majorityaction

FirstEnergy Corp [NYSE:FE]: Due to the Company's Failure to Set Robust Interim Targets, Make the Near-Term Shifts in Capital Allocation and Investment Necessary to Decarbonize in Alignment with a 1.5°C pathway, and Ensure Alignment of Policy Influence Activities:

- Vote AGAINST Vice-Chair and Executive Director John W. Somerhalder, II (Item 1.8), and
- Vote AGAINST Independent Director and member of the Operations and Safety Oversight Committee James F. O'Neil, III (Item 1.7)

The physical and financial risks posed by climate change to long-term investors are systemic, portfolio-wide, unhedgeable and undiversifiable. *Therefore, the actions of companies that fail to align to limiting warming to 1.5°C pose risks to the financial system as a whole, and to investors' entire portfolios, in addition to specific risks to those companies. See* ***Appendix A*** *for more information regarding Majority Action's Proxy Voting for a 1.5°C World initiative and the transformation required in key industries.*

FirstEnergy Corp ("FirstEnergy") emitted the twelfth-most CO2[1] and generated the eleventh-most electricity among U.S. investor-owned utilities in 2019.[2] FirstEnergy's generation capacity portfolio is almost exclusively coal-fueled and in 2020 the company relied on coal for its owned net generation.[3] The company is among the 167 target companies named by Climate Action 100+ as the largest global emitters and "key to driving the global net zero transition."[4]

Electric power production is responsible for nearly one-third of energy-related carbon emissions in the U.S.[5] The largest publicly-traded electric utilities remain among the largest sources of carbon emissions in the U.S. economy,[6] and their capital investments in electric power infrastructure have the potential to lock in emissions for decades to come. In addition to curbing a direct source of emissions, the decarbonization of electricity production also enables the decarbonization of other sectors such as transportation and buildings as those sectors electrify.

Failure to set ambitious decarbonization targets in line with 1.5°C pathways, and to align companies' business plans and policy influence to those targets, is a failure of strategy and corporate governance, for which long-term investors should hold directors accountable. At companies where the production, processing,

[1] MJBradley, "Benchmarking Air Emissions" https://www.mjbradley.com/content/emissions-benchmarking-emissions-charts, accessed April 13, 2022
[2] MJBradley, "Benchmarking Air Emissions" https://www.mjbradley.com/content/emissions-benchmarking-generation-charts
[3] FirstEnergy, *EEI ESG/Sustainability Template*, 2021, https://fecorporateresponsibility.com/downloads/EEI_ESG_SustainabilityTemplatev2.pdf p. 4
[4] Climate Action 100+, "Companies", https://www.climateaction100.org/whos-involved/companies/ accessed April 13, 2022
[5] U.S. Energy Information Agency, "(FAQs) What are U.S. energy-related carbon dioxide emissions by source and sector?" https://www.eia.gov/tools/faqs/faq.php?id=75&t=11, accessed Mar 23, 2022
[6] MJBradley, *Benchmarking Air Emissions*, July 2020, https://www.mjbradley.com/sites/default/files/Presentation_of_Results_2020.pdf, p. 3 and p. 7.

sale, and/or consumption of fossil fuels is central to their core business, and greenhouse gas ("GHG") emissions reductions have profound strategic implications, the board chair, and lead independent director where the position exists, should be held accountable. According to FirstEnergy's 2022 Proxy Statement, the Operations and Safety Oversight Committee considers risks associated with environmental strategy, climate change, environmental protection and sustainability relating to the Company's electric distribution, transmission, and generation facilities.[7]

Target setting

Net zero commitment by no later than 2050 for power production	✓
Net zero commitment clearly includes all relevant emissions sources and has limited use of offsets, negative emissions, or unproven or uncommercialized technologies, including carbon capture and storage	X
Robust interim targets of at least 80% by 2030 or at least 6% per year on a straight-line basis between 2019-2030 (on track to reach zero by 2035)	X

In November 2020, FirstEnergy pledged to achieve carbon neutrality by 2050 and a 2030 targeted CO_2 reduction of 30% from a 2019 base year.[8] Based on FirstEnergy's interim target, its annual rate of decarbonization is only 1.3% per year,[9] well below the 6% per year necessary for G7 nations to be on track for net zero emissions from electricity generation by 2035 under the International Energy Association's Net Zero by 2050 Scenario.[10] FirstEnergy's carbon neutrality targets include only those emissions under its "direct operational control", excluding scope 2 and 3 emissions including those from power the company purchases for resale. Purchased power comprised 66% of FirstEnergy's total CO_2e emissions in 2020.[11] Other investor-owned utilities such as Duke Energy[12] and Xcel Energy[13] have expanded their net zero goals to include certain scope 2 and 3 emissions including emissions from power purchased for resale.

Capital allocation and investment plans

[7] FirstEnergy, SEC Filing on Form DEF 14A, 2022, https://www.sec.gov/Archives/edgar/data/1031296/000119312522082777/d156096ddef14a.htm#toc156096_2 p. 15
[8] FirstEnergy, "FirstEnergy Pledges to Achieve Carbon Neutrality by 2050", November 9, 2020, https://firstenergycorp.com/newsroom/news_articles/firstenergy-pledges-to-achieve-carbon-neutrality-by-2050.html
[9] Pomerantz and Kasper, "Many U.S. electric utilities plan slow decarbonization over next decade, out of sync with Biden plan", Energy and Policy Institute, https://www.energyandpolicy.org/utilities-carbon-goal-biden-climate-plan/ see Utility Emissions, Feb 2022: Decarbonization Pace Data table
[10] IEA, Achieving Net Zero Electricity Sectors in G7 Members, https://iea.blob.core.windows.net/assets/9a1c057a-385a-4659-80c5-3ff40f217370/AchievingNetZeroElectricitySectorsinG7Members.pdf p. 38
[11] FirstEnergy, *EEI ESG/Sustainability Template*, 2021, https://fecorporateresponsibility.com/downloads/EEI_ESG_SustainabilityTemplatev2.pdf p. 6
[12] Duke Energy, *Duke Energy expands clean energy action plan*, https://news.duke-energy.com/releases/duke-energy-expands-clean-energy-action-plan, accessed Mar 1, 2022
[13] https://www.energyandpolicy.org/utilities-carbon-goal-biden-climate-plan/ at "Some utilities hold themselves accountable for purchased power emissions; most do not"

Firm plan to phase out coal by 2030	X
No investment in new gas generation	✓

FirstEnergy has no planned capital expenditures on new coal or gas generation,[14] and the company expects to transition away from its coal generation fleet by 2050.[15] FirstEnergy owns 3,082 MW of coal generation between its Fort Martin Power and Harrison Stations.[16] Most recently, First Energy subsidiaries Mon Power and Potomac Edison applied for multi-year environmental compliance program approvals at their respective power plants, Fort Martin and Harrison.[17] If approved, the $142 million program would support the continued operation of Fort Martin and Harrison until their anticipated retirement dates of 2035 and 2040, respectively.[18] FirstEnergy has stated that "Mon Power and Potomac Edison will work to evaluate the most reliable and cost-effective ways to replace the significant capacity of the West Virginia based plants."[19] FirstEnergy recently submitted an application to generate 50 MW of renewable energy in West Virginia.[20]

Policy influence

Alignment of policy influence activities with net zero target and limiting warming to 1.5°C	X

InfluenceMap scored FirstEnergy's climate policy engagement in the "D-" performance band and described the company as engaging mostly negatively on "federal and state climate policies in the U.S., including in New Jersey and Ohio."[21] In July 2021, FirstEnergy agreed to pay $230 million to settle U.S. government charges that it conspired to pay millions of dollars to elected state officials to pursue legislation that would benefit the company.[22] After its settlement with the U.S. government, in February 2022, FirstEnergy settled three shareholder derivative lawsuits related to the House Bill 6 bribery scandal and federal and

[14] FirstEnergy, *Investor Factbook*, November 8, 2020, https://s27.q4cdn.com/655807321/files/doc_presentations/2021/EEI_Investor-FactBook_Final_11.7.21.pdf p. 67
[15] FirstEnergy, "Climate Story," https://fecorporateresponsibility.com/environmental/climate-story/ accessed April 13, 2022
[16] FirstEnergy, SEC Filing on Form 10-K, 2022, https://www.sec.gov/ix?doc=%2FArchives%2Fedgar%2Fdata%2F1031296%2F000103129622000013%2Ffe-20211231.htm p. 22
[17] FirstEnergy, Mon Power and Potomac Edison Propose Environmental Compliance Program for Power Plants, December 17, 2021, https://www.firstenergycorp.com/newsroom/news_articles/mon-power-and-potomac-edison-propose-environmental-compliance-pr.html
[18] FirstEnergy, Mon Power and Potomac Edison Propose Environmental Compliance Program for Power Plants, December 17, 2021, https://www.firstenergycorp.com/newsroom/news_articles/mon-power-and-potomac-edison-propose-environmental-compliance-pr.html
[19] FirstEnergy, Mon Power and Potomac Edison Propose Environmental Compliance Program for Power Plants, December 17, 2021, https://www.firstenergycorp.com/newsroom/news_articles/mon-power-and-potomac-edison-propose-environmental-compliance-pr.html
[20] FirstEnergy, *Annual Report*, 2021, https://www.firstenergycorp.com/content/dam/investor/files/annual-reports/current.pdf p. 11
[21] InfluenceMap, "LobbyMap: FirstEnergy", https://lobbymap.org/company/FirstEnergy-Corp-d57029fba295e3c278b7176914980a10 Accessed April 13, 2022
[22] Prentice and Shaw, "FirstEnergy agrees to pay $230 mln to settle U.S. bribery charges", Reuters, July 22, 2021, https://www.reuters.com/business/energy/firstenergy-resolve-criminal-investigation-with-230-mln-penalty-2021-07-22/

state investigations.[23] As part of one of the settlements with FirstEnergy shareholders, six members of the Board of Directors will not stand for re-election at the company's annual 2022 meeting and the FirstEnergy Board will form another committee of recently appointed independent directors to oversee the implementation and third-party audits of the company's Board-approved action plans regarding political and lobbying activities, among other corporate governance enhancements.[24]

Conclusion: FirstEnergy has failed to set robust interim targets, make the near-term shifts in capital allocation and investment necessary to decarbonize in alignment with a 1.5°C pathway, and ensure alignment of policy influence activities. Therefore, we recommend that shareholders vote AGAINST Vice-Chair and Executive Director John W. Somerhalder, II (Item 1.8) and Vote AGAINST Independent Director and member of the Operations and Safety Oversight Committee James F. O'Neil, III (Item 1.7) at the company's annual meeting on May 17, 2022.

[23] Jim Mackinno, "FirstEnergy to collect $180 million in settling shareholder lawsuits over bribery scandal", Akron Beacon Journal, Feb 11, 2022, https://www.beaconjournal.com/story/business/2022/02/11/firstenergy-collect-180-million-settle-shareholder-lawsuits-hb-6-household er-scandal-akron-bribery/6748836001/

[24] FirstEnergy, *Annual Report*, 2021, https://www.firstenergycorp.com/content/dam/investor/files/annual-reports/current.pdf p. 12

Appendix A: Proxy Voting for a 1.5°C World

The world is currently on track to reach disastrous levels of warming, driving massive harm and threatening the lives and livelihoods of millions.

Corporate leaders in the industries responsible for this crisis have failed to take up the leadership required to change course.

"Climate risk" is systemic, escalating and irreversible - and corporate boards urgently need to take responsibility for averting and mitigating this risk.

The UN Intergovernmental Panel on Climate Change (IPCC) in 2018 made clear that in order to have at least a 50% chance of limiting warming to 1.5°C and avoiding the most catastrophic effects of the climate crisis, we must bring global, economy-wide carbon emissions down to net zero by 2050 at the latest.[25] According to the International Energy Agency (IEA), in order to achieve net zero emissions globally by 2050, the electricity sector must reach net zero emissions in OECD countries no later than 2035 and there can be no investment in new fossil fuel production from today.[26] The IPCC also recognizes that reducing rates of deforestation and forest degradation also represents one of the most effective and robust options for climate change mitigation.[27]

That means that corporate directors must ensure that companies set ambitious decarbonization targets in line with 1.5°C pathways, and align companies' business plans, capital expenditures, and policy influence to those targets. Despite the escalating climate crisis, systemically important U.S. companies continue to invest in the expansion and continued use of fossil fuels, further accelerating global warming.[28]

The physical and financial risks posed by climate change to long-term investors are systemic, portfolio-wide, unhedgeable and undiversifiable.

Therefore, the actions of companies that directly or indirectly impact climate outcomes pose risks to the financial system as a whole and to investors' entire portfolios. In order to manage this systemic portfolio risk, investors must move beyond disclosure and company-specific climate risk management frameworks and focus on holding accountable the relatively small number of large companies whose actions are a significant driver of climate change.

When directors fail to transform corporate business practices in line with 1.5°C pathways, responsible investors must use their most powerful tool – their proxy voting power – to vote against directors.

Bold and unprecedented action by investors is a prerequisite to averting further global economic and financial catastrophe. While past shareholder

---

[25] IPCC, *Special Report on Global Warming of 1.5°C.,* 2018, https://www.ipcc.ch/site/assets/uploads/sites/2/2019/06/SR15_Full_Report_Low_Res.pdf , pp. v, 5, 7-10, 95-97 and 116

[26] International Energy Agency (IEA), *Net Zero by 2050: A Roadmap for the Global Energy Sector,* May 2021. https://www.iea.org/reports/net-zero-by-2050, Slide 8.

[27] IPCC. *Special Report on Climate Change and Land, Summary for Policy Makers*,January, 2020, https://www.ipcc.ch/site/assets/uploads/sites/4/2020/02/SPM_Updated-Jan20.pdf, pp 23-24 and 26.

[28] Climate Action 100+: Net-Zero Company Benchmark Company Assessments https://www.climateaction100.org/progress/net-zero-company-benchmark/

efforts at standard setting, disclosure and engagement have laid important groundwork, company commitments won thus far have been far too incremental, far too hard fought, and collectively insufficient to the scale of the crisis.

Business-as-usual proxy voting will not suffice to address the seriousness of the crisis at hand. We urge investors to vote against directors at companies failing to implement plans consistent with limiting global warming to 1.5°C.

Key Sectors Are Critical to Curbing the Climate Crisis

The electric power, finance, transportation, and oil and gas sectors are key drivers of the production and consumption of fossil fuels and must all make dramatic transformations to curb the worst of catastrophic climate change and protect long-term investors. Similarly, companies driving deforestation – including companies that source key deforestation-linked agricultural commodities, driving market demand for one of the greatest threats to the world's forests – must adopt comprehensive climate policies and end deforestation.

Substantial votes against board members at these companies could help realign business and investment plans to the goals of the Paris Agreement, hold companies accountable for lobbying and policy influence practices that obstruct climate action, and align executive compensation to key decarbonization goals.

While each industry and company will need to chart its own path in pursuing decarbonization consistent with limiting warming to 1.5°C, setting a target to reach net zero emissions by no later than 2050 is a critical first step. In the absence of such a target, investors can have no confidence that the company will be able to transform its business consistent with limiting warming to 1.5°C.

Voting guide: Electric power generation

Electric power production is responsible for nearly one-third of energy-related carbon emissions[29] in the United States. The largest publicly-traded electric utilities remain among the largest sources of carbon emissions in the U.S. economy,[30] and their capital investments in fossil fuel-based electric power infrastructure have the potential to lock in greenhouse gas emissions for decades to come. In addition to curbing a direct source of emissions, the decarbonization of electricity production also enables the decarbonization of other sectors such as transportation and buildings as those sectors electrify.

[29] U.S. Energy Information Agency, "FAQs: What are U.S. energy-related carbon dioxide emissions by source and sector?," https://www.eia.gov/tools/faqs/faq.php?id=75&t=11
[30] MJBradley & Associates, *Benchmarking Air Emissions of the 100 Largest Electric Power Producers in the United States*, https://www.mjbradley.com/sites/default/files/Presentation_of_Results_2020.pdf p. 9

While power generation globally has made some progress[31] towards decarbonization, falling emissions intensity of electricity production has yet to be matched by reductions in absolute emissions. Given the substantial increase in electricity production that will be required to decarbonize and electrify sectors such as transportation and buildings, reductions in the emissions intensity of electricity will not deliver the emissions reductions needed to limit warming to 1.5°C.

Target setting

According to the IPCC,[32] decarbonization of the power sector globally by no later than 2050 is a robust feature of all modeled pathways aligned with limiting warming to 1.5°C. In 2021, the IEA released its Net-Zero by 2050[33] Scenario, which requires emissions from electricity production in OECD countries to reach zero by 2035. The Global Sector Strategy[34] for investor coalition Climate Action 100+ reiterates that investors expect that emissions from electricity generation should reach net zero by 2040 globally and by 2035 in advanced economies.

While accelerated timelines for decarbonization of electric power are now well-accepted, the base level requirement for utilities and their boards is to make commitments to reduce their emissions to net zero no later than 2050. In assessing the credibility and robustness of net zero targets, investors should consider whether a target includes all relevant Scope 1, 2, and 3 emissions company-wide. For utilities, this includes emissions not only from electricity directly generated by assets they own, but also emissions from purchased and resold power, and for combined gas-electric utilities, emissions from customer use of fossil gas. Investors should also take into account whether the utility has plans to eliminate the upstream methane emissions from gas used in power production or by its customers.

In addition to the base level requirement, in order to be aligned with the IEA's Net-Zero by 2050 Scenario, interim targets and milestones are necessary. Such interim targets and milestones should prioritize accelerated emissions reduction between now and 2030 rather than delaying the hard task of emissions reduction until after that date. This is underscored by the IEA's report on Achieving Net-Zero Electricity Sectors in G7 Members, which requires emissions reductions of 76% or higher to be achieved by 2030 in

---

[31] IIGCC as part of Climate Action 100+, *GLOBAL SECTOR STRATEGIES: INVESTOR INTERVENTIONS TO ACCELERATE NET ZERO ELECTRIC UTILITIES*, Oct 2021, https://www.climateaction100.org/wp-content/uploads/2021/10/Global-Sector-Strategy-Electric-Utilities-IIGCC-Oct-21.pdf p. 26

[32] IPCC, *Special Report: GLOBAL WARMING OF 1.5 ° Summary for Policy Makers*, https://www.ipcc.ch/sr15/chapter/spm/ p. C1

[33] International Energy Agency, *Net Zero by 2050 A Roadmap for the Global Energy Sector*, https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf p. 20

[34] IIGCC as part of Climate Action 100+, *GLOBAL SECTOR STRATEGIES: INVESTOR INTERVENTIONS TO ACCELERATE NET ZERO ELECTRIC UTILITIES*, Oct 2021, https://www.climateaction100.org/wp-content/uploads/2021/10/Global-Sector-Strategy-Electric-Utilities-IIGCC-Oct-21.pdf p. 10

G7 countries from 2019 levels under its Net-Zero by 2050 scenario,[35] with average reductions in the order of 6% per year between now and 2035.[36]

Finally, robust net zero targets should not rely on substantial use of offsets, negative emissions, or technologies that are not yet developed or commercialized to avoid having to make short-term greenhouse gas emissions reductions. Any use of such offsets or negative emissions should be clearly disclosed to allow investors to assess the quality and credibility of utilities' plans. The Science Based Targets Initiative currently only allows for small amounts of emissions after net zero to be mitigated with carbon removal;[37] any other investment into mitigation is encouraged but not a substitute for lowering a company's own emissions.

Key Data Sources:

- Climate Action 100+, Disclosure Indicators 1-4[38]
- Science-Based Targets Initiative,[39] Companies list[40] and Sector Guidance[41]
- CDP (formerly Carbon Disclosure Project),[42] search company survey responses

Capital Allocation

Investors must have confidence that utilities are making the near-term shifts in capital allocation and investment necessary to decarbonize in alignment with a 1.5°C future. According[43] to multiple[44] studies,[45] U.S. power producers must phase out the use of coal generation by 2030 in order to stay on track to limit

---

[35] IEA, Achieving Net Zero Electricity Sectors in G7 Members, https://iea.blob.core.windows.net/assets/9a1c057a-385a-4659-80c5-3ff40f217370/AchievingNetZeroElectricitySectorsinG7Members.pdf p. 92
[36] IEA, Achieving Net Zero Electricity Sectors in G7 Members, https://iea.blob.core.windows.net/assets/9a1c057a-385a-4659-80c5-3ff40f217370/AchievingNetZeroElectricitySectorsinG7Members.pdf p. 38
[37] Science Based Targets, "Science-Based Net-Zero Targets: 'Less Net, more Zero'," https://sciencebasedtargets.org/blog/science-based-net-zero-targets-less-net-more-zero
[38] Climate Action 100+, "Companies," https://www.climateaction100.org/whos-involved/companies/
[39] Science Based Targets, *SETTING 1.5°C-ALIGNED SCIENCE-BASED TARGETS: QUICK START GUIDE FOR ELECTRIC UTILITIES*, June 2020, https://sciencebasedtargets.org/resources/legacy/2020/06/SBTi-Power-Sector-15C-guide-FINAL.pdf
[40] Science Based Targets, "Companies Taking Action" https://sciencebasedtargets.org/companies-taking-action
[41] Science Based Targets, "Sector Guidance" https://sciencebasedtargets.org/sectors
[42] CDP, https://www.cdp.net/en
[43] James H. Williams et al., "Carbon-Neutral Pathways for the United States," *Advancing Earth and Space Science*, https://agupubs.onlinelibrary.wiley.com/doi/epdf/10.1029/2020AV000284, 2021, p. 20
[44] Eric Larson et al., "Net-Zero America: Potential Pathways, Infrastructure, and Impacts," Princeton University, October 21, 2021, https://www.dropbox.com/s/ptp92f65lgds5n2/Princeton%20NZA%20FINAL%20REPORT%20%2829Oct2021%29.pdf?dl=0 p. 29
[45] Climate Analytics, *Global and regional coal phase-out requirements of the Paris Agreement: Insights from the IPCC Special Report on 1.5°C*, Sep 2019 https://climateanalytics.org/media/report_coal_phase_out_2019.pdf at "key messages",

warming to 1.5°C. The IEA's Net Zero by 2050 Scenario[46] indicates all unabated coal generation must be phased out completely by 2030 in OECD countries.

Further research indicates that the cost to operate 74% of existing coal generation capacity exceeds the cost to replace it with wind and solar generation. By 2025, 86% of the coal generation capacity will be cheaper to replace[47] with renewables. For regulated utilities,[48] these additional costs will be borne by shareholders if utilities are unable to convince regulators to pass on those costs to consumers, creating substantial stranded asset risk for investors.

One study by researchers at UC Berkeley found that the U.S. electricity grid could reach 90% clean energy nationally[49] with no need for any additional fossil gas generation plants by 2035. According to Deloitte, existing gas generation capacity "accounts for most of the undepreciated value of US fossil fuel capacity,"[50] making it the largest source of potential stranded asset risk to utilities and their investors. Any future for gas generation beyond 2050[51] will only be possible with carbon capture, utilization and storage, a technology that does not fully abate emissions, does not account for upstream methane emissions, and is currently cost-prohibitive. In addition, increasing prices and volatility[52] in the global gas market make investments in more gas generation a potentially risky long-term bet. In assessing the alignment of capital allocation plans with limiting warming to 1.5°C, investors should consider whether utilities are planning for no investment in new gas generation.

Key Data Sources:

- Climate Action 100+, Disclosure Indicator 6[53]

---

[46] IEA, *Net Zero by 2050 A Roadmap for the Global Energy Sector*, October 2021, https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf p. 20

[47] ERIC GIMON et al., "THE COAL COST CROSSOVER: ECONOMIC VIABILITY OF EXISTING COAL COMPARED TO NEW LOCAL WIND AND SOLAR RESOURCES," *Energy Innovation*, Mar 2019, https://energyinnovation.org/wp-content/uploads/2019/03/Coal-Cost-Crossover_Energy-Innovation_VCE_FINAL.pdf p. 1

[48] ERIC GIMON et al., "THE COAL COST CROSSOVER: ECONOMIC VIABILITY OF EXISTING COAL COMPARED TO NEW LOCAL WIND AND SOLAR RESOURCES," *Energy Innovation*, Mar 2019, https://energyinnovation.org/wp-content/uploads/2019/04/Coal-Cost-Crossover_Energy-Innovation_VCE_FINAL2.pdf p. 11

[49] Goldman School of Public Policy, "2035 THE REPORT: PLUMMETING SOLAR, WIND, AND BATTERY COSTS CAN ACCELERATE OUR CLEAN ELECTRICITY FUTURE," *University of California Berkeley*, June 2020, http://www.2035report.com/wp-content/uploads/2020/06/2035-Report.pdf?hsCtaTracking=8a85e9ea-4ed3-4ec0-b4c6-906934306ddb%7Cc68c2ac2-1db0-4d1c-82a1-65ef4daaf6c1 p. 25

[50] Stanley Porter et al., "Utility decarbonization strategies: Renew, reshape, and refuel to zero," *Deloitte*, Sep 21, 2020, https://www2.deloitte.com/us/en/insights/industry/power-and-utilities/utility-decarbonization-strategies.html

[51] Stanley Porter et al., "Utility decarbonization strategies: Renew, reshape, and refuel to zero," *Deloitte*, Sep 21, 2020, https://www2.deloitte.com/us/en/insights/industry/power-and-utilities/utility-decarbonization-strategies.html

[52] ANNE-SOPHIE CORBEAU, "The Global Energy Crisis: Implications of Record High Natural Gas Prices," *Columbia SIPA Center on Global Energy Policy*, Oct 20, 2021, https://www.energypolicy.columbia.edu/research/commentary/global-energy-crisis-implications-record-high-natural-gas-prices

[53] Climate Action 100+, Companies, https://www.climateaction100.org/whos-involved/companies/

- Carbon Tracker,[54] Company Profiles: Utilities[55]
- Sierra Club, Dirty Truth report[56] and Data Dashboard[57]

Policy Influence

Utilities must fully align their policy influence activities, including political spending and lobbying activities, with the policy settings required to accelerate sector-wide emissions reduction on a timeline necessary to limit warming to 1.5°C. Utilities must provide full disclosure of all political and lobbying spending to allow investors to assess this alignment. Finally, utilities must ensure the alignment of the policy influence activities of any trade associations or similar entities of which they are members or to which they contribute, or cease membership of such organizations. With efforts under way at the federal level in the U.S.[58] to provide additional policy support to electric power decarbonization, utilities must not be engaged in efforts to delay or hinder those policy advances.

Key Data Sources:

- Climate Action 100+, Disclosure Indicator 7[59]
- Influence Map,[60] List of companies and influencers[61]
- Energy and Policy Institute[62]

Summary Table

TARGET SETTING	**1.1**	Net zero commitment by no later than 2050 for power production
	1.2	Net zero commitment clearly includes all relevant emissions sources and has limited use of offsets, negative emissions, or unproven or uncommercialized technologies, including carbon capture and storage

[54] Carbon Tracker Initiative, https://carbontracker.org/
[55] Carbon Tracker Initiative, "Company profiles," https://carbontracker.org/company-profiles/
[56] Sierra Club, The Dirty Truth About Utility Climate Pledges, https://coal.sierraclub.org/the-problem/dirty-truth-greenwashing-utilities
[57] John Romankiewicz, Utility Dashboard, https://public.tableau.com/app/profile/john.romankiewicz/viz/Utilitydashboard/Story1
[58] Yvonne McIntyre & Derek Murrow, "House Proposes Strong Clean Electricity Performance Program," *NRDC*, Sep 14, 2021, https://www.nrdc.org/experts/yvonne-mcintyre/house-proposes-strong-clean-electricity-performance-program
[59] Climate Action 100+, "Companies," https://www.climateaction100.org/whos-involved/companies/
[60] InfluenceMap, https://influencemap.org/index.html
[61] LobbyMap, "Company Profiles," https://lobbymap.org/filter/List-of-Companies-and-Influencers#1
[62] Energy and Policy Institute, https://www.energyandpolicy.org/

	1.3	Robust interim targets of at least 80% by 2030 or at least 6% per year on a straight-line basis between 2019-2030 (on track to reach zero by 2035)
CAPITAL ALLOCATION	2.1	Firm plan to phase out coal by 2030
	2.2	Limited investment in new gas generation planned
POLICY INFLUENCE	3.1	Alignment of policy influence activities with net zero target and limiting warming to 1.5°C