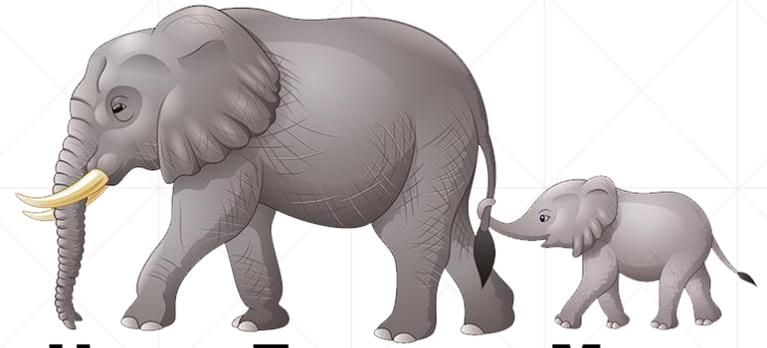


Tuesday, August 25, 2020



**URBAN ELEPHANT MEDIA**

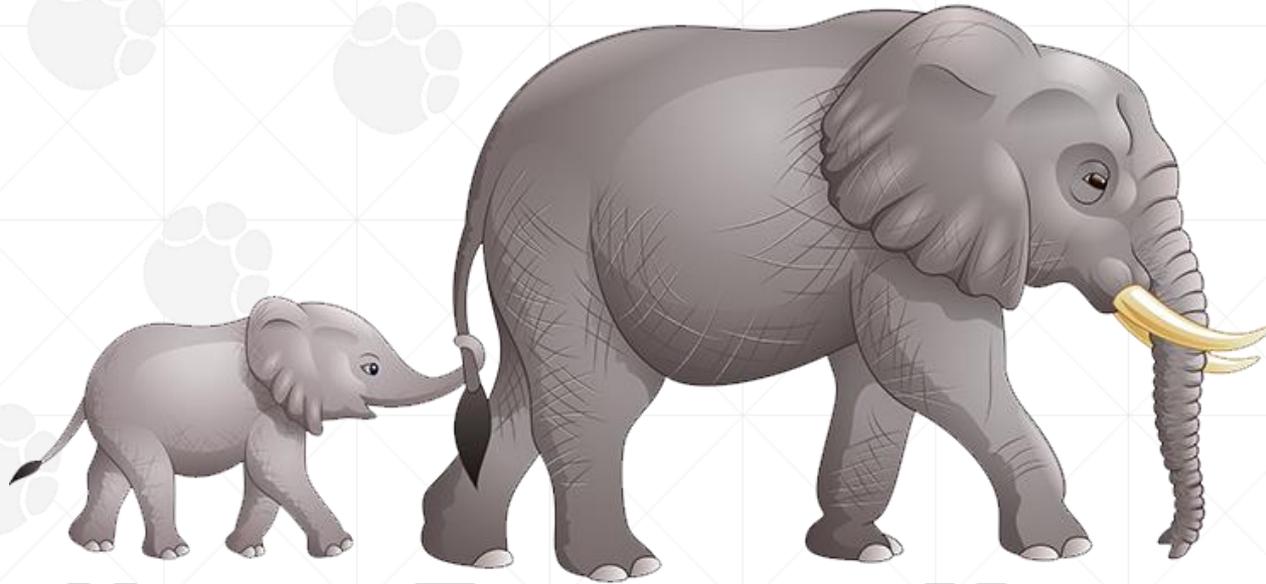
~ PRESENTS ~

## *How Cities are Divesting from Fossil Fuels*

---

Featuring Lolita Jackson & Grant Ervin

Sponsored by Unison Solutions and [www.Hydroecology.org](http://www.Hydroecology.org)



# URBAN ELEPHANT MEDIA

*PEER-TO-PEER LEARNING MADE EASY*

Sustainability Training for Urban Designers and Policymakers

**Randy Rodgers**, Director of Big Ideas  
Randy@UrbanElephantMedia.com  
563-562-2925

UrbanElephantMedia.com

Our  
Sponsors



**UNISON**  
**SOLUTIONS**

UnisonSolutions.com

Free webinar: Biogas treatment  
Sept. 23, 2020  
Register at [UrbanElephantMedia.com](https://UrbanElephantMedia.com)

*www.Hydroecology.org*

Our Presenters



**Grant Ervin**  
Chief Resilience Officer  
City of Pittsburgh  
grant.ervin@pittsburghpa.gov



**Lolita Jackson**  
Special Advisor for Climate  
Policy & Programs  
NYC Mayor's Office  
ljackson@cityhall.nyc.gov



# Divest/Invest in NYC and Pittsburgh

---

**Climate Accountability and  
Investment in a Carbon Neutral  
Future**

**Lolita Jackson**

Special Advisor of Climate  
Partnerships  
NYC Office of the Mayor

**Grant Ervin**

Chief Resilience Officer  
City of Pittsburgh

# NYC Pension Funds

- With \$215.5B AUM, the New York City Pension Funds constitutes the fourth largest public pension plan in the U.S. and represents over 797,000 members
- Each fund is financially independent and provides its members pension benefits through contributions from members, participating employers, and investment earnings



NYC Employees'  
Retirement Fund  
(NYCERS)



NYC Teachers'  
Retirement  
System (TRS)



NYC Police  
Pension Fund  
(NYCPPF)



NYC Board of  
Education  
Retirement  
System (BERS)



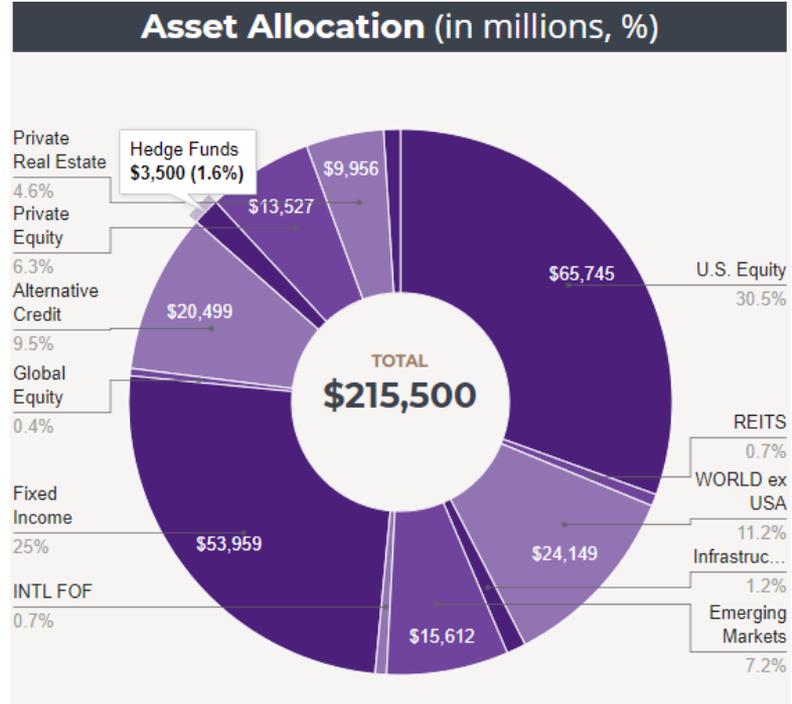
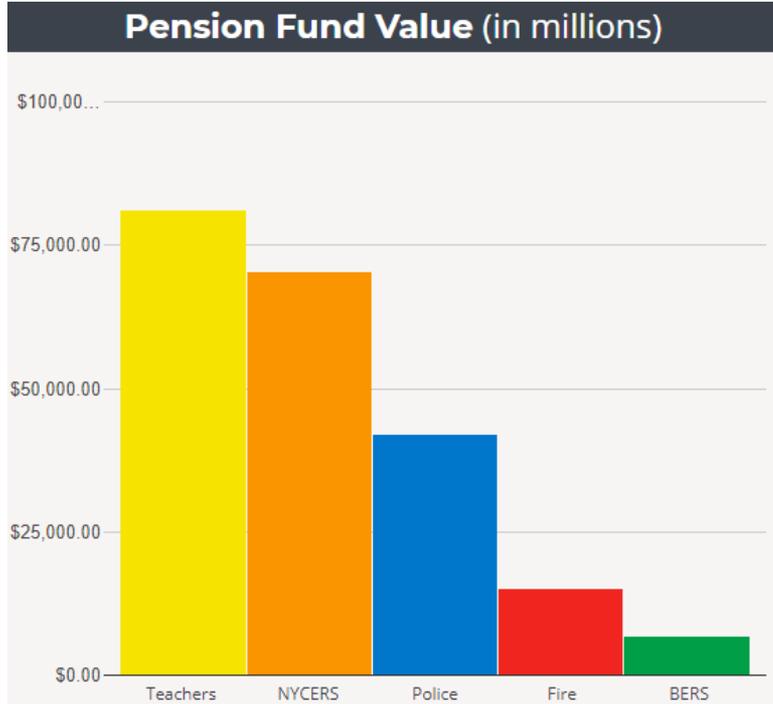
NYC Fire  
Department  
Pension Fund

# NYC Pension Fund Overview

Fund	Members	Members' Occupations	Membership
NYCERS (est. 1920)	394,560 total <ul style="list-style-type: none"><li>190,572 active</li><li>203,988 others</li></ul>	Civil servants; sanitation; transit; corrections; NYCHA; hospitals; appointed/elected officials	11 members (Mayor representative, Comptroller, Public Advocate, 3 largest unions, 5 Borough Presidents)
TRS (est. 1917)	233,908 total <ul style="list-style-type: none"><li>121,764 active</li><li>112,144 others</li></ul>	Teachers, administrators, and other education professionals of the city's public schools	7 members (2 Mayor representatives, Comptroller, DOE Educational Policy Panel, 3 teacher members)
Police (est. 1857)	89,117 total <ul style="list-style-type: none"><li>36,562 active</li><li>52,555 others</li></ul>	Police officers	12 members (Mayor, Comptroller, Police Commissioner, DOF Commissioner, 4 PBA, and DEA, LBA, SBA, CEA Presidents)
BERS (est. 1921)	51,848 total <ul style="list-style-type: none"><li>25,864 active</li><li>25,984 others</li></ul>	Civil-service workers; provisional and part-time workers in DOE and other agencies	16 members (13 DOE Education Policy Panel, Chancellor, 2 elected employee-members)
Fire (est. 1941)	27,933 total <ul style="list-style-type: none"><li>11,237 active</li><li>16,696 others</li></ul>	Firefighters	12 members (Mayor, Comptroller, Fire Commissioner & Chair, DOF Commissioner, various fire associations)

# NYC Pension Fund Value

A retirement portfolio system typically includes investments across various asset classes with “green” and “dirty” options within each.



As of Nov 2019

# NYC Pension Fund Divestment History

- In the 1980s, two of the pension boards divested from **South Africa and Namibia**.
- In 2016, voted to sell all holdings of three major retailers that sell **guns**.
- In mid-2017, the City divested from **private prisons**.
- And now, focusing on **fossil fuel** divestment.



Source: [icleiusa.org/nyc-divestment](http://icleiusa.org/nyc-divestment)

# NYC Divest/Invest Approach

New York City is committed to climate accountability and a just transition; we are divesting from fossil fuels and also investing in climate solutions.

## Divestment

- Committed to be the **first major US city or state to divest** its pension funds from fossil fuels, with **\$5 billion** divested by 2022

## Investment

- NYC will **double** our current investment in job-creating **energy efficiency, renewable energy, and climate solutions**, to reach **\$4 billion** or **2% AUM** by 2021



# What Does Divestment/Investment Actually Entail in NYC?

## NYC Context

- The top 10 contributors to the portfolio's GHG emissions accounted for only about 2% of holdings value while contributing 20% of emissions
- About 3% of the total portfolio invested in fossil fuels

## Divestment from fossil fuel reserve owners

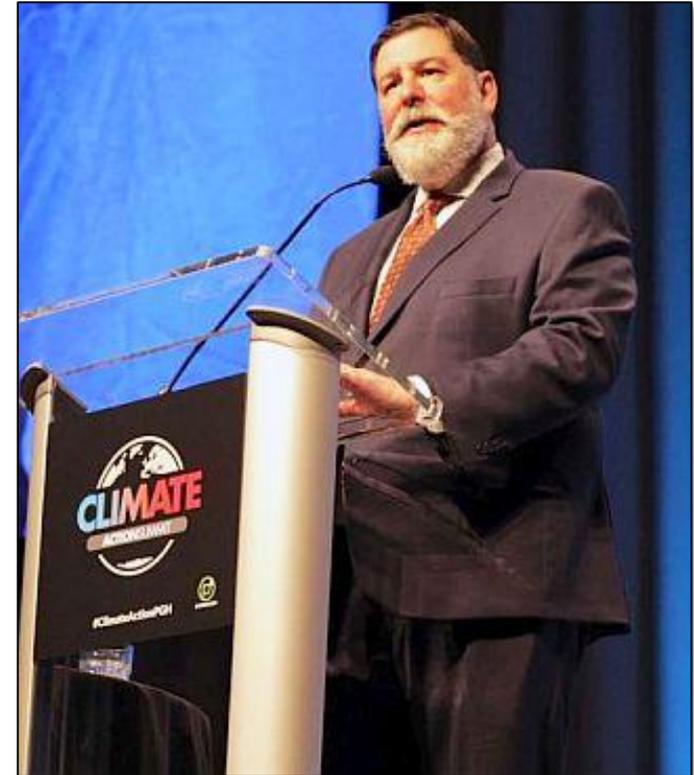
- Does not include divestment from across other parts of the fossil fuel value chain, i.e. exploration, extraction, other midstream and downstream activities

## Investment in climate change mitigation and adaptation solutions

- Transitioning to a lower-carbon future presents risks, but also significant investment opportunities

# Pittsburgh Divestment History/Timeline

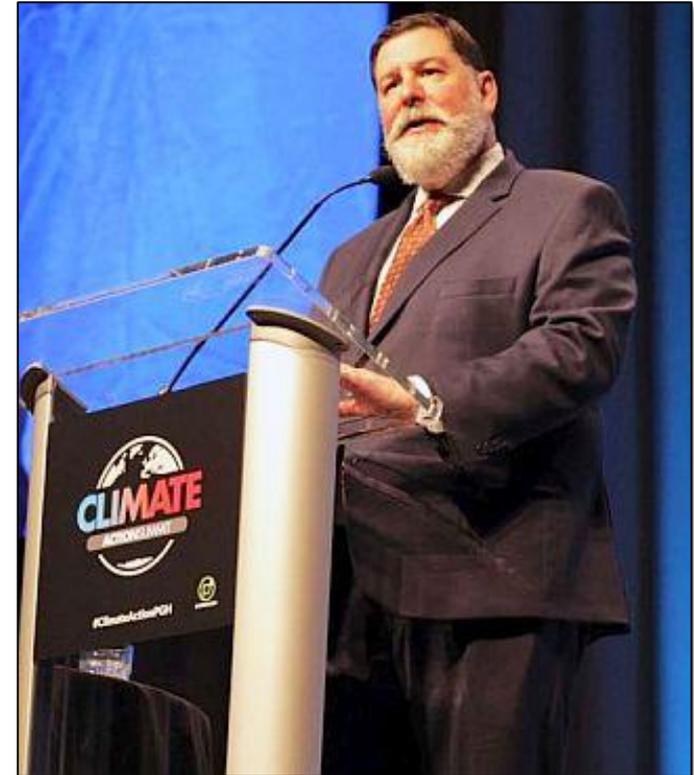
- **Pre-2014** – Divestment in South African and Northern Ireland
- **2015** – Mayor Peduto Executive Order on Climate Change
- **2016** – Began Divestment Discussions with 350.org and Thomas Merton Center
- **2017** – Encountered opposition from labor unions and chamber of commerce
- **2018** – Pittsburgh City Council approves Climate Action Plan 3.0 and divest goal
- **2019** – Joined C40 Divestment Training



# Pittsburgh Divestment History/Timeline

## 2020

- January – Mayor sends letter to Pension Board
- February – Marquette Analysis of Pension Fund
- March – Presentation to Board / Establish Sub-Committee
- May – Engaged Heartland Investors Network on ESG
- June - U.S. Conference of Mayors & IEEFA Conference
- July – 2nd Sub Committee Meeting & Policy Discussion with NYC, Heartland Investors Network and IEEFA
- August – Development of Policy Statement (Drafting)
- September – Next Scheduled Pension Board Meeting (fingers crossed)



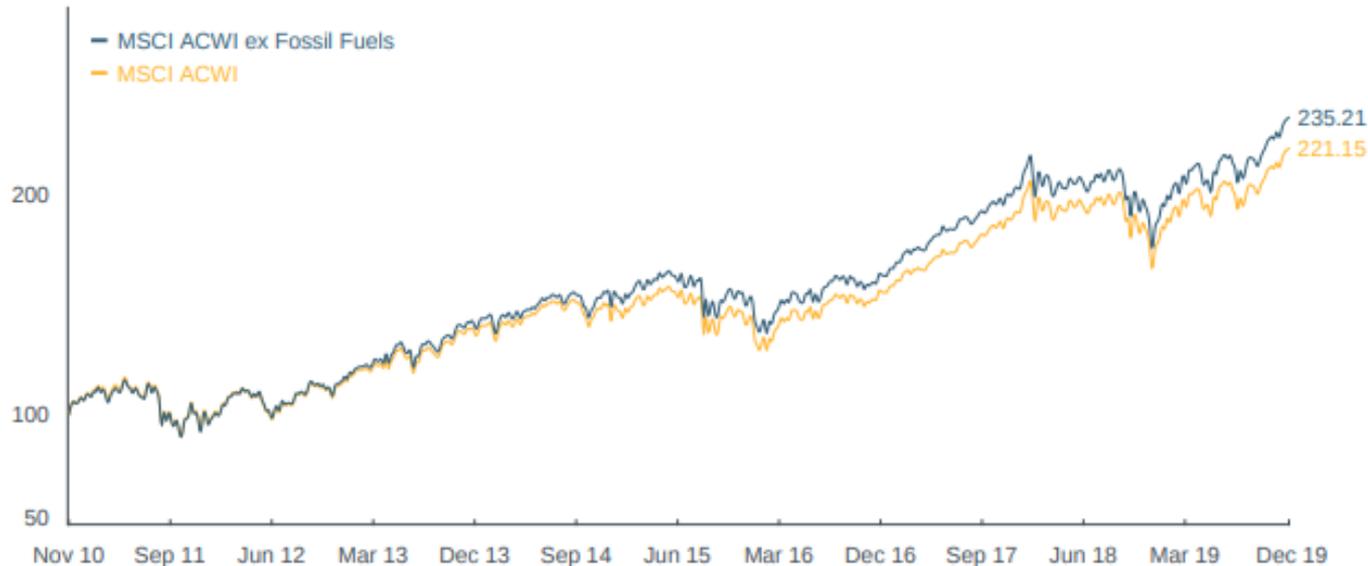
# Investment in Climate Solutions

- **Local**
  - Develop City Policies that Create an Enabling Environment
  - Leverage Procurement (energy supply, efficiency, vehicles)
  - CPACE, Benchmarking, District Heating, Electric Vehicles
- **Regional**
  - Marshall Plan for Middle America – Guiding a Just Transition
  - Reimagine Appalachia Campaign
  - Convening Mayors of the Ohio Valley
- **Strategic**
  - Heartland Investors Network & Sustainable Finance Hubs
  - Link city climate plans with investors capital

# Why Divest From Fossil Fuels?

Fossil fuel divestment is not just the right thing to do, it is the financially responsible action to protect investments.

## CUMULATIVE INDEX PERFORMANCE - NET RETURNS (USD) (NOV 2010 – DEC 2019)



Fossil fuel securities have **consistently underperformed**, and the outlook continues to be poor

Source: MSCI ACWI ex Fossil Fuels fact sheet

# Lessons Learned

- Engage with pension board trustees and other stakeholders
- Clearly define divestment focus (i.e. fossil fuel reserve owners)
- Decipher total divestment from this definition
- Use data and people to set goals
- Be prepared for potential industry and pension holder pushback
- Use leadership and advocacy roles, such as Mayor, to push for divestment, even if control is outside your jurisdiction



Source: [icleiusa.org/nyc-divestment](https://icleiusa.org/nyc-divestment)

# Divest/Invest Forum

**New York** and **London** spearhead the **city-led movement** for divestment and sustainable investment... so cities don't have to address these challenges alone.

As New York and London mayors, we call on all cities to divest from fossil fuels



*In partnership with:*



# Divest/Invest Forum

New York City partnered with London to share the tools and know-how on divestment with other cities.

- Global cities are partnering to foster climate accountability and fiduciary responsibility.
- NYC hosted the 2020 Divest/Invest Forum Workshop in March.
- Committed cities include Pittsburgh, Boston, Copenhagen, Los Angeles, Cape Town, Durban, among others.



# Divest/Invest Declaration

“As mayors of some of the world’s most influential cities, we are determined to lead the way by divesting financial assets from fossil fuel companies and championing investments in the green economy whenever possible. This is not just an economic opportunity, but a health and environmental necessity.

We will:

- Take all possible steps to divest our city assets from fossil fuel companies and increase our financial investments in climate solutions to help promote decent jobs and a just and green economy.
- Call on our pension funds to divest from fossil fuel companies and increase financial investments in climate solutions to help promote decent jobs and a just and green economy.
- Advocate for fossil-free and sustainable finance by other investors and all levels of government, including by promoting the importance of strong, long-term climate policies and demanding greater transparency.”



# Questions?

---

## **Lolita Jackson**

Special Advisor of Climate  
Partnerships  
NYC Office of the Mayor  
@NerdDiva822 | @NYClimate

## **Grant Ervin**

Chief Resilience Officer  
City of Pittsburgh  
@ervin\_grant | @TheNextPGH