

## **Eliminating Fossil Fuel Holdings and Investing in Clean Energy**

Resolved, that as a matter of moral and theological urgency, in obedience to God's command to "tend and keep the earth" and consistent with Jesus' injunction that we care for those who are most vulnerable, this 113<sup>th</sup> Convention of the Episcopal Diocese of Western Massachusetts calls on the Church Pension Fund, the Investment Committee of the Executive Council, and the Episcopal Church Foundation to adopt a policy to refrain from this time forward from purchasing any new holdings of public equities and corporate bonds of the world's leading 200 fossil fuel companies as identified by the Carbon Underground<sup>1</sup>, and be it further

Resolved, that in obedience to God's call to be stewards of earth's diverse community of life, this 113<sup>th</sup> Convention of the Episcopal Diocese of Western Massachusetts calls on the Church Pension Fund, the Investment Committee of the Executive Council, and the Episcopal Church Foundation to develop and implement a plan to eliminate exposure within five years to direct ownership of public equities and corporate bonds of the world's leading 200 fossil fuel companies as identified by the Carbon Underground<sup>2</sup>, and be it further

Resolved, that as an investment in the healthy future of humanity and the planet, this 113<sup>th</sup> Convention of the Episcopal Diocese of Western Massachusetts calls on the Church Pension Fund, the Investment Committee of the Executive Council, and the Episcopal Church Foundation to develop and implement a strategy to invest 5% within two years and 10% within four years of their overall holdings in "impact investments" in the clean energy sector, and be it further

Resolved, that this 113<sup>th</sup> Convention of the Episcopal Diocese of Western Massachusetts, memorialize the 78<sup>th</sup> General Convention of the Episcopal Church to encourage all dioceses and the Consortium of Endowed Episcopal Parishes to engage within the coming year the topic of eliminating exposure to investment in fossil fuels and of reinvesting in clean energy.

### **Explanation**

God calls us to be good stewards of God's good Creation (Gen. 1:31, 2:15). Jesus commands us to care for those who are vulnerable as if we were caring for Him (Mt. 25:40). The Fifth Mark of Mission of the Anglican Communion is "To strive to safeguard the integrity of creation and sustain and renew the life of the earth." The Episcopal Church has long been on record calling for action to address climate change, and environmental justice, most recently with resolutions in 2006 and 2009.<sup>3</sup> The Episcopal Church, by its mission, is pledged to the protection and care of God's people and God's Creation.

Climate change represents a titanic threat to all life, and especially to the poor. The biblical mandate and our church's teachings could not be clearer that we must respond with faithful, prophetic action. For over two decades, the Episcopal Church and the wider faith community has utilized shareholder and legislative advocacy on climate change, to very little effect.

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<sup>1</sup> <http://fossilfreeindexes.com/the-carbon-underground-2014/>

<sup>2</sup> <http://fossilfreeindexes.com/the-carbon-underground-2014/>

<sup>3</sup> Resolution GC2009 - D031: [Urge Commitment to Lower Carbon Output](#); Resolution GC2006 -B002: [Acknowledge and Reduce Global Warming](#)

The scientific consensus is overwhelmingly clear that anthropogenic greenhouse gas emissions from the burning of fossil fuels<sup>4</sup> have already caused and will continue to cause climate change.<sup>5</sup> Without a swift, concerted, global shift away from the burning of fossil fuels, the effects of climate change will displace and impoverish hundreds of millions of people in the coming century<sup>6</sup> and condemn many species to extinction. In recent years, superstorms and droughts have plagued our planet. We witness an unprecedented melting of Greenland's ice cap, the Arctic ice pack, Antarctic glaciers and ice shelves, and mountain glaciers worldwide. Rising, acidifying<sup>7</sup> seas coupled with more violent storms are threatening communities at sea level worldwide. An estimated 400,000 people a year die from the effects of climate change<sup>8</sup>. A far larger number of people lose their homes, livelihoods, and health from climate-related droughts and storms, the increased spread of infectious disease due to rising temperatures, and related stressors. Climate change is, in profound ways, a matter of justice. Jesus teaches that when we care for the poor, we care for Him (Mt. 25). As the climate crisis worsens, the church must increase the scope of its response.

Climate scientists inform us that if we are to limit global warming to just 2 degrees Celsius above the norm existing prior to the Industrial Revolution—a cap that is still fraught with risks<sup>9</sup> but one that even the most conservative governments in the world have agreed to meet<sup>10</sup>—then we can only emit approximately 565 more gigatons of carbon dioxide<sup>11</sup>. The fossil fuel industry already possesses in its reserves enough carbon to emit approximately 2,795 gigatons of carbon dioxide if burned<sup>12</sup>—five times the amount that could be 'safely' emitted into the atmosphere. At current rates of emission this 'ration' will be used by 2040.<sup>13</sup>

The fossil fuel industry's value and future depend on burning these fuels. This industry has used its financial power to prevent legislation to reduce carbon emissions, spending over \$400,000 per day to lobby the US government alone.<sup>14</sup> It secures unthinkable large government subsidies - \$1.5 billion globally per day, according to the International Energy Agency. In 2013, the industry spent over \$600 billion exploring for new fossil fuel reserves, far beyond the \$244 billion invested globally in renewable energy.<sup>15</sup> This level of spending dwarfs the resources that can be mobilized by advocates for a sustainable future.

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<sup>4</sup> "Global Greenhouse Gas Emissions Data" from U.S. Environmental Protection Agency:

<http://www.epa.gov/climatechange/ghgemissions/global.html>

<sup>5</sup> Naomi Oreskes, "The Scientific Consensus on Climate Change", *Science*, December 3, 2004;

<http://www.sciencemag.org/content/306/5702/1686.full>

<sup>6</sup> "Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change," 2007; [http://www.ipcc.ch/publications\\_and\\_data/ar4/wg2/en/contents.html](http://www.ipcc.ch/publications_and_data/ar4/wg2/en/contents.html)

<sup>7</sup> Ken Caldeira and Michael E. Wickett, "Anthropogenic Carbon and Ocean pH", *Nature*, 2003;

[https://pangea.stanford.edu/research/Oceans/GES205/Caldeira\\_Science\\_Anthropogenic%20Carbon%20and%20ocean%20pH.pdf](https://pangea.stanford.edu/research/Oceans/GES205/Caldeira_Science_Anthropogenic%20Carbon%20and%20ocean%20pH.pdf)

<sup>8</sup> "Climate Vulnerability Monitor, Second Edition", DARA and Climate Vulnerable Forum, 2012;

<http://daraint.org/climate-vulnerability-monitor/climate-vulnerability-monitor-2012/report/>

<sup>9</sup> Just two examples of the effects of a warmer planet include the increased risk of hurricane disasters (see Kerry Emanuel, "Global Warming Effects on U.S. Hurricane Damage," 2011; [ftp://texmex.mit.edu/pub/emanuel/PAPERS/wcas\\_2011.pdf](ftp://texmex.mit.edu/pub/emanuel/PAPERS/wcas_2011.pdf)) and species extinction ("Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change: Summary for Policy Makers," 2007; <http://www.ipcc.ch/pdf/assessment-report/ar4/wg2/ar4-wg2-spm.pdf>).

<sup>10</sup> The 2010 United Nations Climate Change Conference;

[http://unfccc.int/key\\_steps/cancun\\_agreements/items/6132.php](http://unfccc.int/key_steps/cancun_agreements/items/6132.php)

<sup>11</sup> <http://fossilfreeindexes.com/2014/05/06/the-allocated-carbon-budget/>

<sup>12</sup> Ibid.

<sup>13</sup> <http://www.climatecentral.org/news/ipcc-climate-change-report-contains-grave-carbon-budget-message-16569>

<sup>14</sup> <http://www.opensecrets.org/industries/indus.php?Ind=E01>

<sup>15</sup> <http://www.fastcoexist.com/3020656/are-oil-companies-wasting-billions-on-energy-theyll-never-use>

Given this reality, four factors require the church to address the issue of eliminating exposure to holdings in fossil fuel companies and reinvesting in clean energy. Two of these are moral factors, and two financial.

First, a growing number of religious and educational institutions are committing to eliminate their fossil fuel holdings, having concluded that it is immoral to profit from an industry whose core business creates climate change and whose financial and political influence has prevented climate change legislation. In the past, under circumstances of grave harm combined with intransigent resistance to change by the offending industry or regime, the church has debated and/or divested from certain industries (tobacco) or from certain companies which support repugnant regimes (apartheid South Africa). Such a time has arrived with the fossil fuel industry. Within the past two years, the United Church of Christ and the Unitarian Universalist Association have both voted to divest. The Presbyterian Church USA is studying divestment. The Anglican Church in Aotearoa, New Zealand and Polynesia, in May 2014, became the first Anglican body in the world to divest from fossil fuels. Union Theological Seminary and the University of Dayton, a Roman Catholic University, voted to divest in June 2014.<sup>17</sup> The Diocese of Massachusetts has adopted a divestment resolution, and study of divestment is underway in our diocese, the Diocese of Oregon, and in hundreds of churches nationwide. The time has arrived for the Episcopal Church to take a leading role in the pre-eminent moral issue of our time.

Second, analyses<sup>18</sup> have shown that eliminating fossil fuel industries from an investment portfolio over the past twenty-five years would have resulted in no reduction in returns. This suggests that concerns about the risk to church investments posed by divestment may well be overblown.

Third, a growing number of investment professionals are now warning about the inevitability of a “carbon bubble,” a term referring to the over-valuation of fossil fuel companies which currently depend on fossil fuel reserves as a substantial part of their market value. In the view of an overwhelming majority of scientists and policymakers, approximately two thirds of these reserves will not be able to be burned if the climate is to remain below two degrees Celsius. This creates the inevitability of the devaluation of these holdings; church investment managers and trustees are duty-bound to respond.

Fourth, the growing number of renewable energy and clean technology investment opportunities (with some of these referred to as “impact investments”), combined with the desperate need of the developing world for clean energy, establishes a moral obligation for the Episcopal Church to seek to utilize its investment resources in a manner that meets its investment objectives while supporting the emergence of clean energy systems in the developing world. According to the Global Impact Investing Network (GIIN): “Impact investments are investments made into companies, organizations, and funds with the intention to generate a measurable, beneficial social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets, and target a range of returns from below-market to above-market rates, depending upon the circumstances.”<sup>19</sup>

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<sup>16</sup> <http://fs-unep-centre.org/publications/global-trends-renewable-energy-investment-2013>

<sup>17</sup> For a current list of faith-based institutions that have divested or that are debating divestment, see <http://greenfaith.org/programs/divest-and-reinvest/listing-of-known-religious-divestment-efforts>

<sup>18</sup> See, for example,

[http://www.aperiogroup.com/system/files/documents/building\\_a\\_carbon\\_free\\_portfolio.pdf](http://www.aperiogroup.com/system/files/documents/building_a_carbon_free_portfolio.pdf)

<sup>19</sup> <http://www.thegiin.org/cgi-bin/iowa/aboutus/index.html>

The time has come to bear our witness in this new, faithful, courageous manner. For the sake of life and of justice, the time has come for the church to eliminate its holdings in fossil fuels and to reinvest in clean energy.

-- Sponsored by the Social Justice Commission

(This resolution was passed by the Diocese of Western MA at its diocesan convention on October 25, 2014).