

Jody Timms – comments to September 10, 2014 MCERA Meeting

Good Morning, I'm Jody Timms, MCERA retiree. I'm back with one friend but my other 16 friends and colleagues were busy this morning. Our presence here last month was meant to show all of you that there are people in Marin who deeply care about the interface between finance and climate change. Some of what we shared may have seemed simplistic but we all know that the challenge of climate change is multi-faceted and must be viewed with at least seven dimensions of human existence, one of which of course is the economy. I think all of us who spoke would agree that we foresee the need for a new global financial model since business as usual is sending us in the direction of catastrophe.

So in the interest of complexity, I'm here today to bring to your attention a white paper released on August 25, 2014 by Bloomberg New Energy Finance entitled, "Fossil Fuel Divestment: a \$5 Trillion Challenge." Have any of you had a chance to take a look at this document yet? I will email it to Jeff Wickman later this morning so hopefully you'll find it soon in your inboxes.

The paper speaks to the enormity of fossil fuels as an asset class and to the fact that few sectors offer the scale, liquidity, growth and yield of the century-old businesses that make up this asset class. It asserts that oil and gas are indispensable at this moment in history but it also states that coal divestment could be relatively easy and that coal equities have already trended down nearly 50% in the past five years, with some US firms losing more than 90% of their stock value.

Let me just cut to the last paragraph in the 17 page paper. In discussing what might change the existing paradigm, the authors state, " Perception can change the paradigm. For all the tools available for financial analysis, institutional investment remains fundamentally human. People choose portfolios, and people assess risk. Clear-headed investors may look at fossil fuel equities and weight them not just against historical return and yield, but also future prospects given new technologies,

consumption patterns, regulations and finally, public perception. Fossil fuel divestment is neither imminent nor inevitable. But, neither is it impossible for motivated investors.”

On September 21st in NYC and in cities all across the world (including San Anselmo), millions of citizens and over 1000 businesses, non-profits, schools, unions, faith, social justice and environmental groups will be coming together to change public perception.

We will be urging world leaders to aggressively address climate change at the UN Summit. As Bill McKibben has said, “this is an invitation to change history.” 350Marin is hopeful you’ll be a part of this effort when we aim to “change everything.” Thank you.