

To: January 23, 2016 Presbytery Commissioners and Participants

From: Pam McVety, Stewardship of Creation Enabler

Request: To concur with the 2016 PCUSA Fossil Fuel Divestment Overture which originated with the San Francisco Presbytery. A copy is attached.

Purpose of Overture: The purpose of the overture is to express our concern about the destructive effects of climate change on creation, call upon our denomination to align our investments with our theology, and recognize the moral mandate for humanity to shift to a sustainable energy regime in a way that is both just and compassionate.

Background: In 2014, our Presbytery approved a fossil fuel divestment overture along with ten other Presbyteries and it went to the General Assembly. At the 2014 GA it was referred for study to the Committee on Mission Responsibility Through Investments (MRTI). MRTI will release a report prior to GA on the 2014 overture. The attached revised 2016 version is now on the docket for the 2016 GA in Portland and has been approved by 10 Presbyteries so far. Twenty to twenty-five Presbyteries may pass it.

The revised 2016 overture, like the 2014 overture, asks our denomination over the next three years, to divest our pension and the Presbyterian Foundation funds of fossil fuel holdings and to not invest in any new fossil fuel companies.

This overture differs only slightly from the 2014 overture. We listened carefully and addressed the concerns we heard in this overture regarding: The fiduciary responsibility of the Board of Pension, the loss of jobs as the world shifts to renewable energy and the need to support renewable energy. It also provides a better explanation and background for understanding the purpose and power of divesting in solidarity with our brothers and sisters around the world.

Financial Considerations: Our denomination has around \$10 billion in investments. We have approximately \$8 billion in the Pension Fund with around 1.86% in fossil fuels and less than \$2 billion in the Presbyterian Foundation. We have tried, but it remains unclear what percentage of the Foundations investments are in fossil fuels. We think 4.1% or \$28 million of the endowment is in fossil fuels. They also have \$1 billion in a money market fund which tracks the Russell 1000 and it, the Russell 1000 is thought to contain about 8% of its holdings in fossil fuels. The good news is that the majority of our \$10 billion investments contain a very small percentage of fossil fuel holdings. The other good news is that the Presbyterian Foundation has created a fossil free fund for churches and individuals to invest in. First Presbyterian in Tallahassee has moved its endowment fund into this pot!

I strongly encourage you to go to FFPCUSA website (www.fossilfreepcusa.org/) and read "The Money" piece to learn more about the serious financial implications of fossil fuel holdings becoming stranded assets as the world decarbonizes.

World is Decarbonizing: There has been a seismic shift in public opinion on the need to combat climate change in just the last six months. 75% of Americans now believe in climate change. The world has started to rapidly decarbonize. Even China's carbon emissions are expected to peak by 2030 and it is investing heavily in renewable energy. The cost of renewable energy, wind and solar has dramatically dropped. Renewable energy is both safer, cleaner and actually creates more jobs than fossil fuels. It can be implemented today with current technology in all 50 states. In December 195 countries signed the Paris Climate Agreement to cut carbon emissions to keep the global temperature below 2 degrees centigrade. And, this country and a number of other countries have now shown that we can grow our economy while cutting our use of fossil fuels.

In spite of all of this good news and the ongoing accelerating and costly effects of climate change, resistance to switching to renewable energy continues in this country. The divestment movement is a way to send a strong message to fossil fuel companies and to our leaders that the world is serious about the urgent need to transition away from fossil fuels to renewable energy.

Faith Communities are Responding: To-date, 500+ institutions have pledged to divest \$3.4 trillion. The majority of the institutions divesting are faith-based groups. If Presbyterians agree to divest, we will join Episcopalians, Methodists, United Church of Christ and numerous other faiths using the collective power of our money to bring about social change. We also will stand united with our brothers and sisters around the world in refusing henceforth to make money from a product that is harming all of God's creation.

The Pope was very clear in his Encyclical. "Laudato Si" or "Praise be to you" this summer that climate change is a global problem with grave implications; that it represents one of the principle challenges facing humanity and that the most vulnerable victims are the world's poorest people. Also in August and widely unnoticed, world wide Islamic leaders called 1.6 billion Muslims around the world to work towards phasing out greenhouse gas emissions by 2050 and a 100% renewable energy strategy.

Conclusion: Moving forward with fossil fuel divestment, our denomination can:

- Align our investments with our theology and past GA calls for action on climate change,
- Join other denominations and people of faith all over the planet in calling for a shift to a sustainable energy regimen in a way that is both just and compassionate,
- Call for justice for the "least of these" who are hardest hit by climate change, and
- Support and join the worldwide decarbonization movement by reinvesting our money in renewable energy.

Attachment