



NEW YORK STATE SENATOR

Liz Krueger

## Statement From Senator Krueger And Assistant Speaker Ortiz On Passage Of California Coal Divestment Bill

LIZ KRUEGER September 2, 2015

| ISSUE: [ENVIRONMENT, RENEWABLE ENERGY, GOING GREEN, CLIMATE CHANGE](#)

**New York** – State Senator Liz Krueger and Assembly Assistant Speaker Felix W. Ortiz released the following statement today after California legislators on Wednesday passed [SB 185](#), which would require the two biggest pension funds in that state to divest their holdings in coal:

"We applaud California's leaders for taking this important step toward divestment. For the two largest public pension funds in the country to say no to coal sends a clear message that fossil fuels are an increasingly risky and morally unacceptable investment. We congratulate California on being the first state to take this step. But we're not giving up New York's environmental leadership just yet - we call on our colleagues in the legislature to support the Fossil Fuel Divestment Act and make New York the first state in the nation to divest from *all* fossil fuels."

The California law, called "Investing with Values and Responsibility," is set to be signed by Governor Jerry Brown in the next few days. It requires the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) to complete divestment from all thermal coal holdings within 18 months.

Sen. Krueger and Assistant Speaker Ortiz co-sponsor the Fossil Fuel Divestment Act ([S.5873/A.8011](#)), which would require the State Comptroller to divest the New York State Common Retirement Fund from holdings in the [top 200 largest publicly traded fossil fuel companies](#), as defined by carbon content in the companies' proven oil, gas and coal reserves. Divestment from coal companies must be completed within one year, with divestment from all other fossil fuel companies completed by January 1, 2020.

To address concerns about fiduciary responsibility, the Fossil Fuel Divestment Act also contains a "safety valve," similar to successful divestment bills passed in other states, that would permit the Comptroller to cease divestment if he or she can convincingly demonstrate

that the fund has lost significant value as a direct result of fossil fuel divestment. Such a loss of value is highly unlikely, however, as [several studies](#) have shown that fossil-free funds can easily perform as well or better than funds invested in fossil fuels.

Finally, the Act includes a requirement that the Comptroller identify all companies subject to divestment in which the CRF has holdings, and report annually on the progress of divestment from those companies.

#### **LINKS:**

The Guardian, "California passes bill forcing biggest pension funds to divest from coal."

[http://www.theguardian.com/environment/2015/sep/02/california-pension-funds-divest-coal?CMP=soc\\_568](http://www.theguardian.com/environment/2015/sep/02/california-pension-funds-divest-coal?CMP=soc_568)

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- - In Committee Assembly
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- 

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Do you support this bill?