

“RESOLVED: Shareholders request Entergy Corp. (“Entergy”) Board of Directors issue an independently audited report to shareholders that considers the strategic feasibility and financial consequences of committing to an 80 percent carbon pollution-free electricity interim net zero target by 2030 to align Entergy’s net zero climate commitments to the Paris-aligned US nationally determined contribution (“US NDC”) electricity pledge. The Board should summarize its findings in a report to shareholders that is completed at reasonable cost and omit proprietary information.

WHEREAS:

Investors and regulators are calling for companies to test their assumptions and resilience against climate-related risks and provide investors insight concerning the impact on financial statements;^{1 2 3}

The electricity sector is 25 percent of total US greenhouse gas emissions;⁴

The implied temperature rise of the utilities sector is currently 3.7°C,⁵ above Paris-aligned pathways;⁶

The power and utilities sector broadly fails to align critical accounting assumptions and estimates with the goals of the Paris Agreement;⁷

Experts estimate planned future US gas-fired power generation places over \$24 billion of value at risk for investors, and that 31 percent of current US gas-fired power generation is already unprofitable;⁸

The US NDC codified a goal of 100 percent carbon pollution-free electricity by 2035,⁹ which experts agree implies an interim target of 80 percent clean electricity by 2030 relative to a 2005 baseline;¹⁰

The US NDC electricity goal with an 80 percent interim target by 2030 would help avoid combined health and climate damages of \$150 billion to \$705 billion through 2030 or 2035 and \$1 trillion to \$3 trillion through 2050;¹¹

Entergy’s energy fuel supply is 53 percent fossil fuels (48.8 percent natural gas and 4.2 percent coal) and results in the tenth-highest overall CO2 emissions of US electric power producers;¹²

As of November 2021, Entergy had not committed to an 80 percent interim CO2 reduction goal below 2005 levels by 2030 or set a 100 percent carbon pollution-free electricity goal by 2035; nor had it disclosed how Paris alignment assumptions and regulatory disallowance risk may change via committing to the above US NDC pledge;

Twelve industry peers—but not Entergy—via open letter lobbied the executive branch to reduce industry carbon emissions by 80 percent below 2005 levels by 2030; ¹³

Industry peers American Electric Power, Dominion, WEC, and Xcel Energy have already committed to an 80 percent interim CO2 reduction goal by 2030. ¹⁴

SUPPORTING STATEMENT: Proponents recommend that Entergy consider information on assumptions, costs, estimates, and valuations that may be materially impacted.”

- 1: <https://www.iigcc.org/news/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/>
- 2: <https://www.unpri.org/sustainability-issues/accounting-for-climate-change>
- 3: <https://www.sec.gov/corpfin/sample-letter-climate-change-disclosures>
- 4: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>
- 5: <https://www.msci.com/documents/1296102/26195050/MSCI-Net-Zero-Tracker-Oct2021.pdf>
- 6: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/key-aspects-of-the-paris-agreement>
- 7: <https://carbontracker.org/reports/flying-blind-the-qlaring-absence-of-climate-risks-in-financial-reporting/>
- 8: <https://carbontracker.org/reports/put-gas-on-standby/>
- 9: [https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/United percent20States percent20of percent20America percent20First/United percent20States percent20NDC percent20April percent202021 percent20Final.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/United%20States%20of%20America%20First/United%20States%20NDC%20April%202021%20Final.pdf)
- 10: <https://energyinnovation.org/wp-content/uploads/2021/09/Studies-Agree-80-Percent-Clean-Electricity-by-2030-Would-Save-Lives-and-Create-Jobs-at-Minimal-Cost.pdf>
- 11: *l.d.*
- 12: <https://mjbradley.com/content/emissions-benchmarking-maps>
- 13: <https://int.nyt.com/data/documenttools/power-sector-letter/3e5ca64b01b81888/full.pdf>
- 14: <https://ihsmarkit.com/research-analysis/netzero-pledges-by-us-utilities-spotlight-different-timelines-.html>