

NEW YORK  
STATE  
SENATE  
ALBANY, NEW YORK 12247



September 23, 2019

The Honorable Thomas P. DiNapoli  
Office of the New York State Comptroller  
110 State Street  
Albany, NY 12236

Dear Comptroller DiNapoli:

We are writing to request that you include an analysis of the potential impacts of fossil fuel divestment in the asset allocation study that you will use to inform your current review of the Common Retirement Fund's asset allocation policy.

The threat of climate change and the transformation of the global energy system that will be necessary to mitigate it will have a serious negative impact on investors whose assets are not aligned with the 1.5 ° C warming trajectory agreed to in the Paris Agreement. Experts estimate that demand for fossil fuels is likely to peak within the next decade. In spite of this, the majority of fossil fuel producers are not adjusting their business models to take into account the changing energy market, investing billions of dollars in exploring and extracting new reserves, creating stranded asset risk and the potential for rapid, unexpected, and significant loss of value.

Attempting to beat the market by holding these investments until the last possible moment is a high-risk strategy that could result in the loss of investment principal, and poses an unacceptable risk to the long-term sustainability of the Fund. In the words of the Decarbonization Advisory Panel for the New York State Common Retirement Fund, "being too early in the avoidance of the risk of permanent loss is much less of a danger than being too late."

We urge you to include in the scope of work for the consultants performing the asset allocation study a scenario for a fund portfolio that includes divestment from fossil fuel producers within the next five years. The time is fast approaching when fiduciary responsibility will not only permit divestment, but compel it. The Fund must have the information it needs to be prepared.

Sincerely,

Handwritten signature of Liz Krueger in black ink.

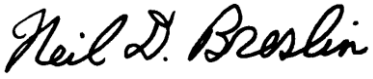
Liz Krueger  
State Senator

Handwritten signature of Jamaal T. Bailey in black ink.


Jamaal T. Bailey  
State Senator

Handwritten signature of Alessandra Biaggi in blue ink.

Alessandra Biaggi  
State Senator



Neil D. Breslin  
State Senator



Leroy Comrie  
State Senator



Brad Hoylman  
State Senator



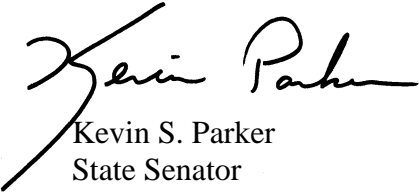
Robert Jackson  
State Senator



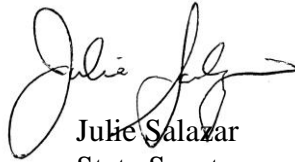
Jen Metzger  
State Senator



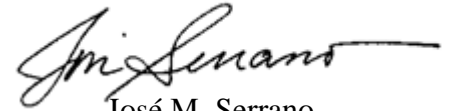
Zellnor Myrie  
State Senator



Kevin S. Parker  
State Senator



Julie Salazar  
State Senator



José M. Serrano  
State Senator