Accounting Division continues to evaluate our approach to company categorization and business segmentation. In addition, we can produce customized categorization and peer group analyses in response to member company requests. We welcome comments, suggestions and feedback from EEI member companies and the financial community.

### Regulated (35 of 44)

Alliant Energy Corporation  
Ameren Corporation  
American Electric Power Company, Inc.  
Avista Corporation  
Black Hills Corporation  
CenterPoint Energy, Inc.  
*Cleco Corporation*  
CMS Energy Corporation  
Consolidated Edison, Inc.  
Dominion Energy, Inc.  
*DPL Inc.*  
Duke Energy Corporation  
Edison International  
Entergy Corporation  
Eversource Energy  
FirstEnergy Corp.

IDACORP, Inc.  
*IPALCO Enterprises, Inc.*  
MGE Energy, Inc.  
NiSource Inc.  
NorthWestern Corporation  
OGE Energy Corp.  
Otter Tail Corporation  
PG&E Corporation  
Pinnacle West Capital Corporation  
PNM Resources, Inc.  
Portland General Electric Company  
PPL Corporation  
*Puget Energy, Inc.*  
Semptra Energy  
Southern Company  
Unitil Corporation  
WEC Energy Group, Inc.  
Xcel Energy Inc.

### Mostly Regulated (9 of 44)

ALLETE, Inc.  
AVANGRID, Inc.  
*Berkshire Hathaway Energy*  
DTE Energy Company  
Exelon Corporation  
Hawaiian Electric Industries, Inc.  
MDU Resources Group, Inc.  
NextEra Energy, Inc.  
Public Service Enterprise Group  
Incorporated

*Note: Companies shown in italics are not listed on U.S. stock exchanges for one of the following reasons — they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firms.*

# Stock Performance

## HIGHLIGHTS

■ The EEI Index outperformed the major indices for a second straight quarter, returning 12.9% in Q4. The S&P 500 returned 11.0%, the Dow Jones Industrials returned 7.9% and the Nasdaq Composite gained a similar 8.3%.

■ Monthly inflation exceeded 6% in October and November and reached 7.1% in December, yet the 10-Year Treasury yield drifted sideways throughout the quarter in a 1.5% to 1.7% range.

■ Wall Street research noted utilities' EEI Financial Conference presentations and Q3 earnings calls affirmed the industry's growth outlook. Some utilities raised guidance for clean energy capex and analysts ratcheted up related earnings outlooks. Analysts broadly do not see inflation as a near-term cost threat.

■ The industry offers good prospects for mid-single-digit steady earnings growth along with a 3% dividend yield. The S&P 500's 40%+ profit jump in 2021 overshadowed that, but looking forward utilities may present a more comparable growth outlook with double the S&P 500's 1.4% dividend yield and with perhaps less business risk.

## COMMENTARY

The stock market's bull run reignited in Q4 after a flat Q3. The S&P 500 returned 11.0%, the Dow Jones Industrials returned 7.9% and the Nasdaq Composite gained a similar 8.3%. The EEI Index outperformed the major indices for a second straight quarter, returning 12.9%. In fact, Q3 and Q4 marked a trend change in relative return since utilities sharply trailed the market's surge from the pandemic-induced low in Q1 2020 through Q2 2021. Utilities also outperformed Telecommunications, the other primary defensive, income-producing sector, which returned -5.3% in Q4. But the

## I. Index Comparison (% Return)

Index	2015	2016	2017	2018	2019	2020	2021
EEI Index	-3.9	17.4	11.7	3.7	25.8	-1.2	17.1
Dow Jones Inds.	0.2	16.5	28.1	-3.5	25.3	9.7	21.0
S&P 500	1.4	12.0	21.8	-4.4	31.5	18.4	28.7
Nasdaq Comp. <sup>^</sup>	5.7	7.5	28.2	-3.9	35.2	43.6	21.4

Calendar year returns shown for all periods, except where noted.  
<sup>^</sup>Price gain/loss only. Other indices show total return.

Source: EEI Finance Department, S&P Global Market Intelligence

## II. Category Comparison (% Return)

### U.S. Investor-Owned Electric Utilities

Index	2015	2016	2017	2018	2019	2020	2021
All Companies	-2.0	22.2	11.6	4.3	23.1	-8.1	17.6
Regulated	-0.7	21.2	11.7	4.5	24.6	-9.0	16.7
Mostly Regulated	-3.7	24.6	11.3	3.6	17.9	-4.9	21.1
Diversified	-14.4	25.6	n/a**	n/a**	n/a**	n/a**	n/a**

Calendar year returns shown for all periods except where noted.

Returns shown here are unweighted averages of constituent company returns.

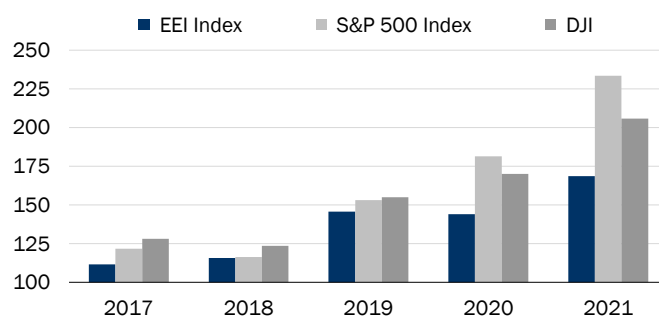
The EEI Index return shown in Table I above is cap-weighted.

\*\*Diversified category eliminated in 2017 due to lack of constituent companies.

Source: EEI Finance Department, S&P Global Market Intelligence and company reports

## III. Total Return Comparison

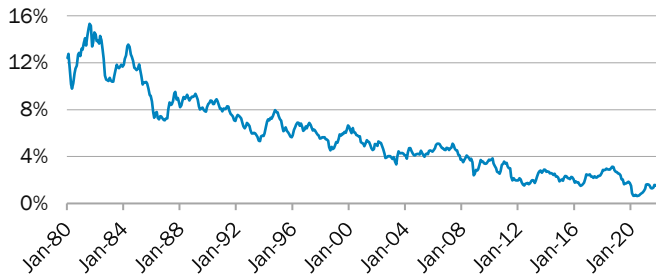
### Value of \$100 invested at close on 12/31/2016



Source: EEI Finance Department, S&P Global Market Intelligence

### IV. 10-Year Treasury Yield — Monthly

Average Monthly Yield, 1/1/1980 through 12/31/2021



Source: U.S. Federal Reserve

### V. 10-Year Treasury Yield — Weekly

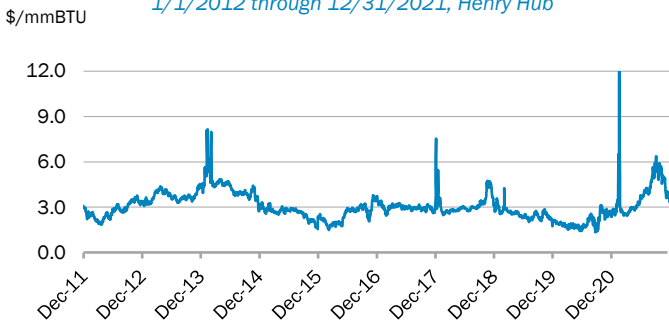
Weekly Yield, 1/1/2008 through 12/31/2021



Source: U.S. Federal Reserve

### VI. Natural Gas Spot Prices

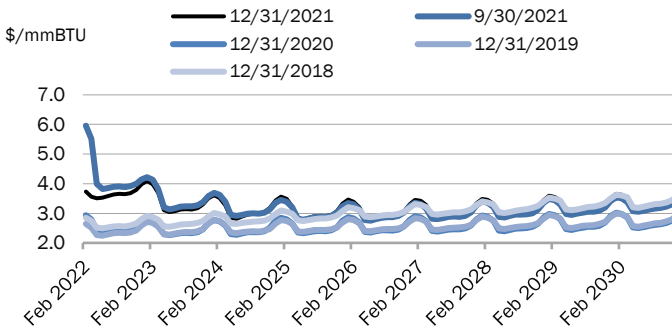
1/1/2012 through 12/31/2021, Henry Hub



Source: S&P Global Market Intelligence

### VII. NYMEX Natural Gas Futures

2/2022 through 12/2030, Henry Hub



Source: S&P Global Market Intelligence

### VIII. Returns by Quarter

U.S. Investor-Owned Electric Utilities

Index	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
EEl Index	11.1	4.1	8.2	0.4	-13.6	1.8	5.6	6.5	3.0	-0.7	1.4	12.9
Dow Jones Industrials	11.8	3.2	1.8	6.7	-22.7	18.5	8.2	10.7	8.3	5.1	-1.5	7.9
S&P 500	13.7	4.3	1.7	9.1	-19.6	20.5	8.9	12.2	6.2	8.6	0.6	11.0
Nasdaq Comp. <sup>^</sup>	16.5	3.6	-0.1	12.2	-14.2	30.6	11.0	15.4	2.8	9.5	-0.4	8.3

Category*	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
All Companies	10.6	4.9	6.5	-0.4	-15.8	-1.0	1.3	8.8	6.0	0.3	-0.7	11.5
Regulated	10.6	5.9	6.5	-0.1	-15.0	-1.3	-0.1	8.6	4.8	0.3	-0.7	11.9
Mostly Regulated	10.5	1.3	6.6	-1.2	-18.3	0.2	6.2	9.3	10.6	0.3	-0.8	10.1

<sup>^</sup>Price gain/(loss) only. Other indices show total return. / \* Returns shown here are unweighted averages of constituent company returns. The EEl Index return shown above is cap-weighted. Source: EEl Finance Department, S&P Global Market Intelligence

### IX. Sector Comparison, Trailing 3 mo. Total Return

For the three-month period ending 12/31/2021

Sector	Total Return
Consumer Goods	15.9%
Basic Materials	15.7%
Technology	14.0%
Utilities	13.1%
EEl Index	12.9%
Healthcare	9.0%
Oil & Gas	7.5%
Industrials	6.8%
Financials	6.5%
Consumer Services	3.5%
Telecommunications	-5.3%

Note: Sector Comparison page based on the Dow Jones U.S. Indexes, which are market-capitalization-weighted indices. Source: EEl Finance Dept., Dow Jones & Company, Google Finance, Y Charts

### X. Sector Comparison, Trailing 12 mo. Total Return

For the twelve-month period ending 12/31/2021

Sector	Total Return
Oil & Gas	54.4%
Technology	37.2%
Financials	32.3%
Basic Materials	27.8%
Healthcare	23.6%
Consumer Goods	21.8%
Industrials	18.4%
Utilities	17.4%
EEl Index	17.1%
Consumer Services	12.0%
Telecommunications	-8.7%

Note: Sector Comparison page based on the Dow Jones U.S. Indexes, which are market-capitalization-weighted indices. Source: EEl Finance Dept., Dow Jones & Company, Google Finance, Y Charts

XI. Market Capitalization at December 31, 2021 (in \$ Millions)

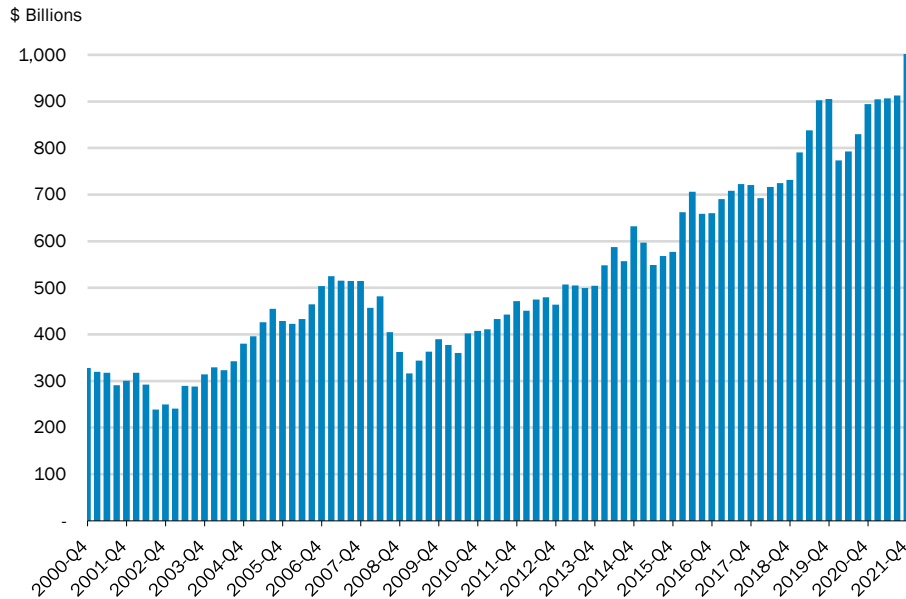
U.S. Investor-Owned Electric Utilities

Company	Stock Symbol	\$ Market Cap	% Total	Company	Stock Symbol	\$ Market Cap	% Total
NextEra Energy, Inc.	NEE	183,238	17.82%	CMS Energy Corporation	CMS	18,806	1.83%
Duke Energy Corporation	DUK	80,668	7.84%	CenterPoint Energy, Inc.	CNP	16,875	1.64%
Southern Company	SO	72,763	7.07%	Eergy, Inc.	EVRG	15,760	1.53%
Dominion Energy, Inc.	D	63,531	6.18%	Alliant Energy Corporation	LNT	15,386	1.50%
Exelon Corporation	EXC	56,547	5.50%	NiSource Inc.	NI	10,856	1.06%
American Electric Power Co., Inc.	AEP	44,595	4.34%	Pinnacle West Capital Corp.	PNW	7,971	0.78%
Sempra Energy	SRE	42,216	4.10%	OGE Energy Corp.	OGE	7,684	0.75%
Xcel Energy Inc.	XEL	36,490	3.55%	MDU Resources Group, Inc.	MDU	6,256	0.61%
Public Service Enter. Group Inc.	PEG	33,632	3.27%	IDACORP, Inc.	IDA	5,735	0.56%
Eversource Energy	ES	31,299	3.04%	Portland General Electric Co.	POR	4,731	0.46%
WEC Energy Group, Inc.	WEC	30,616	2.98%	Hawaiian Electric Industries, Inc.	HE	4,536	0.44%
Consolidated Edison, Inc.	ED	30,152	2.93%	Black Hills Corporation	BKH	4,470	0.43%
Edison International	EIX	25,935	2.52%	PNM Resources, Inc.	PNM	3,926	0.38%
PG&E Corporation	PCG	24,098	2.34%	ALLETE, Inc.	ALE	3,477	0.34%
PPL Corporation	PPL	23,078	2.24%	Avista Corporation	AVA	2,977	0.29%
DTE Energy Company	DTE	23,071	2.24%	MGE Energy, Inc.	MGEE	2,974	0.29%
Ameren Corporation	AEE	22,902	2.23%	NorthWestern Corporation	NWE	2,966	0.29%
Entergy Corporation	ETR	22,638	2.20%	Otter Tail Corporation	OTTR	2,964	0.29%
FirstEnergy Corp.	FE	22,625	2.20%	Unitil Corporation	UTL	715	0.07%
AVANGRID, Inc.	AGR	19,320	1.88%	<b>Total Industry</b>		<b>1,028,480</b>	<b>100.00%</b>

Source: EEI Finance Dept., S&P Global Market Intelligence

XII. EEI Index Market Capitalization (at Period End)

U.S. Investor-Owned Electric Utilities



Note: Change in EEI Index market capitalization reflects the impact of buyout and spin-off activity in addition to stock market performance.

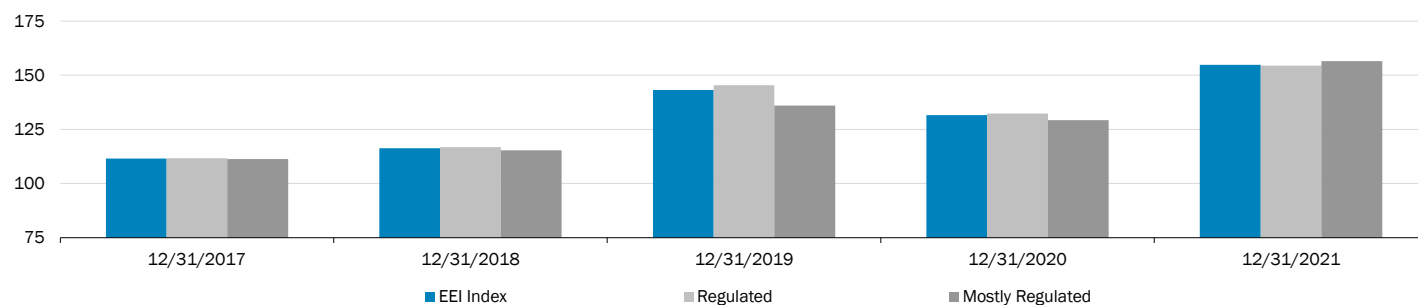
Source: EEI Finance Dept., S&P Global Market Intelligence

EEI Index Market Cap (in \$ Billions)

2006-Q1	423	2014-Q1	548
2006-Q2	433	2014-Q2	588
2006-Q3	464	2014-Q3	557
2006-Q4	504	2014-Q4	632
2007-Q1	525	2015-Q1	597
2007-Q2	516	2015-Q2	549
2007-Q3	515	2015-Q3	568
2007-Q4	514	2015-Q4	577
2008-Q1	457	2016-Q1	663
2008-Q2	482	2016-Q2	706
2008-Q3	404	2016-Q3	659
2008-Q4	362	2016-Q4	660
2009-Q1	316	2017-Q1	690
2009-Q2	344	2017-Q2	708
2009-Q3	363	2017-Q3	722
2009-Q4	390	2017-Q4	720
2010-Q1	377	2018-Q1	692
2010-Q2	360	2018-Q2	716
2010-Q3	402	2018-Q3	725
2010-Q4	407	2018-Q4	731
2011-Q1	411	2019-Q1	790
2011-Q2	433	2019-Q2	838
2011-Q3	442	2019-Q3	902
2011-Q4	472	2019-Q4	905
2012-Q1	451	2020-Q1	773
2012-Q2	475	2020-Q2	792
2012-Q3	480	2020-Q3	830
2012-Q4	464	2020-Q4	894
2013-Q1	507	2021-Q1	905
2013-Q2	505	2021-Q2	907
2013-Q3	500	2021-Q3	913
2013-Q4	504	2021-Q4	1,028

### XIII. Comparative Category Total Annual Returns

U.S. Investor-Owned Electric Utilities, Value of \$100 invested at close on 12/31/2016



	2016	2017	2018	2019	2020	2021
EEI Index Annual Return (%)		11.56	4.28	23.06	-8.07	17.62
EEI Index Cumulative Return (\$)	100.00	111.56	116.34	143.16	131.60	154.78
Regulated EEI Index Annual Return		11.66	4.55	24.56	-9.01	16.72
Regulated EEI Index Cumulative Return	100.00	111.66	116.74	145.41	132.30	154.43
Mostly Regulated EEI Index Annual Return		11.32	3.62	17.87	-4.95	21.09
Mostly Regulated EEI Index Cumulative Return	100.00	111.32	115.35	135.97	129.24	156.50

Calendar year returns shown, except where noted.  
Diversified category eliminated in 2017 due to lack of constituent companies.  
Returns are unweighted averages of constituent company returns.

industry's 2021 second half relative strength was not enough to change the annual trend. The EEI Index returned a strong 17.1% for 2021 as a whole, yet the major averages were stronger. The S&P 500 Index returned 28.7% while the Dow and Nasdaq each gained over 21% causing utilities to lag the broad averages for a third straight year.

#### Economy Watch

Economic data released in Q4 showed a slowing recovery. Late October produced a first estimate of Q3 2021 real GDP growth of 2.0%. This was revised upward to 2.3% in late December, yet was well below the 6.0%+ readings in Q1 and Q2 and the 4.5% growth in Q4 2020.

While the corporate earnings outlook remained strong, estimates for Q4 S&P 500 earnings gains edged down from 21% to about 19% during the quarter, according to data compiled by Zacks Investment Research. That's a small difference in a big gain, to be sure, but it illustrates fading ebullience after the widespread sharp upward revisions in earnings outlooks throughout 2021's first three quarters.

By late December, Zacks said analysts pegged 2022 revenue and profit growth at 7.4% and 8.5%, respectively, and at 5.3% and 9.8% for 2023. Such a strong absolute outlook certainly elevated stocks across the board in Q4.

#### Inflation Fireworks

The biggest economic headlines by far during the quarter remained centered on inflation. Monthly inflation measured

### XIV. EEI Index Top Ten Performers

For the twelve-month period ending 12/31/2021

Company	% Return	Category
Otter Tail Corporation	72.5	R
FirstEnergy Corp.	41.7	R
Exelon Corporation	41.2	MR
CenterPoint Energy, Inc.	32.4	R
Portland General Electric Company	28.1	R
Eergy, Inc.	28.0	R
OGE Energy Corp.	26.3	R
NiSource Inc.	24.6	R
NextEra Energy, Inc.	23.4	MR
Consolidated Edison, Inc.	23.0	R

Note: Return figures include capital gains and dividends.  
R = Regulated, MR = Mostly Regulated  
Source: EEI Finance Department

by the consumer price index (CPI) rose above 4% in April, held over 5% through Q3, then breached 6% in October and November and reached 7.1% in December; Q4 produced the highest inflation numbers since the early 1980s. Economists have generally framed the surge as a consequence of post-pandemic economic strength along with related supply chain disruptions, not a new secular trend. This remained the Federal Reserve's position in Q4 as it held short-term interest rates at zero and continued monthly purchases of Treasury and agency mortgage-backed securi-



ties, albeit at a slowing pace. As shown in Chart VI, natural gas spot prices surged earlier this year, reaching their highest levels since 2014, but fell back sharply in Q4 and longer-dated months remain unchanged at much lower levels.

### Electric Output Up 2.8% for 2021

U.S. electric output rose 1.5% nationwide in Q4 with the fast-growing West Central region up more than 3%. Heating degree days in October and December were well below last year's level and historical averages, which may have suppressed electric demand for heating. For the year, electricity demand rose a strong 2.8%, powered in part by the economic rebound. Demand jumped 5.1% in Q2, mirroring buoyant economic data, and rose 1.7% year-to-year in Q3. Analysts cited a hot June across much of the nation combined with an economic recovery-induced boost in commercial and industrial load as likely drivers of the Q2 increase. Weather had a smaller impact on Q3 data.

### Diverse Themes Color Q4 Thinking

Wall Street analysts and investors tracked a number of industry themes in Q4, which saw discussion in research reports and published takeaways from EEI's annual financial conference in early November.

Utilities' perspectives on inflation was a key point of interest. Research commentary suggested analysts and companies don't see meaningful pressure on near-term operating costs, which are mostly labor related and controlled through long-term contracts or stable workforce pay schedules. Renewables projects are not experiencing delays or cost pressures as sub-contractor pricing is negotiated well in advance and the general sense is big renewables developers can limit cost increases by pressuring suppliers. But longer-term impacts are impossible to predict and if inflation becomes a secular trend the outlook is far less clear.

Research noted that EEI conference discussions and upbeat Q3 earnings calls affirmed the industry's growth outlook. With broad public, state, regulatory and federal support, along with rising corporate demand for clean power, opportunities for renewable capex seemed to grow in Q4. Some utilities raised growth guidance for clean energy capex and analysts ratcheted up related earnings outlooks.

While not a new theme, utility bill headroom for funding aggressive capex arose as a focal point of analyst discussions; this was perhaps spurred in part by headline inflation data. Customer rates in aggregate nationwide have been almost flat for a decade, benefitting from low fuel commodity costs, falling interest rates, lower corporate taxes and utilities' efforts to hold operations and maintenance (O&M) costs down. While analysts view state regulation as generally constructive, a few Q4 research reports noted that funding

capex plans may require rate increases that risk pushback from state commissions. The landscape here is very hard to predict if inflation becomes a durable source of consumer discontent, and it's a topic the industry watches carefully.

### Infrastructure Bill Implementation

Last year, EEI was instrumental in advocating for many key provisions within the Infrastructure Investment and Jobs Act, particularly with respect to electric transportation, grid modernization, cybersecurity, energy resilience, broadband, and research, development, and deployment of new clean energy technologies. In early January, the White House outlined its strategy for helping to accelerate the deployment of clean energy using new authorities and the substantial funding that was included in this legislation.

EEI is focused now on coordinating and leading industry efforts related to funding programs and implementation of this law, working to ensure that member companies and their state and local governments are ready and able to access and to use new federal infrastructure funds and programs. Through careful planning and partnerships, we can ensure that everyone benefits from the clean energy transition.

### Relative Performance Drought

Utility stocks have experienced the worst three-year stretch of relative return since the late 1990s tech bubble. The group nearly always lags a sharply rising bull market, so this is perhaps to be expected. Yet investors may reasonably wonder if utilities are getting the respect they deserve. Analysts note the industry offers good prospects for mid-single-digit steady earnings growth along with a 3% dividend yield. The S&P 500's 40%+ profit gain in 2021 overshadowed that, but looking forward utilities may offer a comparable outlook with more than double the S&P 500's 1.4% dividend yield and with perhaps less business risk.

Analyst reports in Q4 tried to gauge utilities' sensitivity to rising rates, noting utilities typically suffer when long rates rise but are less sensitive to short-term yields. Of course, it's difficult to be certain about any rate sensitivity analysis. As Table IV shows, interest rates have tracked a steady secular down trend for 40 years, rising rate environments have been few and short-lived, and Federal Reserve policy has dominated bond markets since the Financial Crisis of 2008 and 2009. That history may not offer much to go on looking forward. And rising rates will likely impact high-growth, high-PE companies more sharply than utilities, as January 2022's market volatility seemed to portend. It may take a bear market for utilities' to really shine on a relative basis, if not in absolute terms. And investors haven't seen a real bear for a long, long time. ■