

## Revisit Non-Carbon Emitting Generation Goals in Executive Pay Incentives

**Whereas:** A government-driven, media-amplified “scientific consensus”<sup>1 2</sup> narrative claims anthropogenically-caused climate change will result in catastrophic impacts to the planet. Research shows these scenarios are unlikely, and that harmful consequences from carbon dioxide emissions have been exaggerated.<sup>3</sup> For example:

- Corporations’ climate policies are often guided by the Paris Agreement,<sup>4</sup> which is heavily informed by the Intergovernmental Panel on Climate Change.<sup>5</sup> These targets are voluntary, and the United States is expected to remove itself from the agreement’s terms due to inequitable application across national economies.<sup>6</sup>
- The IPCC’s most extreme hypotheticals assume a return to unrestricted fossil fuel usage and heavy reliance on coal power<sup>7</sup> – an unlikely scenario.<sup>8</sup>
- Regarding catastrophic forecasts that are treated as the expectation: “... the media then often amplifies this message... This results in further confusion regarding probable emissions outcomes, because many climate researchers are not familiar with the details of these scenarios in the energy-modeling literature.”<sup>9</sup>
- Apocalyptic predictions have been repeatedly proven false.<sup>10</sup> Climate models used to predict future conditions “may be overly sensitive to carbon dioxide increases and therefore project future warming that is unrealistically high.”<sup>11</sup>
- Carbon dioxide as a *primary* “forcing” for planetary warming (or “climate change”) is a myth, as most recently demonstrated by – for example – “no change in the warming rate beyond the 1970s,”<sup>12</sup> and research showing that doubling of CO<sub>2</sub> *cools* polar (Arctic and Antarctic) regions, and that water vapor dampens the warming effect of increased CO<sub>2</sub>, contrary to IPCC claims.<sup>13</sup>

**Supporting Statement:** Despite evidence that climate alarmism and associated renewable energy policies are unwarranted, Dominion Energy, Inc.’s executive pay program incorporates unnecessary incentives to attain “non-carbon emitting generation capacity” goals (NCGC):”<sup>14</sup>

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<sup>1</sup> <https://www.mdpi.com/2225-1154/11/11/215>

<sup>2</sup> <https://nypost.com/2023/08/09/climate-scientist-admits-the-overwhelming-consensus-is-manufactured/>

<sup>3</sup> <https://judithcurry.com/2023/03/28/uns-climate-panic-is-more-politics-than-science/>

<sup>4</sup> <https://www.dominionenergy.com/-/media/pdfs/global/reports/lobbying-and-trade-association-report>

<sup>5</sup> <https://www.ipcc.ch/sr15/faq/faq-chapter-1/>

<sup>6</sup> <https://www.politico.com/news/2024/11/10/trump-withdrawal-paris-agreement-different-00188002>

<sup>7</sup> <https://www.sciencedirect.com/science/article/pii/S0140988317301226>

<sup>8</sup> <https://www.carbonbrief.org/explainer-the-high-emissions-rcp8-5-global-warming-scenario/>

<sup>9</sup> <https://www.nature.com/articles/d41586-020-00177-3>

<sup>10</sup> <https://www.aei.org/carpe-diem/18-spectacularly-wrong-predictions-were-made-around-the-time-of-the-first-earth-day-in-1970-expect-more-this-year/>

<sup>11</sup> <https://www.sciencedaily.com/releases/2020/04/200430113003.htm>

<sup>12</sup> <https://www.nature.com/articles/s43247-024-01711-1>

<sup>13</sup> <https://journals.ametsoc.org/view/journals/clim/36/18/JCLI-D-22-0708.1.xml>

<sup>14</sup> [https://s2.q4cdn.com/510812146/files/doc\\_downloads/2024/Dominion-Energy-2024-Proxy-Statement.pdf](https://s2.q4cdn.com/510812146/files/doc_downloads/2024/Dominion-Energy-2024-Proxy-Statement.pdf)

- Under the Company’s 2023 60% performance grant in its long-term incentive program, named executive officers received performance grants that included a “10% weighting” for NCGC.
- The NCGC performance metric “measures the company’s wind, solar, nuclear and conventional hydro generation capacity as a percentage of its total generation capacity.”
- The NCGC performance metric is used “to ensure officers remain focused on the Company’s long-term environmental goals...which are expected to enhance long-term shareholder value.”

Power generation incentives based on specific sources are unscientific and are a breach of fiduciary duty. The Company is a public utility and is morally and legally obligated to deliver the lowest-cost electricity to ratepayers – within the guardrails of local, state and federal laws – and must focus on cost-effective and efficient power generation. Replacing or rejecting longstanding dependable sources<sup>15</sup> to reach quotas for sources such as wind or solar are uneconomical<sup>16 17</sup> and environmentally problematic.<sup>18 19</sup> Customers and investors should not pay the price for incentivizing poor executive decisions.

**Resolved:** Shareholders request the Board of Directors’ Compensation and Talent Development Committee to revisit its incentive guidelines for executive pay, to re-emphasize fiduciary goals and consider eliminating NCGC-based incentives from compensation inducements.

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<sup>15</sup> <https://www.wsj.com/articles/texas-energy-blackouts-ercot-solar-power-f3476ad9>

<sup>16</sup> <https://justthenews.com/politics-policy/energy/feds-waiving-financial-assurances-offshore-wind-leave-future-costs-taxpayers>

<sup>17</sup> <https://www.cbsnews.com/losangeles/news/solar-industry-facing-bankruptcies-leaving-many-with-roof-panels-that-dont-work/>

<sup>18</sup> <https://www.providencejournal.com/story/opinion/columns/2024/10/13/supporters-are-vehement-wind-power-will-save-the-planet-no-matter-what-the-facts-are/75298582007/>

<sup>19</sup> <https://www.thecollegefix.com/stop-clearing-thousands-of-acres-to-build-solar-panels-harvard-study/>