

Testimony of Cata Romo, 350.org
New York State Fossil Fuel Divestment Act
April 30, 2019

My name is Cata Romo. I'm a campaigner with 350.org, a global organization building a movement for climate justice. Thank you for this opportunity to urge you, our representatives, to support the Fossil Fuel Divestment Act, as we seek to fight climate chaos with all the tools at our disposal. I am going to share some information about the fund's holdings which show the actual climate impacts, as well as the importance of aligning the fund with a just climate future.

Climate crises will touch all of our lives. It has affected some of us directly already. My auntie lives in Paradise, California. Lived. She lived in Paradise, California. She is still alive, but her home, her community and way of life is gone. Wildfires took out the entire community, houses, gardens, and the lives of many of her neighbors. I lived in New York City where I have seen first hand the impact of hurricane Sandy on all New Yorkers, but especially the most vulnerable. I have worked with youth and families who were displaced by Sandy. On my end, I am here today because I am doing my duty as a community member to these youth and families, speak out for my auntie and her climate displacement. I am here today to ask that you use your political faculties to do what is right to protect all New Yorkers against future climate crisis.

The Fossil Fuel Divestment Act is a clear way to get on the side of climate justice for all New Yorkers. I want to share about the funds holdings first; 350.org has done extensive analysis of the fund's holdings. It's important for our state legislators to understand just how New Yorkers' money is being invested in fossil fuel and fossil fuel related companies. It's important not to only understand our exposure to these companies and note the financial risks associated with these holdings, but also to understand the Fund's current climate footprint, how it's contributing to the problem, and how we can reduce the impact of its holdings by investing in solutions.

Based on the most recently available asset holdings, the Fund has more than **\$13 billion** invested in fossil fuel and related companies across 529 companies¹. That's about **6%** of the fund's holdings.

Included is more than **\$4 billion in the Carbon Underground 200** – the world's largest holders of coal, oil and gas reserves. If these companies exploited all of their known reserves, they'd lock us into a multi-degree increase in global temperatures, blowing way past our carbon threshold. These are the companies that are the subject of the proposed legislation and divesting from them would have the most significant impact in reducing the fund's carbon footprint. The fund owns **85** companies of these CU200 companies.

¹ Analysis of CRF's holdings at March 31, 2018 summarized at <https://gofossilfree.org/new-york-pension-funds-101/>

As you know, New York banned fracking in 2014 after years of pressure, recognizing the environmental and health consequences of this dangerous extraction. Yet the fund has more than **\$4 billion** invested in large and small fracking companies – essentially continuing to finance fracking happening elsewhere in the United States and around the world. That’s hypocritical.

Perhaps most egregiously, and this is really difficult to understand in this day and age, the fund retains massive investments in *coal and coal* related companies. A [recent analysis from InfluenceMap](#) reveals the Fund has **\$1.1 billion** invested in more than **25** companies with significant coal assets². This means, the fund owns and is responsible for the carbon footprint of **17.2 million tons of coal reserves, the equivalent annual CO2 emissions from 6.6 million cars. Greater than the emissions from the state of Connecticut**³.

Similar-sized funds in the USA such as the pension funds for Texas, Washington State, and the California Teachers Pension Fund, which, as you know, is one of the largest in the country, have virtually **zero holdings** in coal.

If the coal reserves owned by the fund were to be burned, they would emit 26 times the annual emissions of city of Albany.

This, at a time when coal plants are being shutting down across North America, plans for new coal plants in other countries are being put on hold, and the number of bankruptcies is increasing.

Why does the Fund remain invested in coal?

Why does the Fund remain invested in Peabody Coal – a pure play coal company that recently faced bankruptcy?

Why is the Fund still invested in Arch Coal which went through bankruptcy just a couple of years ago?

The medium term outlook for these companies is dim – even ignoring their hugely immoral contribution to climate change.

If we divest from companies gambling with our future, we can invest in the infrastructure and business that is right for jobs, for families and communities. But, we cannot do this without our legislators. As our communities bear the impact of climate chaos, it’s the responsibility of our legislators and the Fund to invest in a just transition away from coal and other fossil fuels.

² InfluenceMap The New York State Common Retirement Fund and Thermal Coal March 2019 <https://influencemap.org/report/The-New-York-State-Common-Retirement-Fund-and-Thermal-Coal-54eac22e906ae8b9562e2556df8465ed>

³ According to the EPA. 1.83 metric tonne of Co2/short ton of coal. 17.2 M tons of coal = 31.5 M metric tonnes of CO2. [EPA Greenhouse Gas Equivalency Calculator](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator) <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

As you know the State Decarbonization Panel recommended a significant overhaul of the way the fund is managed and a major and speedy realignment of the fund's investments. One of the examples of actions that this esteemed panel made is to, and I quote: **"By 2020, exclude all companies that derive more than 10% of revenue from mining thermal coal or account for more than 1% of global production of coal"**⁴.

More than **1050 institutions with assets over \$8.7 trillion dollars** have committed to divest in some form⁵. These are not mom and pop shops or tiny funds. These are amongst the world's largest and most influential.

Most recently, the Norwegian Sovereign Wealth Fund, the largest in the world, declared it would be moving away from pure play oil and gas producers in a bid to reduce its risk levels having already divested from coal.

What I remain really confused by is why we remain invested in **ExxonMobil** to the tune of nearly **\$1 billion**? You all know the history of Exxon's climate denial campaigns including it's ongoing and very current lobbying against progressive climate regulation and legislation around the world. This is well documented. If for no other reason, we should divest from Exxon.

But there are many other reasons: New York City is suing Exxon and four other Big Oil companies for billions in damages and costs related to climate change. More than a dozen other cities are doing the same.

If the increasing number of lawsuits weren't enough, then let's look to our **own Attorney General**. New York State ITSELF is suing Exxon for alledgeing defrauding shareholders including NEW YORK STATE. How can we stay invested in a company that very likely acted unlawfully?

Shareholder engagement with Exxon has delivered no change in business practices. There is no good reason to stay invested in the company and many good reasons to divest.

We would all like to see Comptroller DiNapoli act on his own to overhaul the fund and shift investments out of the riskiest and largest fossil fuel companies. Unfortunately, he has chosen not to act, despite calls to do so for years and most importantly, convincing evidence that it is his fiduciary and legal responsibility to do so. **It is for this reason that we believe the Fossil Fuel Divestment Act must be passed.**

⁴ Decarbonization Advisory Panel Beliefs and Recommendations April 2019
<https://www.osc.state.ny.us/reports/decarbonization-advisory-panel-report.pdf>

⁵ A full listing of institutions that have made divestment commitments can be found here:
<https://gofossilfree.org/divestment/commitments/>

[2] InfluenceMap The New York State Common Retirement Fund and Thermal Coal March 2019

<https://influencemap.org/report/The-New-York-State-Common-Retirement-Fund-and-Thermal-Coal-54eac22e906ae8b9562e2556df8465ed>

^[3] According to the EPA. 1.83 metric tonne of Co2/short ton of coal. 17.2 M tons of coal = 31.5 M metric tonnes of CO2. [EPA Greenhouse Gas Equivalency Calculator](https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator) <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

^[4] Decarbonization Advisory Panel Beliefs and Recommendations April 2019
<https://www.osc.state.ny.us/reports/decarbonization-advisory-panel-report.pdf>