

As my post on Monday indicated, the top ten utilities have all announced plans for cutting carbon in the next several decades. Some of these utilities, like PG&E or ConEd, operate in states that have ambitious climate policies. It's easy to see why utilities in New York or California would be setting their own targets. But it's less clear why utilities in other parts of the country would be doing so. In some states, to put it bluntly, the government's answer to the question of when to cut carbon is "never."

One major factor seems to be pressure from the corporate giants who buy their power. Those companies often have the option of producing their own power, which is obviously not what utilities want to see. Here are a few examples of this interplay between big companies and utilities:

- In North Carolina, Apple [built](#) its own solar farm because it felt that Duke wasn't meeting its need for renewables.
- Dominion [acquired](#) 80 MW of solar production to serve Amazon's renewable energy needs.
- Exelon [signed](#) an 108 MW solar agreement to supply power to Kimberly-Clark, Hewlett Packard, and Manheim.
- American Electric Power has [begun](#) operation of a 100 MW solar array to supply clean energy to MGM Resort's Las Vegas properties.

Besides making deals with utilities for specific projects, corporate customers may also push [enter](#) long-term contracts with renewable suppliers, incentivizing new generation, or push for the [adoption](#) of "green tariffs" that other, smaller customers can take advantage of. Other companies provide incentives for renewables indirectly by purchasing renewable energy credits, even if the generation doesn't serve them directly.

No doubt there are other factors, including pressure from investors and market forces that are now making renewables the low-cost alternative in many areas. Some of the announced targets may simply be intended for PR purposes (although it's not clear why a company doing business in, say Georgia, would feel the need for such publicity). Even when they are operating in states that resist climate action, utilities may be planning on the assumption that they're going to be subject to mandates in the future, which they might as well get ahead of.

It would be hard to prove one way or the other, but my general impression is that the giant utilities are largely reactive than seeking to drive change themselves. Given that they need to justify their investments to public utility commissions, their ability to exercise independent initiative may be somewhat limited.

