

Dear New York State Senators and Assembly Members and Governor Cuomo,

We are scientists, researchers, analysts, professors, and academics from across New York State and the United States who support tangible and equitable science-based climate action. Scientists and academics have a history of, and responsibility for, advocating for institutional and policy change consistent with the best available science, and we believe we must speak up in the face of the planetary emergency precipitated by the climate crisis.

New York State's Common Retirement Fund (CRF) is one of the largest pension funds in the country. Valued at more than \$210 billion, the CRF invests billions in fossil fuel companies that are driving the climate crisis. As such, we believe the CRF is of significant national and global concern. For this reason, we are writing to urge you to sponsor and support the Fossil Fuel Divestment Act (S.2126-A/A.1536-A), which directs the State Comptroller to responsibly divest the CRF from fossil fuel companies.

Pensions are meant to provide a secure future for employees and we believe investments in fossil fuel companies are antithetical to that purpose. Fossil fuel investments are premised on the idea of earning monetary returns from an industry that is a known existential threat to our future and a dangerous hazard to our public health. Investing in these companies is a climate, health, and financial dead end. On the basis of science, we believe that continued investment of the CRF in the fossil fuel industry is both immoral and an unacceptable financial and public policy risk.

Humanity faces a planetary climate emergency brought on by the excess combustion of fossil fuels. The Intergovernmental Panel on Climate Change has warned that we must cut carbon emissions by at least 45% by 2030 to avoid catastrophic changes to Earth's natural systems; such changes pose an enormous threat to human civilization.¹ While the United States federal government has resisted action on the climate crisis that is commensurate with the science, cities and states are implementing plans to reduce emissions. The Climate Leadership and Community Protection Act (CLCPA), passed by New York State last year, represents one of our nation's most ambitious efforts to mitigate the climate crisis. However, for the CLCPA and other policy initiatives to succeed, all sectors of society must act in concert to decarbonize energy systems as rapidly as possible. This includes shifting investment capital away from fossil fuels and toward climate solutions, such as renewable, carbon-free energy sources. The CRF is a national leader in public investment and should be directed to help, not hinder, climate action while maintaining and enhancing benefits to the fund's members.

Burning fossil fuels is not only the primary driver of the climate crisis; it also generates life-threatening air pollution that is a serious risk to public health. In New York State alone, air pollution kills 4,000 people and costs \$33 billion in healthcare expenses every year.² Additionally, a Harvard study suggests a correlation between exposure to air pollution and vulnerability to COVID-19, and that air pollution may be raising the death toll of the current pandemic. People of color and the poor are disproportionately impacted by air pollution from fossil fuels and by COVID-19, and these same communities are more

¹ IPCC, Summary for Policymakers. In: Global warming of 1.5°C. An IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [V. Masson-Delmotte, et al (eds.)]. World Meteorological Organisation, Geneva, Switzerland, 2018.

² Jacobson, M.Z. et al. "Examining the feasibility of converting New York State's all-purpose energy infrastructure to one using wind, water, and sunlight." *Energy Policy* 57 (2013) 585–601

<https://web.stanford.edu/group/efmh/jacobson/Articles/I/NewYorkWWSEnPolicy.pdf>

vulnerable to the effects of the climate crisis.³ To dismantle systemic racism in our society, we must align institutional investments to end the perpetuation of public health inequities and climate injustices among people of color.

In addition to the environmental, public health, and social justice harms of fossil fuels, companies producing coal, oil and gas are, quite simply, a terrible institutional investment. Even prior to the April 2020 collapse in the oil market that led to unprecedented negative oil prices, the traditional energy sector has been the worst performer in the S&P 500 over the past decade.⁴ As a result, underperforming fossil fuel companies have cost New Yorkers billions of dollars. A recent analysis of publicly available data from the State Comptroller's office found that in one year, the Common Retirement Fund's investments in just 16 tar sands and fracking companies declined in value by more than \$1.5 billion.⁵ By remaining invested in fossil fuels, the state jeopardizes the assets of taxpayers and pension fund members, especially over the long term.⁶

The global scientific consensus, based on overwhelming evidence of the causes of the climate crisis, coupled with governmental and private sector responses to the scientific imperative to rapidly cut worldwide carbon emissions⁷, shows that the fossil fuel industry's future is bleak. With renewable energy increasingly outcompeting fossil fuels on costs,^{8,9} the growing adoption of electric vehicles,¹⁰ and a strengthening public push for climate regulations, including New York State's own leadership on this issue, society is beginning to shift away from fossil fuels.¹¹ Vast amounts of oil and natural gas reserves are already being written off as stranded assets. For example, BP recently announced write downs and impairments of as much as \$17 billion.¹² Meanwhile, the industry is increasingly subject to lawsuits

³ Wu, X. et al. "Exposure to air pollution and COVID-19 mortality in the United States: A nationwide cross-sectional study." April 24, 2020. <https://projects.iq.harvard.edu/covid-pm>

⁴ Institute for Energy Economics & Financial Analysis. "IEEFA update: Oil and gas stocks place dead last in 2019, again, despite 30% price rise" January 9, 2020. <https://ieefa.org/ieefa-update-oil-and-gas-stocks-place-dead-last-in-2019-again-despite-30-price-rise>.

⁵ 350.org. "\$1.5 billion lost on tar sands and fracking holdings" March 24, 2020. <https://350.org/wp-content/uploads/2020/03/NYSCRFMarch2020Analysis.pdf>

⁶ The New York Times. "Coronavirus May Kill Our Fracking Fever Dream." April 10, 2020 and <https://www.nytimes.com/2020/04/10/opinion/sunday/coronavirus-texas-fracking-layoffs.html>

⁷ Hoegh-Guldberg, O. et al. "The human imperative of stabilizing global climate change at 1.5°C". September 20, 2019 <https://science.sciencemag.org/content/365/6459/eaaw6974.full?intcmp=trendmd-sci>

⁸ Tsao, Stephanie and Hering, Garrett. "US solar-plus-storage prices plunge in utility contracting surge". S&P Global Market Intelligence, 8 May 2019. <https://www.spglobal.com/marketintelligence/en/news-insights/trending/6qKCYxppqz5zVcZl6hJo1w2>

⁹ McMahon, Jeff. "New Solar + Battery Price Crushes Fossil Fuels, Buries Nuclear". July 1, 2019. <https://www.forbes.com/sites/jeffmcmahon/2019/07/01/new-solar--battery-price-crushes-fossil-fuels-buries-nuclear/#2500dae95971>

¹⁰ Government Fleet. NYC to Have 100% EV Fleet by 2040. February 7, 2020. <https://www.government-fleet.com/350685/nyc-to-have-100-ev-fleet-by-2040>

¹¹ Desilver, Drew. "Renewable energy is growing fast in the U.S., but fossil fuels still dominate". January 15, 2020. <https://www.pewresearch.org/fact-tank/2020/01/15/renewable-energy-is-growing-fast-in-the-u-s-but-fossil-fuels-still-dominate/>

¹² BP. "Progressing strategy development, BP revises long-term price assumptions, reviews intangible assets and, as a result, expects non-cash impairments and write-offs". June 15, 2020. <https://www.bp.com/en/global/corporate/news-and-insights/press-releases/bp-revises-long-term-price-assumptions.html>

stemming from its role in creating the climate crisis and the enormous costs to cities and states for mitigating climate impacts.¹³

The case for pension fund divestment from fossil fuels could not be clearer. Already, more than 1,200 institutions with assets totalling more than \$14.1 trillion in assets have completed or are implementing commitments to divest from fossil fuels.¹⁴ New York City has committed to divesting its pension funds from fossil fuels and is on track to complete this process by 2023.

The urgency for action is unquestionable. It is time for New York State, which has been at the head of forward-thinking, progressive policy, to assume leadership in the movement towards fossil fuel divestment and devote its vast capital to building a truly secure future, not only for pension holders, but for all of humanity. Please demonstrate your commitment to creating a better future by supporting and passing the Fossil Fuel Divestment Act.

Sincerely,

-- Letter Steering Committee--

James Hansen, Columbia University
Ayana Elizabeth Johnson, New York University
Michael Mann, Pennsylvania State University
Bill McKibben, Middlebury College
Genevieve Guenther, New School for Social Research
Robert Howarth, Cornell University
Jeffrey Sachs, Columbia University
Farhana Sultana, Syracuse University
Mark Jacobson, Stanford University
Caroline Levine, Cornell University
Hilary McManus, Le Moyne College
Drew Shindell, Duke University
Paul Shepson, Stony Brook University
Tony Ingraffea, Cornell University
Peter Cannavò, Hamilton College

cc: New York State Comptroller Thomas DiNapoli

¹³ Hasemyer, David. "Fossil Fuels on Trial: Where the Major Climate Change Lawsuits Stand Today". January 17, 2020. <https://insideclimatenews.org/news/04042018/climate-change-fossil-fuel-company-lawsuits-timeline-exxon-children-california-cities-attorney-general>

¹⁴ Fossil Free: Divestment. "1000+ Divestment Commitments". Accessed June 18, 2020 <https://gofossilfree.org/divestment/commitments/>