WHEREAS: Most independent economists and scientists conclude that the cost of reducing greenhouse gas emissions now, is far lower than the costs of mitigating greenhouse gas-caused damage later.

We believe that long-term Berkshire shareholders will be harmed by procrastination, and are best served by taking present action in regard to greenhouse gas emissions and impending regulation.

Electricity generation accounts for larger carbon dioxide (CO_2) emissions than any other sector – more than either transportation or industry. US fossil fuel-powered plants account for nearly 40% of domestic and 10% of global CO_2 pollution. Berkshire Hathaway owns MidAmerican Energy Holdings, whose subsidiaries generated roughly 73% of their electricity in 2008 by burning coal.

Some narrowly-focused companies seem to believe it is beneficial to reap profits from coal-burning electricity plants while “externalizing” the costs of pollution and degraded public health onto society at large. However, instead of “externalizing” costs Berkshire risks “internalizing” the damage caused by its coal-burning holdings back onto itself – either harming its own companies and employees, or through liability claims paid out by our insurance businesses.

In 2010 the US Environmental Protection Agency (“EPA”) took steps under the Clean Air Act to require new or modified electricity-generating power plants to limit greenhouse gas emissions.

The EPA recently issued a draft “Transport Rule” and an “Air Toxics Rule.” Together, these rules set significant limits on the emissions of sulfur dioxide, nitrogen oxide, mercury, and acid gases from power plants. Bernstein Research estimates that by 2015 (after both rules are fully in effect) 15% of coal-fired power plants will have been forced to close – unable to meet stringent new regulations – and that numerous others will require substantial investment in order to remain operational.

Many utilities – including Xcel Energy, Calpine Corporation, and Progress Energy – have already established plans to replace their coal-fired power plants, recognizing that natural gas, efficiency, and renewable energy are far more profitable than retrofitting highly polluting coal-fired plants.

This is clearly an important issue to Berkshire’s independent shareowners. At Berkshire’s 2011 annual meeting, 26.77% of all shareholders voting (who were NOT members of the board or top executives of Berkshire) chose NOT to follow the board’s recommendation to vote against this proposal.

Peers of Berkshire’s MidAmerican Energy – including American Electric Power, Entergy, Duke Energy, Exelon, National Grid, and Consolidated Edison – have already set absolute targets for reducing greenhouse gas emissions.

Other peers – such as CMS Energy, PSEG Power, NiSource, and Pinnacle West – have already set greenhouse gas intensity targets.

THEREFORE, BE IT RESOLVED: That Berkshire – in response to strict new EPA regulations – establish quantitative goals for reduction of greenhouse gas and other air emissions at its energy-generating holdings; and that Berkshire publish a report to shareholders by September 30, 2012 (at reasonable cost and omitting proprietary information) on how it will achieve these goals – including plans to retrofit or retire existing coal-burning plants at Berkshire-held companies.

~ ~ ~