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ANOTHER VOICE

New York pension fund needs to dump fossil fuels

By Another Voice

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As the pandemic starts to back off and New York State returns to work, old issues become important again, among them, should the New York State Common Retirement Fund divest its fossil fuel investments to combat climate change?

The pension fund, with more than 1 million New Yorkers enrolled, has \$13 billion of its \$210.5 billion invested in the fossil fuel industry. New York State Comptroller Thomas DiNapoli, who has the sole say-so on how the fund is invested, believes that it is a good investment.

Environmentalists disagree. They argue that the United Nations Intergovernmental Panel on Climate Change is calling for drastic reductions in greenhouse gases to stave off climate change. New York State has responded, making it law that the state will reduce greenhouse gas emissions 40% by 2030, and down to net zero by 2050.

So, it makes no sense for New York State or the pension plan of its employees to finance an industry that is pouring greenhouse gases into the atmosphere.

DiNapoli answers that these investments are paying well and ownership of them gives him a voice in the energy industry's management. He uses that voice to urge the fossil fuel industry to convert to renewable energy forms, wind and solar.

State Sen. Liz Krueger of Manhattan and Brooklyn Assemblyman Felix Ortiz, responding to calls for action on climate change, have introduced a bill in the Legislature that would force DiNapoli to divest the pension fund's fossil fuel investments.

Some unions objected and on my first hearing of this bill, I was angry. It seemed to be a very harsh measure that would use pensioners as sacrificial lambs. They would be expected to swallow whatever loss came out of the forced sale of their pension's fossil fuel stocks.

But reading the bill carefully, I saw that Krueger and Ortiz had responded to this potential unfairness. They inserted language to protect pensioners. The bill now does not require immediate sale of the stock; it gives the comptroller five full years to divest and it makes clear, that in the process, the comptroller must respect their "fiduciary obligations and the prudent investor rule."

Denying the fossil fuel industry funds, at this moment, through divesting, threatens a coup de grâce. Coal mines are closing. Wind, solar and natural gas have taken their energy markets. Electric cars are multiplying. In this pandemic, oil producers cannot give their product away. They will pay you to take oil off their hands.

DiNapoli's urging that the fossil fuel industry move to renewable energy offers them a way out, possibly an offer they can't refuse.

The Krueger-Ortiz divestment bill deserves support. Get New York State out of the polluting fossil fuel business, without hurting our pensioners.

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