

Client Challenge

Increased regulatory action to combat the economic impact of rising fuel prices and deterioration of air quality will force companies in every industry to evolve – especially utilities. In anticipation of pending emissions legislation, and growing customer and public expectations, utilities are under increasing pressure to reduce their carbon footprint in an economically feasible manner.

Our Approach

The Dow Jones Sustainability Index defines sustainability to be the business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from *Economic*, *Environment* and *Social* developments. We have developed a utility-centric framework to implement industry best practices:

Our Framework for Planning Integrated Sustainability Initiatives

		Sample Initiatives		
		Economic	Environmental	Societal
Dow Jones Sustainable Asset Management	Power Supply	<ul style="list-style-type: none"> Create visibility of environmental costs in power production Establish green DG offering and interconnections 	<ul style="list-style-type: none"> Contract targeted % of low carbon / renewable supply Expand renewable investment portfolio as hedge 	<ul style="list-style-type: none"> Offer 'Green Power' options Sponsor DOE / EPRI efficiency programs
	Internal Operations	<ul style="list-style-type: none"> Reduce line losses Minimize waste, maximize re-cycling Invest in efficient technologies 	<ul style="list-style-type: none"> Reduce vehicle usage & consumption via AMI, systems automation, & use of hybrids Reduce building usage via LEED 	<ul style="list-style-type: none"> Appoint employees as community energy experts Promote awareness and education
	Customer Services	<ul style="list-style-type: none"> Provide expertise / services to assist with energy planning TOU rates / off-peak incentives 	<ul style="list-style-type: none"> Implement Demand Response, PTR, & Home Energy Mgmt Programs 	<ul style="list-style-type: none"> Partner with other agencies (building, transportation) Implement LI Conservation Programs
Utility Sustainability Levers				

Our Conclusions

Carbon legislation is inevitable. Forward-thinking firms are aligning business practices with sustainability initiatives. Utilities in particular have a unique opportunity to redefine and reinvigorate their industry and meet the expectations of 21st century customers, while simultaneously earning public and regulatory goodwill – but only if they can navigate the sustainability challenge.