

Two Degree Scenario Analysis

WHEREAS:

To meet the goal of the Paris Agreement of keeping global temperature rise well below 2 degrees Celsius the International Energy Agency estimates that the global average carbon intensity of electricity production will need to drop by 90 percent. As long-term shareholders, we would like to understand how Ameren is planning for the risks and opportunities presented by global efforts to keep global temperatures within acceptable boundaries.

In June 2016, the credit rating agency Moody's indicated that they would begin to analyze carbon transition risk based on scenarios consistent with the Paris Agreement, and noted the high carbon risk exposure of the power sector. In June 2017, the Financial Stability Board's Taskforce on Climate-related Financial Disclosures finalized its guidelines for reporting on climate risk, recommending that companies in the utility sector evaluate the potential impact of different scenarios, including a 2°C scenario, on the organization's businesses, strategy, and financial planning.

Rapid expansion of low carbon technologies including distributed solar, battery storage, grid modernization, energy efficiency and electric vehicles provide not only challenges for utility business models but also opportunities for growth. Many large corporations are actively seeking to increase their use of renewable energy, providing a significant market opportunity for forward-thinking utilities.

According to Ameren's 2016 Annual Report, Coal continues to account for the majority of Ameren's total electricity generation, at 66 percent. Ameren's just-released 2017 Integrated Resource Plan Update outlines plans to add some renewable generation, continue nuclear generation and retire or convert to natural gas most of the company's coal plants by 2040. The plan includes a target of reducing Ameren's greenhouse gas emissions by 80 percent in 2050 but does not detail how this goal will be met, with 42 percent of predicted generation in 2050 designated from "unspecified" sources.

To date, Ameren has not disclosed how the challenges of reducing greenhouse gas emissions are being accounted for in capital investment decisions, predictions of future demand, plans to provide affordable and reliable energy for ratepayers, particularly low income customers, or plans to manage climate change regulatory risk or market changes due to low carbon technologies. Scenario analysis that includes such information would allow investors to better assess the risks that climate change regulations may pose to the company and shareholder value.

RESOLVED: Shareholders request that Ameren, with board oversight, publish an assessment (at reasonable cost and omitting proprietary information) of the long-term impacts on the company's portfolio, of public policies and technological advances that are consistent with limiting global warming to no more than two degrees Celsius over pre-industrial levels.

Supporting Statement: This report could include:

- How Ameren could adjust its capital expenditure plans to align with a two degree scenario; and
- Plans to integrate technological, regulatory and business model innovations such as electric vehicle infrastructure, distributed energy sources (storage and generation), demand response, smart grid technologies, and customer energy efficiency as well as corresponding revenue models and rate designs.