# Investors Challenge FirstEnergy to Evaluate Carbon Asset Risks Associated With Climate Change

***Investors continue putting pressure on utilities to transition to clean energy***

**Communications Contact:** Cyrus Nemati, (510) 735-8157, cnemati@asyousow.org

**Expert Contact:** Lila Holzman, (510) 735-8153, lholzman@asyousow.org

**Oakland, CA** – Continuing the momentum from last year's majority votes requesting analysis of how energy companies will succeed in an increasingly low carbon economy, investors filed a shareholder proposal last week with FirstEnergy, whose Midwest and Mid-Atlantic operations comprise one of the nation's largest investor-owned electric systems. The Connecticut Retirement Plans and Trust Funds joins *As You Sow*, a nonprofit shareholder group, as co-lead filers on a proposal requesting that FirstEnergy evaluate how reduced demand for fossil fuels—especially coal—will impact its operations in an energy market moving to limit global warming to under two degrees Celsius. The proposal will be voted on at the company's annual shareholder meeting in May 2018.

At FirstEnergy's annual meeting in May 2017, a similar proposal filed by *As You Sow* received an impressive 43.4% vote, a record expected to be exceeded this year. Investors and the public are increasingly demonstrating the urgent need for energy companies to disclose their climate risk and take meaningful actions to reduce it. Last year, large institutional investor Vanguard joined State Street and BlackRock to push companies for better climate disclosure on the grounds that "there are significant risks to a company's long-term value proposition."

"The trend is clear that demand for cleaner, renewable sources of energy is increasing," said Lila Holzman, Energy Program Manager at *As You Sow.* "Utilities can and should be doing more to position themselves for success in these evolving conditions, rather clinging to outdated technologies as they become obsolete."

Despite market signals favoring renewable energy, FirstEnergy remains committed to a path that relies heavily on fossil fuel, with coal making up more than 50% of its fuel mix. In recent years, the company has faced financial struggles including coal plant closures, impairment of long-lived assets deemed unrecoverable, and the looming bankruptcy of one of its coal-based subsidiaries. Rather than evaluating how to align its energy mix to the realities of shrinking demand for carbon-intensive fuels, the company has instead lobbied for counterproductive measures like a moratorium on coal plant retirements -- a tactic which was ultimately rejected – or a coal and nuclear cost recovery rule proposed by the U.S. Department of Energy.

*As You Sow* filed a similar proposal with a peer utility, AEP, in 2016, prompting the company to begin analyzing and acknowledging its carbon asset risk associated with climate change. Investors are finding increasing value in company reporting showing how resilient a company's business will be to scenarios aligned with the goal of limiting global warming to under two degrees Celsius. Utilities must rise to meet this opportunity.

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*__As You Sow__ is a nonprofit organization that promotes environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. See our resolutions here.*