



WHEREAS: The Intergovernmental Panel on Climate Change [released a report](#) finding that "rapid, far-reaching" changes are necessary in the next 10 years to avoid disastrous levels of global warming.

The energy sector has a critical role to play in mitigating climate risks. Already, the sector is undergoing a rapid transition by moving away from coal, but growing reliance on natural gas creates ongoing risk. Natural gas is a major contributor to climate change due to methane leaks and routine combustion emissions. In 2018, natural gas contributed to an [increase in power sector emissions](#), thereby jeopardizing chances of achieving reductions in line with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius.

Building [new gas infrastructure](#) may be uneconomic and result in costly stranded assets comparable to early retirements now occurring for coal. While [some low-carbon scenarios](#) show gas use continuing, they rely on carbon removal technologies -- a risky assumption given that the technology has yet to prove economic at scale.

Existing alternatives to natural gas -- such as [renewables plus storage](#), demand response, electrification, and energy efficiency -- are all increasingly cost-effective means of serving energy needs while reducing fossil fuel use and climate impacts. City governments, recognizing gas' harmful climate impacts, are setting policies prohibiting [gas hookups for new buildings](#) in favor of safer, healthier electric buildings. Furthermore, states, cities, and [large consumers are setting ambitious renewable energy targets](#), which utilities will need to supply or risk losing business.

While Southern is to be commended for taking [climate conscious steps](#), including setting a long term greenhouse gas target and actions to decrease methane leakage, investors lack sufficient information to understand if or how the Company can reconcile its growing reliance on natural gas with aligning with Paris goals.

The Company's disclosures indicate Southern is continuing to invest in expensive gas infrastructure but is not sufficiently addressing how those costly assets and their depreciation timelines reconcile with climate stability goals or the existence of increasingly low cost, clean energy pathways.

Peer utilities, including [NextEra](#) and [Xcel](#), have demonstrated alternatives to investing in new gas infrastructure by replacing coal assets with renewables and storage, creating win-win solutions. Shareholders are concerned that Southern is [lagging behind](#) on such opportunities and increasing its exposure to climate-related risks by investing in significant gas holdings that may become stranded.



BE IT RESOLVED: Shareholders request that Southern issue a report, at reasonable cost and omitting proprietary information, describing how it is responding to the risk of stranded assets of planned natural gas-based infrastructure and assets, as the global response to climate change intensifies.