Industry Capital Expenditures

Chart represents total company spending of U.S. Investor-Owned Electric Utilities, consolidated at the parent or appropriate holding company.

Note: At the industry level, CapEx tends to be overestimated for the current, or first, year’s projection and underestimated for the two following years. We expect a continued level of elevated spending after accounting for the historical trend of over- and underestimation.

Source: EEI Finance Department, member company reports, and S&P Global Market Intelligence (updated July 2023).
Industry Capital Expenditures

Chart represents total company spending of U.S. Investor-Owned Electric Utilities, consolidated at the parent or appropriate holding company.

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Source: EEI Finance Department, member company reports, and S&P Global Market Intelligence (updated July 2023).
Projected Functional CapEx

Chart represents total company functional spending of U.S. Investor-Owned Electric Utilities. Individual years may not sum to 100% due to rounding error.

Note: Each annual functional projection is compiled during the calendar year for which it is reported and is not revised to align with the actual total. Therefore, the projected total dollar amounts in the functional chart do not align with the actual totals reported on the enclosed industry capital expenditures chart.

Source: EEI Finance Department, company reports, and S&P Global Market Intelligence (updated Sept 2022).
Projected Functional CapEx

Chart represents total company functional spending of U.S. Investor-Owned Electric Utilities. Individual years may not sum to 100% due to rounding error.

Note: Each annual functional projection is compiled during the calendar year for which it is reported and is not revised to align with the actual total. Therefore, the projected total dollar amounts in the functional chart do not align with the actual totals reported on the enclosed industry capital expenditures chart.

Source: EEI Finance Department, company reports, and S&P Global Market Intelligence (updated Sept 2022).
Adaptation, Hardening, and Resilience (AHR) CapEx

- EEI member companies are deploying a significant and growing amount of capital resources on adaptation, hardening, and resilience (AHR) initiatives.
- AHR is increasingly becoming an important way that electric companies fulfill their mission of supplying clean, reliable, and affordable energy to customers.
- Working with EEI member companies and the financial community, EEI developed an AHR taxonomy that aligns with the electric power industry’s functional CapEx categories to categorize types of AHR investments (see slide 6).
- EEI has surveyed member companies to quantify industry AHR investment in electric transmission and distribution (T&D) infrastructure (see slide 7).
- Examples of electric T&D AHR investments include:
  - Undergrounding power lines
  - Installing cement poles
  - Elevating or relocating transformers
- While we know a meaningful portion of generation and gas-related investments are also being driven by AHR initiatives, EEI has not surveyed member companies on these segments.
AHR CapEx Taxonomy

Current Survey
Data Covers
Electric T&D
Segments Only

More Data
Coming Soon
on Generation
& Gas-Related

Transmission
Hardening and Resilience
Examples:
- Elevating or relocating electric transformers in flood prone regions
- Reinforcing existing transmission structures in high-speed wind zones
- Installing higher temperature-rated transformers for extreme heat

Advanced Transmission Technology
Examples:
- Installing sensors on transmission towers and deploying Artificial Intelligence to detect and respond to system threats
- Implementing remote monitoring and control technologies
- Increasing deployment of energy storage systems associated with transmission infrastructure

Distribution
Hardening and Resilience
Examples:
- Undergrounding distribution lines
- Purchasing equipment for vegetation management
- Replacing wood electric distribution poles with cement and steel

Advanced Distribution Technology
Examples:
- Strengthening distribution networks through investments in Demand Response technologies and real time system management
- Increasing deployment of Advance Metering Infrastructure, microgrids, and energy storage within distribution networks

Generation
Hardening and Resilience
Examples:
- Altering water intakes for generating stations
- Elevating control rooms and pump stations in flood prone regions
- Building and strengthening berms, levees and floodwalls at generating stations

Advanced Generation Technology
Examples:
- Increasing deployment of energy storage at generating stations
- Developing advanced water-cooling technologies at generating stations

Gas-Related
Hardening and Resilience
Examples:
- Replacing obsolete pipelines with more robust and structurally flexible materials

Note: gas-related includes investments in pipeline/delivery infrastructure; not gas-fired electric generation
AHR as a Driver of Electric T&D Investment

Transmission

- 27% AHR: Hardening & Resilience
- 7% AHR: Advanced Technology
- 29% Expansion
- 34% Replacement
- 4% Other

Distribution

- 26% AHR: Hardening & Resilience
- 12% AHR: Advanced Technology
- 27% Expansion
- 30% Replacement
- 6% Other

Transmission AHR CapEx = 34%
Distribution AHR CapEx = 37%*

*Note: Totals may not sum to 100% and AHR sum may appear different due to rounding.
Source: EEI Business Analytics 2022 surveys.
EEI Financial Analysis Resources

Examples of EEI Financial Public Reports & Data
Items updated quarterly unless otherwise indicated

Financial Review (annual)
Incorporates the following reports and additional industry material

Stock Performance
Financial market performance (Price, TSR, etc.) of proprietary EEI member index and equity analyst opinions

Credit Ratings
Holding company ratings & rating agency activity

Dividends
Dividend-related actions of EEI members and relevant issues

Rate Review Summary
Aggregate industry statistics on quarterly rate review data

Industry Consolidated Financial Statements (annual)
  • Income Statement
  • Balance Sheet
  • Cash Flow Statement

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