



Decision regarding changes in companies excluded for coal-based activities

August 2018

KLP and the KLP Funds (KLP) are excluding the following companies:

- Tri-State Generation and Transmission Association Inc.
- PacifiCorp.

On the 10th of July 2018, Norges Bank published the decision to exclude the companies Tri-State Generation and Transmission Association Inc. and PacifiCorp from their investments.¹

As stated in the *guidelines for KLP as a responsible investor*, KLP shall observe exclusions from the Government Pension Fund – Global (GPF) made according to the current *Guidelines for Observation and Exclusion from the Government Pension Fund Global*, and generally follow these exclusions.²

Norges Bank's decision document³ describes the coal criterion generally, without specifying which companies were excluded for the limit on 30 percent of revenues versus 30 percent of activities, nor the figures for companies' revenues and/or power production.⁴ As stated in the guidelines for KLP as a responsible investor, KLP shall not be invested in companies that:⁵

- obtain 30 per cent or more of their income from coal-based activities (coal mining or coal-based power generation);
- obtain 30 per cent or more of their income from the extraction of oil sands, or oil sands and coal-based activities combined.

The exclusion criteria for coal and/or coal-based activities in Norges Banks *Guidelines for observation and exclusion of companies from the Government Pension Fund Global* are deemed sufficient with regards to covering KLPs *guidelines for KLP as a responsible investor*. KLP has reviewed the decision document from GPF and see no reason to deviate from their decision.

¹ NBIM, *Grounds for decision – Product based coal exclusions*, 10.July 2018.

² *Guidelines for KLP as a responsible investor*

³ NBIM, *Grounds for decision – Product based coal exclusions*, 10.July 2018.

⁴ *Norges Banks Guidelines for observation and exclusion of companies from GPF*

⁵ *Guidelines for KLP as a responsible investor*



Information about the companies

Tri-State Generation and Transmission Association Inc.

Tri-State Generation and Transmission Association Inc. is an American energy generation and transmission cooperation.⁶ The company operates mainly in the western states of the U.S, namely Colorado, Nebraska, New Mexico, Wyoming, Arizona, Montana and Utah. The energy production is to a large extent based on coal and gas. The company headquarters is in New York City, USA.

KLP has not been able to obtain data on the company`s income from coal and/or coal-based activities. Hence, we will make our decision based on the review and decision made by Norges Bank.

PacifiCorp

PacifiCorp is an American energy generation and transmission company.⁷ PacifiCorp operates one of the largest privately owned energy transmission systems in the U.S. The energy production is to a large extent based on coal and gas. The company headquarters is in Portland, Oregon, USA.

KLP has not been able to obtain data on the company`s income from coal and/or coal-based activities. Hence, we will make our decision based on the review and decision made by Norges Bank.

Decision

KLP has analyzed the decision regarding changes in companies excluded for coal-based activities from GPF⁸ and see no reason to deviate from their decision. Therefore, KLP and the KLP Funds (KLP) are excluding the following companies:

- Tri-State Generation and Transmission Association Inc.
- PacifiCorp.

⁶ [Tristates web-page](#)

⁷ [PacifiCorps web-page](#)

⁸ [NBIM, Grounds for decision – Product based coal exclusions, 10.July 2018.](#)