

State of Vermont

House of Representatives



Montpelier, Vermont

House Resolution

H.R. 13

House resolution urging that the State of Vermont remove the stocks of companies with coal holdings and the stock of the Exxon Mobil Corporation from its pension investment portfolios

Offered by: Representatives Sullivan of Burlington, Donovan of Burlington, Ancel of Calais, Bartholomew of Hartland, Briglin of Thetford, Burke of Brattleboro, Carr of Brandon, Chesnut-Tangerman of Middletown Springs, Clarkson of Woodstock, Copeland-Hanzas of Bradford, Davis of Washington, Deen of Westminster, Emmons of Springfield, Forguites of Springfield, Gonzalez of Winooski, Haas of Rochester, Hooper of Montpelier, Jewett of Ripton, Klein of East Montpelier, Krebs of South Hero, Krowinski of Burlington, LaLonde of South Burlington, Macaig of Williston, Masland of Thetford, McCormack of Burlington, McCullough of Williston, Miller of Shaftsbury, Morris of Bennington, Mrowicki of Putney, O’Sullivan of Burlington, Partridge of Windham, Patt of Worcester, Pearson of Burlington, Poirier of Barre City, Ryerson of Randolph, Sharpe of Bristol, Sheldon of Middlebury, Stevens of Waterbury, Stuart of Brattleboro, Till of Jericho, Troiano of Stannard, Walz of Barre City, Webb of Shelburne, Woodward of Johnson, Yantachka of Charlotte, and Zagar of Barnard

Whereas, the Intergovernmental Panel on Climate Change (IPCC), consisting of leading scientists from across the world, agrees that “Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, and the sea level has risen,” and

Whereas, the IPCC has also stated that “Continued emission of greenhouse gases will cause further warming and long-lasting changes in all components of the climate system, increasing the likelihood of severe, pervasive and irreversible impacts for people and ecosystems,” and

Whereas, the overwhelming consensus among published climate scientists is that climate change is a reality, and that human activity, including the burning of fossil fuel, contributes to climate change, and

Whereas, fossil fuel energy companies are not disclosing sufficient information about key factors such as capital expenditures on high-cost oil and gas exploration projects, government efforts to limit carbon emissions, and the possibility of reduced global demand for oil as early as 2020 (collectively “carbon asset risks”), and

Whereas, the State Treasurer and the Vermont Pension Investment Committee (VPIC), representing the State of Vermont, have partnered with Ceres, an advocate for sustainability leadership, and other business and

governmental entities as a signatory to the Carbon Asset Risk Initiative (CARI), acknowledging that carbon asset risks pose a threat to Vermont's economy and pension funds, and

Whereas, in signing the CARI, the State Treasurer and the Vermont Pension Investment Committee are committed to establishing and encouraging policies that protect the long-term health of our environment and that adhere to the State's obligation to invest pension assets prudently, and

Whereas, fossil fuel energy is a known stranded asset that, over time, may no longer be able to earn an economic return as a result of changes in the market and regulatory environment associated with the transition to a low-carbon economy, and

Whereas, fossil fuel companies are putting billions of investment dollars at risk each year by developing high-cost, high-carbon reserves (coal, oil, and gas) that may never be utilized, and

Whereas, a significant segment of the world's high-carbon reserves cannot be removed from the ground if the cumulative impacts of climate change and global warming are to be reversed, and

Whereas, high-carbon reserves are currently recognized in the accounts of energy companies and contribute to their stock market valuations, and

Whereas, an alarming number of coal companies have filed for Chapter 11 bankruptcy, citing lack of profitability, including, on January 11, 2016, Arch Coal, one of the world's largest coal producers, and

Whereas, Exxon Mobil Corporation is the world's largest publicly traded international oil and gas company, and the California and New York Attorney Generals are investigating the company for deliberately misleading the public and investors about the risks of climate change, now therefore be it

Resolved by the House of Representatives:

That this legislative body joins with the State Treasurer and the VPIC in supporting the Carbon Asset Risk Initiative, and be it further

Resolved: That this legislative body urges the State Treasurer and the VPIC to develop a strategy, in accordance with State law and prudent investment practices, to remove from the State's pension investment portfolios all stocks of companies that have coal holdings, and be it further

Resolved: That this legislative body urges the State Treasurer and the VPIC to develop a strategy, in accordance with State law and prudent investment practices, to remove from the State's pension investment portfolios all Exxon Mobil Corporation stock, and be it further

Resolved: That this legislative body requests the State Treasurer and the VPIC to submit a periodic update detailing both the State's pension investment portfolios' exposure to carbon risks and of activities intended to mitigate those risks, and be it further

Resolved: That this legislative body requests the State Treasurer and the VPIC to continue to act proactively to support efforts detailed in this resolution and encourages them to pursue socially responsible and renewable energy investments and to work with investment managers to accomplish these aims, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to the State Treasurer and to the VPIC.