

From: Gray, Laura [Laura.Gray@vermont.gov]
Sent: Monday, February 08, 2016 1:06 PM
To: Coriell, Scott; Springer, Darren
Subject: FW: Divestment
Attachments: Dear Colleagues letter (coal) with CR edits.docx

Attached are California gov's enviro advisor's changes to our gov letter. His changes look fine to me. The ask is actually to get governors to divest I think. However, can we say that without having done it ourselves? We could soften the language of the ask with: "we ask you to begin the process to encourage pension managers to divest from coal."

Can we touch base on this tomorrow?

-----Original Message-----

From: Cliff Rechtschaffen [<mailto:Cliff.Rechtschaffen@GOV.CA.GOV>]
Sent: Sunday, February 07, 2016 11:40 PM
To: Gray, Laura <Laura.Gray@vermont.gov>
Subject: RE: Divestment

Laura

Sorry for the delay, here is a revised version. The one point I think needs a little clarification is what exactly is the ask of the other governors-- I assume to divest from state pension funds? Anything else?

-----Original Message-----

From: Gray, Laura [<mailto:Laura.Gray@vermont.gov>]
Sent: Tuesday, February 02, 2016 1:18 PM
To: Cliff Rechtschaffen
Subject: Re: Divestment

Hi Cliff,

We are thinking something like the below. Would love to send the letter to the remaining 48 governors. Open to suggestions that would encourage Gov. Brown to sign on. Thanks again.

Dear Colleagues,

We are writing as the Governors of California and Vermont to ask you to join us in calling for divestment of state funds from dirty coal. The combustion of coal is scientifically demonstrated to be one of the greatest drivers of global warming. Just three months ago, world leaders agreed in Paris that we must limit global temperature increases to 2°C or below if we are to have a shot at maintaining a livable planet for future generations. As leaders of our states, we must help the United States make good on that pledge. Keeping coal in the ground is one responsible choice we can make to do that.

Coal is not only a harmful pollution source, it is a bad investment. Those with fiduciary responsibility must account for the fact that coal resources can be a stranded asset for those who depend on state funds for retirement. New research has found that more than 80 percent of the world's known coal reserves must stay in the ground in order to avoid further irreparable harm to our way of life. After losing value over the last decade, coal corporations will likely only continue to depreciate as the world moves toward tougher limits on global carbon emissions.

We owe it to the retirees and current public employees in our states to protect the assets they have worked so hard to earn. We owe it to the younger generations to do our part to tackle climate change as the greatest environmental

threat of our time.

We urge you to help us keep coal in the ground, and ask you to join us in taking meaningful steps to divest state assets from coal.

Dear Colleagues,

We are writing ~~as the Governors of California and Vermont~~ to ask you to join us in calling on state pension funds to ~~for~~ divestment of state funds from dirty coal. The combustion of coal is scientifically demonstrated to be one of the greatest drivers of global warming. Just three months ago, world leaders agreed in Paris that we must limit global temperature increases to 2°C or below if we are to have a shot at maintaining a livable planet for future generations. As leaders of our states, we must help the United States make good on that pledge. Keeping coal in the ground is one ~~responsible~~ important way choice we can ~~make to~~ do that.

Commented [CR1]: Is this specific ask or is it something broader?

Coal is not only a harmful pollution source, it is a bad investment. There is a broad scientific consensus that to avoid dangerous climate change we will need to leave approximately two-thirds of the world's known fossil fuels in the ground, by some accounts up to 80% of coal reserves. Over the past four years, the market value of the nation's four largest coal companies has plummeted by over 98%. Last year coal represented only 29% of the nation's electricity mix, the lowest in 45 years, and further reductions in coal production will occur as a result of EPA's Clean Power Plant rule. Coal exports from the U.S. declined by close to 20% in 2015. Those with fiduciary responsibilities must account for these trends and the fact that coal resources can be a stranded asset for those who depend on state funds for retirement. New research has found that more than 80 percent of the world's known coal reserves must stay in the ground in order to avoid further irreparable harm to our way of life. After losing value over the last decade, coal corporations will likely only continue to ~~depreciate~~ lose value as the world moves to implement toward tougher limits on global carbon emissions. California took exactly this step last year with the passage of SB 185, which requires the state's two largest pension funds to divest from coal companies.

We owe it to the retirees and current public employees in our states to follow suit and protect the assets they have worked so hard to earn. We owe it to the younger generations to do our part to tackle climate change as the greatest environmental threat of our time.

We urge you to help us keep coal in the ground, and ask you to join us in taking meaningful steps to divest state assets from coal.