



WHEREAS: Utilities face unprecedented disruptions to their business model driven by growth in non-carbon-emitting sources of electric power, and by climate policy imperatives such as the 2015 Paris Accord's goal of limiting global warming to well below 2 degrees Celsius.

Utility leaders recognize the need for change; the 14th PwC Global Power & Utilities Survey found that 97% of international electric power industry representatives expect the power utility business model to experience medium to high levels of disruption by 2020.

The effects are evident. In 2014, Barclays downgraded bonds for the entire U.S. electric utility sector due to the rapidly declining costs of solar power and energy storage technologies. UBS projects solar systems and batteries will cause a huge disruption in the energy industry, noting, "Large-scale power stations could be on a path to extinction." Deutsche Bank predicts total solar photovoltaic power costs will reach parity with average electricity prices (grid parity) in 36 U.S. states as soon as 2017. In June 2016, the credit rating agency Moody's announced that it would begin assessing carbon transition risk based on scenarios consistent with the Paris Accord, and noted the high carbon risk exposure of the power sector.

Moody's stated that "a proactive regulatory response to distributed generation is credit positive as it gives utilities improved rate designs and helps in the long-term planning for their infrastructure." Navigant Research similarly notes "Utilities that proactively engage with their customers to accommodate distributed generation - and even participate in the market themselves - limit their risk and stand to benefit the most."

Distributed generation of electricity is expanding through residential rooftop solar and corporate installations of renewable power. As of November 2016, 83 major brands have committed to work towards 100% renewable energy by signing on to the RE100 Pledge. Utilities must either meet these customers' demand, or risk losing them as they pursue solutions like distributed renewable generation independently.

Though Entergy is the 7th largest U.S. utility, and has the 16th highest level of carbon emissions among U.S. power producers, the Company has very little distributed and renewable energy. (Ceres, Benchmarking Utility Air Emissions 2015). A study of U.S. investor-owned utility clean energy deployment ranked Entergy 26th of 30 on clean energy sales; 28th of 30 on incremental annual energy efficiency; and 29th of 30 on lifecycle energy efficiency. (Ceres, Benchmarking Utility Clean Energy Deployment 2016).

Resolved: With board oversight, shareholders request that Entergy prepare a report (at reasonable cost and omitting proprietary information) describing how the Company could adapt its enterprise-wide business model to significantly increase deployment of distributed-scale non-carbon-emitting electricity resources as a means of reducing societal greenhouse gas emissions consistent with limiting global warming to no more than 2 degrees Celsius over pre-industrial levels.