

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD

Meeting August 13, 2014

Deborah Silvey

I want to thank the MCERA Board for this opportunity to speak today. I'm Deborah Silvey, coordinator of the 350 Bay Area Divestment Campaigns, and I am here to support my colleagues in 350 Marin in their request for an informational presentation to the board on the financial case for divesting from fossil fuels and re-investing in clean energy. As a retired teacher I am working with many teachers and retirees who recognize that we are at a point in history unlike any other: scientists now give us more and more evidence that we are on the brink of irreparable climate damage, brought on largely by our continued reliance on the burning of fossil fuels. For this reason, we see that fossil fuels are no longer the safe investments they once seemed. They pose a risk to the entire planet and as such, they are fast becoming an unacceptable financial risk.

As you may know, the 350 in our organization's name comes from the 350 parts per million of carbon dioxide in the atmosphere. That number is agreed upon by scientists as a maximum level of carbon dioxide, if we are to keep greenhouse gases from warming the planet beyond 2 degrees Celsius, which is the increase that governments around the world have agreed is the safe limit.

Last year 70 global investors used their collective influence to press fossil fuel companies to report on the risks that stricter limits on carbon emissions would place on their business. Their answers have been far from satisfactory. Exxon-Mobil, for example, indicated that it does not believe any governmental restrictions will be placed on them and plan to continue business as usual. That plan ignores what scientists tell us: approximately 80% of the world's fossil fuels need to stay in the ground if we are to keep below drastic rises in temperature.

What will happen to the assets in the ground these companies have been counting on? They are at risk of being stranded assets, and those stranded assets could severely impact the value of investments. If, on the other hand, these assets do not become stranded, but are actually burned, the climate will overheat beyond anything we humans have ever known.

Henry Paulson, the Republican Secretary of the Treasury when the credit bubble burst, recently warned in a *New York Times* op ed:

We're staring down a climate bubble that poses enormous risks to both our environment and economy. The warning signs are clear and growing as the risks go unchecked. . . We need to act now.

I urge you to exercise the kind of fiduciary responsibility that's now required in order to face the urgency of global warming: explore divestment from fossil fuels and investment in alternative energy.