WHEREAS:

Climate change is escalating a variety of regulatory, physical, and financial risks and is prompting utilities to adopt low-carbon business models for long term value creation and resilience.

A critical climate change risk for the Western United States, which relies on snowpack run-off for its water supply, is climate-intensified droughts. (Global warming and changes in drought, Union of Concerned Scientists, 2014). Western states are currently experiencing the scale of which may be the beginning of a mega-drought whose scale has not been seen in centuries. (NY Times, August 2015).

Diminished snowpack in Western states has constrained water resources and reduced flows available for hydroelectric power. In 2014, California had the lowest hydroelectric generation in decades at only 52% of the previous 5 year average. (Hydroelectric Statistics & Data, California Energy Commission). Indeed "85% of [Oregon] is experiencing some degree of water shortage." (High Country News, 2015).

In 2014, 18% of PGE's power generation was from hydroelectric. (How We Generate Energy, PGE Website). Prolonged, intense droughts threaten to decrease stream flows in the Clackamas, Willamette, and Deschutes rivers, on which PGE's hydroelectric power depends. Severe, climate intensified droughts could force PGE to make up for hydroelectricity shortfalls through other types of power generation. If PGE compensates for decreased hydroelectric resources using fossil fuels, its greenhouse gas emissions will rise. However, carbon emissions are being increasingly strictly regulated in an effort to halt and mitigate climate change. The Clean Power Plan, the first major U.S. climate regulation, was finalized in 2015 and requires substantial carbon reductions from the power sector. The State of Oregon has also set a statewide carbon reduction goals of 10% below 1990 levels by 2020, and at least 75% below 1990 levels by 2050. Additional future regulations limiting carbon emissions from electricity generation are likely, such as a pending bill in Oregon to eliminate coal power in the state.

Prioritizing the addition of new, fossil-free energy sources would provide PGE with a means to ensure grid stability and reduce regulatory risk, even as climate change restricts water supply for hydroelectric power.

BE IT RESOLVED:

Shareholders request that PGE prepare a climate change adaptation report, by October 2016 and with board oversight (at reasonable cost and omitting proprietary information), quantifying the financial and operational risk to the company associated with climate-change driven "mega-droughts", such as those that reduce hydroelectric resources by 75 to 100% for an extended period of years. Shareholders request the report also describe how the company would avoid increased GHG emissions in mega-drought conditions.