

Southern Shareholders to Consider 'Green' Vote

Dave Williams | May 15, 2015

Southern Co. shareholders will vote May 27 on a resolution calling for the Atlanta-based utility to set targets for carbon emissions.

Unlike past "green" resolutions considered at the company's annual shareholders meeting, this one has prominent business backing. In fact, it reflects a trend of growing support in the business community for America's corporate giants to boost their bottom lines by becoming more proactive in addressing climate change.

"More and more large institutional investors are voting for these kinds of proposals," said Lee Adrean, retired former chief financial officer for Atlanta-based Equifax Inc. and a volunteer with the Georgia chapter of the Sierra Club.

Indeed, an analysis compiled by Ceres, a nonprofit sustainability advocacy group, shows that 13 U.S. mutual fund companies supported more than half of the climate-related shareholder resolutions they voted on last year.

"It's not just the environmentalists anymore," said Mark Woodall, a Georgia Sierra Club vice chairman who has signed onto the Southern resolution as a co-filer.

Specifically, the resolution asks that Southern adopt goals for reducing carbon emissions and submit a report to shareholders by Nov. 1.

Amelia Timbers, energy program manager for California-based nonprofit **As You Sow**, a co-filer on the Southern resolution and similar shareholder proposals, said convincing companies to voluntarily limit carbon emissions would supplement the mandated carbon reductions proposed by the Environmental Protection Agency.

With many utilities — including Southern — and influential business groups opposing EPA's carbon rule, the fate of the agency's plan is uncertain, she said.

"It's important for companies to be proactive on climate change, especially companies as large as Southern, which has a very high impact," Timbers said.

The resolution accuses Southern of lagging behind utilities including Duke Energy and Exelon, which have set carbon reduction goals.

However, even Southern's critics concede the company has made significant strides during the last several years away from relying on coal-burning plants and toward increasing use of renewables, primarily solar.

Southern affiliate Georgia Power Co. has been retiring some of its aging giant coal plants, while its Advanced Solar Initiative will add 525 megawatts of solar power by the end of next year.

"Southern has made good progress," Adrean said. "We would like to see Southern being more

proactive with solar and more open with their carbon footprint. We think shareholders deserve that.”

Southern executives are asking shareholders to defeat the resolution as both unnecessary and premature.

In a written response, the company cited its “already robust research, development and deployment efforts” of technology that will allow it to reduce carbon emissions. In arguing the resolution is too soon, Southern referred to the ongoing debate over the EPA’s proposal.

“Final emission standards ... are expected this year from the EPA,” the utility wrote. “Independently establishing reduction goals without the benefit of these final rules is premature.”