



**COAL INVESTMENTS OF  
THE NEW YORK STATE TEACHERS'  
RETIREMENT SYSTEM (NYSTRS):  
A Divest NY Report**



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# I. EXECUTIVE SUMMARY

There is plenty of evidence that the coal industry is endangered. Despite this fact, the New York State Teachers' Retirement System (NYSTRS), one of the 10 largest public pension funds in the US with over \$120 billion in assets, continues to invest in coal, the most dangerous to the climate and the financially riskiest fossil fuel. Worse still, NYSTRS' exposure to companies with substantial coal reserves actually increased by at least \$70.5 million in the last quarter of 2020. This ignores the growing threats that coal energy stocks are facing in a world that is quickly moving away from coal and other fossil fuels towards renewable energy.

New York State public school teachers and administrators (excluding New York City teachers), depend on NYSTRS for retirement, disability and death benefits. They serve more than 261,000 active members and almost 173,000 retirees and beneficiaries.

## KEY FINDINGS

1. NYSTRS maintains significant coal holdings despite the climate impacts of burning coal and the financial risk to the pension fund. On December 31, 2020 NYSTRS held \$311,131,538 worth of stocks in companies with substantial coal holdings.
2. The value of NYSTRS' reported coal holdings increased \$70.5 million between the 3rd and 4th quarter of 2020. While some of that increase was due to market fluctuations, their acquisition of coal stocks outpaced their sales two to one. NYSTRS' coal exposure increased by more than 6.2 million shares in 23 companies on the Coal Carbon Underground 100 list.
3. In July of 2020, New York State Comptroller Tom DiNapoli divested the \$226 billion Common Retirement Fund of 22 coal companies citing his fiduciary duty to protect the fund.<sup>1</sup> NYSTRS continues to own stocks in 7 of these companies worth \$9.6 million. Furthermore, their exposure to 5 of the 7 increased in the last quarter of 2020.
4. NYSTRS' duty is to maintain a financially secure pension fund. Their coal holdings are in direct contradiction to their fiduciary duty to their members and beneficiaries.

Due to the financial risk to the pension fund that over 400,000 current and retired NYS teachers depend on, and the continued risk of climate disaster caused by the burning of coal and other fossil fuels, **Divest NY calls on NYSTRS to follow the lead of the New York City and the New York State pension funds and immediately divest from all coal holdings as a first step toward full fossil fuel divestment.**

## METHODOLOGY

This report looks at NYSTRS' investments in the top 100 coal companies identified by The Carbon Underground Coal 100 List<sup>2</sup> (Q4-2019), and their current investments in the coal companies that the New York State Common Retirement Fund (CRF) divested from in July of 2020. NYSTRS provides public data on their domestic and global equity and fixed income holdings that total approximately \$91 billion.<sup>3</sup> However, NYSTRS has at least an additional \$30 billion invested in other financial vehicles that aren't publicly reported, making it very likely that their coal holdings are larger than identified in this report. Since there is no data available for them, they are not included in our analysis.

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<sup>1</sup> <https://350.org/press-release/nys-coal-divestment-win/>

<sup>2</sup> <https://fossilfreefunds.org/carbon-underground-200>

<sup>3</sup> <https://www.nystrs.org/About-Us/Investments>



## II. COAL: A DYING INDUSTRY

In many areas of the world, transition from coal, oil and gas has been underway since the historic Paris Agreement was signed 5 years ago. It is accelerating as governments around the world are working on implementing green recovery and economic stimulus programs following the COVID-19 energy demand collapse.

- The International Energy Agency has recently stated that no new coal mines or power plants can be built in order to stay on a Paris aligned energy pathway.<sup>4</sup>
- Money managers and insurance companies with large funds are withdrawing investments from coal as part of their strategy to minimize climate risks to their portfolios.
- The last and only coal-focused exchange-traded fund, the VanEck Vectors Coal ETF, abruptly stopped trading in December 2020, just 12 years after it went public.<sup>5</sup>
- Coal is becoming increasingly uninsurable. Many major insurers are pulling out. Without insurance, the coal industry cannot function or expand.<sup>6</sup>
- Coal's profitability is further threatened by increasingly stringent environmental regulations put in place by governments to curb pollution and protect the health and safety of citizens and the climate.
- Many coal-fired power plants are closing around the world, especially in the US and Europe as public demand is diminishing. New coal power plants are largely not being built in the Organisation for Economic Co-operation and Development countries (OECD).<sup>7</sup> Last year, just 25% of the US' electricity came from coal, down from nearly 50% in 2010.<sup>8</sup> During the last decade 318 coal power plants have closed and more than 50 US coal companies have declared bankruptcy.<sup>9</sup>
- Falling coal demand doesn't stop with the public sector. Many large global corporations have pledged to cover their electricity needs from non-fossil fuel sources. These companies are large consumers of energy and their plans to phase out fossil fuels will significantly lower coal demand.<sup>10</sup>
- Financial regulators, central banks and other financial institutions view climate change as the single biggest threat to the world economy right now, and they are implementing measures and rules to maintain global financial stability amidst rising climate risks. These policies will negatively affect the coal industry and the very real possibility of stranded assets could produce huge losses to shareholders.<sup>11 12</sup>

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<sup>4</sup> <https://www.cbc.ca/news/science/energy-climate-change-iea-1.6030771>

<sup>5</sup> <https://www.barrons.com/articles/the-only-coal-etf-is-closing-what-it-means-for-investors-51608225200>

<sup>6</sup> <https://www.insurancebusinessmag.com/ca/news/breaking-news/insurers-continue-to-divest-from-coal-business--report-241067.aspx>

<sup>7</sup> <https://www.greentechmedia.com/articles/read/almost-all-new-us-power-plants-in-2021-will-be-carbon-free>

<sup>8</sup> <https://www.latimes.com/environment/story/2020-02-04/coal-power-plants-western-us>

<sup>9</sup> <https://www.powermag.com/continued-toll-on-coal-more-companies-file-bankruptcy/>

<sup>10</sup> <https://www.there100.org/re100-members>

<sup>11</sup> <https://www.reuters.com/article/us-usa-fed-climate/fed-to-weave-inescapable-climate-change-risk-into-bank-oversight-idUSKBN2A828A>

<sup>12</sup> <https://www.axios.com/securities-exchange-commission-climate-risk-bacefd61-b6cb-49ca-a67b-61ad60ab07c2.html>

- Renewables are already cheaper than coal, and that alone is enough to assure that coal is on its way out. This is compounded by the threats above, making coal an increasingly risky investment.

### III. NYSTRS' COAL EXPOSURE

As of 12/31/2020, NYSTRS has billions of dollars invested in fossil fuels, with substantial holdings in coal, based on publicly available reports on their global and domestic equity and fixed income holdings that totals approximately \$91 billion.<sup>13</sup> Additionally, NYSTRS has at least another \$30 billion invested in other financial vehicles that are private and there is a potential that those funds include coal holdings as well, but since there is no data available for them, they are not included in our analysis.

The Carbon Underground Coal 100 (CU100) list<sup>14</sup> identifies the world's top publicly traded coal reserve holders, ranked by the potential carbon emissions content of their reported reserves. NYSTRS is invested in 36 companies on the Coal CU100 list representing at least \$311 million as of 12/31/2020. Additionally, they have hundreds of millions of dollars invested in other companies involved in the coal industry that didn't make the Coal CU100 list, but still have carbon reserves or are heavily involved with coal production, transportation and/or power generation.

Please note that the Carbon Underground Coal 100 list is restricted from publication to only show the top 10 companies' rankings and coal reserves. The full list may be requested directly from FFI Solutions, the publishers of the report.

#### NYSTRS' TOP 10 HOLDINGS OF CU COAL 100 COMPANIES AS OF 12/31/2020

Security Name	Shares 12/31/2020	Market Value 12/31/2020	Headquarters	Coal CU100 Ranking	Coal Reserves Gigatonnes CO2
COAL INDIA LTD	448,717	\$831,202.00	India	1	99.30314
SHAANXI COAL INDUSTRY CO L A	1,308,020	\$1,868,086.00	China	2	27.82217
CHINA SHENHUA ENERGY CO H	1,774,546	\$3,341,356.00	China	4	19.81974
CHINA SHENHUA ENERGY CO A	124,000	\$341,484.00	China	4	
YANZHOU COAL MINING CO H	1,422,000	\$1,137,035.00	China	6	10.60992
YANZHOU COAL MINING CO A	414,845	\$638,779.00	China	6	
EXXARO RESOURCES LTD	333,381	\$3,152,523.00	South Africa	8	9.51215
<b>TOP 10 CU COAL 100 TOTAL:</b>	<b>5,825,509</b>	<b>\$11,310,465.00</b>			<b>167.06712</b>

<sup>13</sup> <https://www.nystrs.org/About-Us/Investments>

<sup>14</sup> <https://www.ffi-solutions.com/research-analytics-index-solutions/research-screening/the-carbon-underground-200/>



**NYSTRS' HOLDINGS OF CU COAL 100 COMPANIES RANKED 11 - 100  
AS OF 12/31/2020**

Security Name	Shares 12/31/2020	Market Value 12/31/2020	Headquarters
ADARO ENERGY TBK PT	6,985,400	\$710,970.00	Indonesia
AFRICAN RAINBOW MINERALS LTD	277,387	\$4,945,991.00	South Africa
AGL ENERGY LTD	438,571	\$4,044,160.00	Australia
ALLETE INC	84,260	\$5,219,064.00	USA
ANGLO AMERICAN PLC	1,067,186	\$35,368,344.00	UK
ARCELORMITTAL	608,010	\$14,045,409.00	Luxembourg
ARCELORMITTAL NY REGISTERED	207,341	\$4,748,109.00	Luxembourg
BLACK HILLS CORP	95,494	\$5,868,106.00	USA
CEZ AS	123,740	\$2,969,011.00	Czech Republic
CLP HOLDINGS LTD	958,792	\$8,865,968.00	Hong Kong
EVRAZ PLC	635,663	\$4,097,823.00	UK
FIRSTENERGY CORP	621,114	\$19,012,300.00	USA
GLENCORE PLC	5,872,714	\$18,704,547.00	Switzerland
ITOCHU CORP	1,293,905	\$37,145,958.00	Japan
LG CORP	33,026	\$2,660,200.00	South Korea
MITSUBISHI CORP	596,560	\$14,682,154.00	Japan
MIITSUI + CO LTD	577,791	\$10,574,227.00	Japan
NEW HOPE LIUHE CO LTD A	101,900	\$349,026.00	China
PGE SA	598,116	\$1,043,412.00	Poland
PTT PCL/FOREIGN	4,170,575	\$5,916,203.00	Thailand
RWE AG	228,574	\$9,668,251.00	Germany
SASOL LTD	271,965	\$2,479,739.00	South Africa
SASOL LTD SPONSORED ADR	103,726	\$919,012.00	South Africa
SEVERSTAL GDR REG S	139,339	\$2,448,186.00	Russia
SHANXI LU'AN ENV ENERGY DEV	30,700	\$30,513.00	China
SHANXI MEIJIN ENERGY CO LT A	56,900	\$58,120.00	China
SOUTH32 LTD	5,680,998	\$10,827,563.00	Australia
SUMITOMO CORP	661,094	\$8,743,512.00	Japan
TATA STEEL LTD	199,439	\$1,753,851.00	India
TECK RESOURCES LTD CLS B	648,162	\$11,755,857.00	Canada
VALE SA	2,103,056	\$35,407,233.00	Brazil
VALE SA SP ADR	596,445	\$9,996,418.00	Brazil
VEDANTA LTD	1,206,239	\$2,655,401.00	UK
VEDANTA LTD ADR	161,296	\$1,416,179.00	UK
WARRIOR MET COAL INC	32,376	\$690,256.00	USA
<b>11-100 CU COAL 100 TOTAL:</b>	<b>37,467,854</b>	<b>\$299,821,073.00</b>	

On 12/31/2020, NYSTRS owned a total of more than 43.2 million shares of companies on the Carbon Underground Coal 100 list worth more than \$311 million. These companies' coal reserves have a combined CO2 emission of more than 224 gigatonnes. That equals 22 times the annual CO2 emission of China and 41 times the annual CO2 emission of the United States based on the latest available data for 2018.<sup>15</sup>

While an increasing number of institutions are trying to reduce their exposure to coal, NYSTRS is going in the complete opposite direction. A comparison of NYSTRS' holdings between their 9/30/2020 and 12/31/2020 quarterly reports shows that their coal acquisitions outpaced their coal stock sales two to one.

## **NYSTRS' CU COAL 100 COMPANIES SHARE INCREASES AS OF LAST QUARTER OF 2020**

<b>Security Name</b>	<b># of Shares 9/30/2020</b>	<b># of Shares 12/31/2020</b>	<b>4th Quarter Shares # Increased</b>	<b>Headquarters</b>
SHAANXI COAL INDUSTRY CO L A	174,620	1,308,020	1,133,400	China
CHINA SHENHUA ENERGY CO H	1,695,546	1,774,546	79,000	China
CHINA SHENHUA ENERGY CO A	92,200	124,000	31,800	China
YANZHOU COAL MINING CO A	-	414,845	414,845	China
GLENCORE PLC	5,419,381	5,872,714	453,333	Switzerland
SHANXI LU'AN ENV ENERGY DEV	-	30,700	30,700	China
MITSUBISHI CORP	505,960	596,560	90,600	Japan
RWE AG	224,849	228,574	3,725	Germany
SASOL LTD	256,800	271,965	15,165	South Africa
EVRAZ PLC	401,335	635,663	234,328	UK
ADARO ENERGY TBK PT	6,370,500	6,985,400	614,900	Indonesia
TATA STEEL LTD	129,511	199,439	69,928	India
AGL ENERGY LTD	428,652	438,571	9,919	Australia
VALE SA SP ADR	420,380	596,445	176,065	Brazil
SOUTH32 LTD	4,706,034	5,680,998	974,964	Australia
NEW HOPE LIUHE CO LTD A	90,800	101,900	11,100	China
SEVERSTAL GDR REG S	131,150	139,339	8,189	Russia
CLP HOLDINGS LTD	728,792	958,792	230,000	Hong Kong
VEDANTA LTD	-	1,206,239	1,206,239	UK
ARCELORMITTAL NY REGISTERED	-	207,341	207,341	Luxembourg
CEZ AS	65,240	123,740	58,500	Czech Republic
PGE SA	565,528	598,116	32,588	Poland
SUMITOMO CORP	642,294	661,094	18,800	Japan
PTT PCL/FOREIGN	4,000,975	4,170,575	169,600	Thailand
AFRICAN RAINBOW MINERALS LTD	273,553	277,387	3,834	South Africa
<b>TOTAL:</b>	<b>27,324,100</b>	<b>33,602,963</b>	<b>6,278,863</b>	

<sup>15</sup> <https://www.ucsusa.org/resources/each-countrys-share-co2-emissions>

In the 4<sup>th</sup> quarter of 2020 alone, NYSTRS' coal exposure increased by more than 6.2 million shares in 24 companies on the Coal CU100 list including 2 of the top 5 coal companies -- an addition of 1.13 million shares of Shaanxi Coal Industry Co and 110k shares of China Shenhua Energy Co. This is an unprecedented expansion of their dirtiest fossil fuel holdings in the face of increased financial and climate risk.

## IV. NEW YORK

New York State generates zero percent of its electricity from coal as of 3/14/2020, when the state's last coal-fired power plant, Somerset, closed for good.<sup>16</sup>

New York State is leading the fight against climate change, the State has banned fracking<sup>17</sup> and passed the landmark Climate Leadership and Community Protection Act<sup>18</sup>, which requires a 40% reduction in greenhouse gas emissions by 2030. These changes are just the beginning of the inevitable transition away from fossil fuels.

Pension funds and financial institutions are also abandoning coal and fossil fuels in favor of renewable energy. New York City announced it will divest \$4 billion in fossil fuels from the two largest pension funds<sup>19</sup> and invest \$6 billion in climate solutions.<sup>20</sup> NYS Comptroller Tom DiNapoli also made headlines when he announced that the third largest US pension fund, the NYS Common Retirement Fund (CRF) with \$226 billion in total assets, would divest from the riskiest fossil fuel companies by 2025 and completely decarbonize the fund by 2040.<sup>21</sup> Comptroller DiNapoli and his team has already completed their coal review and divested from 22 coal companies based on the financial risk these posed to the CRF.<sup>22</sup>

Out of the 22 coal companies that Comptroller DiNapoli divested from, NYSTRS still owns stocks in 7 of them worth \$9.6 million. Its exposure to 5 of these 7 companies increased in the last quarter of 2020.

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<sup>16</sup> [https://buffalonews.com/business/local/new-yorks-last-coal-burning-power-plant-closes-on-lake-ontario-shore/article\\_969bcd79-b3d3-52cd-adb3-f55ef10f98e5.html](https://buffalonews.com/business/local/new-yorks-last-coal-burning-power-plant-closes-on-lake-ontario-shore/article_969bcd79-b3d3-52cd-adb3-f55ef10f98e5.html)

<sup>17</sup> <https://www.nytimes.com/2014/12/18/nyregion/cuomo-to-ban-fracking-in-new-york-state-citing-health-risks.html>

<sup>18</sup> <https://climate.ny.gov/>

<sup>19</sup> <https://comptroller.nyc.gov/newsroom/mayor-de-blasio-comptroller-stringer-and-trustees-announce-estimated-4-billion-divestment-from-fossil-fuels/>

<sup>20</sup> <https://comptroller.nyc.gov/newsroom/mayor-de-blasio-comptroller-stringer-and-trustees-announce-pension-funds-more-than-double-climate-change-solutions-investments-to-over-6-billion/>

<sup>21</sup> <https://www.osc.state.ny.us/press/releases/2020/12/new-york-state-pension-fund-sets-2040-net-zero-carbon-emissions-target>

<sup>22</sup> <https://350.org/press-release/nys-coal-divestment-win/>



## NYSTRS' COAL HOLDINGS IN COMPANIES THE CRF HAS DIVESTED FROM

Security Name	Shares	Market Value	Headquarters
CHINA SHENHUA ENERGY CO H + A	1,898,546	\$3,682,840.00	China
YANZHOU COAL MINING CO H + A	1,836,845	\$1,775,814.00	China
SHAANXI COAL INDUSTRY CO L A	1,308,020	\$1,868,086.00	China
COAL INDIA LTD	448,717	\$831,202.00	India
CONSOL ENERGY INC	67,307	\$485,283.00	USA
WASHINGTON H. SOUL PATTINSON	41,861	\$971,969.00	Australia
SHANXI LU'AN ENV ENERGY DEV CO	30,700	\$30,513.00	China
<b>Total:</b>	<b>5,631,996</b>	<b>\$9,645,707.00</b>	

## V. COAL'S DIRE FUTURE

Coal is facing increased pressure from all sides. The transition to clean energy is lowering demand. Industry regulations are adding extra burden and cost to coal operators. Governments are ending tax breaks and subsidies. Insurance companies are opting out to insure coal projects. Banks are growing weary to lend money to finance coal projects due to the increased risk on the returns of their investments. Investors, including governments, pensions and other large funds are divesting from coal citing too much risk and poor economic outlook for the sector.

Former US Treasury Secretary Henry Paulson described climate change as "the single biggest risk that exists to the economy today."<sup>23</sup> He said this more than 6 years ago in 2014, since then the climate crisis has accelerated and the risk to the global economy has grown with it. By 2030, over \$4 trillion worth of assets will be at risk from climate change<sup>24</sup> and by 2050 global economic output worldwide could be reduced by as much as 11-14 percent or \$23 trillion if we fail to address climate change, according to a report from Swiss Re, one of the world's largest providers of insurance to other insurance companies.<sup>25 26</sup>

2020 was the worst and most expensive climate disaster year to date with \$97 billion in insured losses. That number rises to \$268 billion when combined with uninsured losses.<sup>27</sup> These included extreme weather events such as massive hurricanes, floods, tornadoes and wildfires.

<sup>23</sup> <https://www.forbes.com/sites/kitconews/2014/09/22/climate-change-is-single-biggest-risk-to-global-economy-paulson-at-cgi2014>

<sup>24</sup> <https://www.cdp.net/en/companies>

<sup>25</sup> <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-economics-of-climate-change.html>

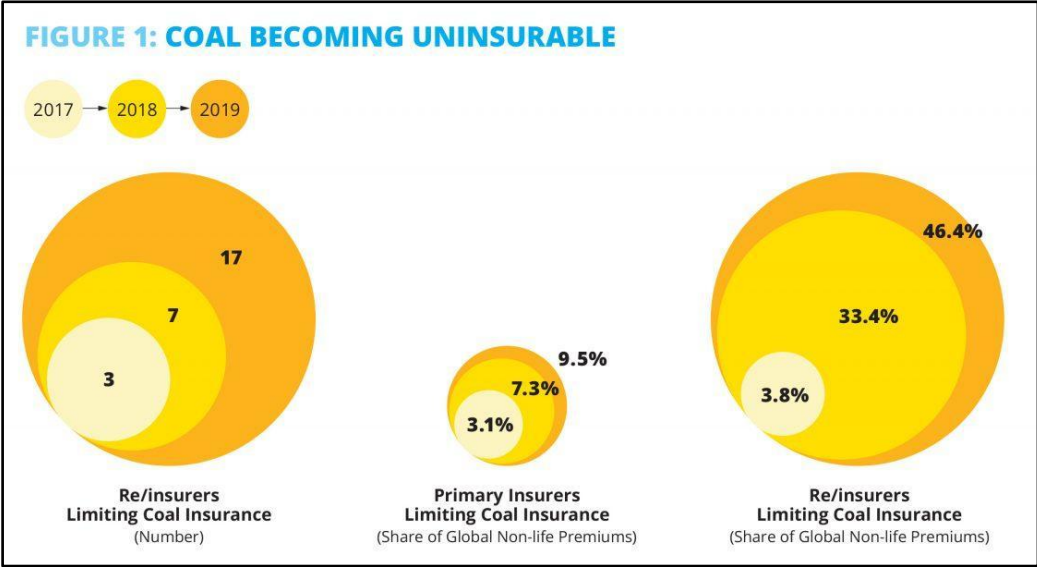
<sup>26</sup> <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>

<sup>27</sup> <https://www.reuters.com/article/us-insurance-catastrophes-report/natural-catastrophes-cause-above-average-100-billion-in-insurance-losses-in-2020-aon-idUSKBN29U003>

Hurricane Laura, a category 4 storm with winds of almost 150 miles an hour caused \$19 billion in damages alone, when it hit the coast of southwest Louisiana on August 27, 2020.<sup>28</sup> Hurricane Laura was the most expensive global insured event of 2020. 43 days later, Hurricane Delta, a category 2 storm with winds over 100 miles an hour, hit 10 miles away, causing additional destruction with a price tag of \$2.9 billion to an area that was already utterly devastated. The 2020 hurricane season produced a record-breaking 30 named storms, which 12 of them made landfall in the US.<sup>29</sup>

Insurance companies are feeling the pressure, having to pay out enormous amounts of money to cover the damages caused by extreme weather events that are growing more intense and destructive each year.

Coal is becoming uninsurable. An increasing number of insurance companies are opting not to insure risky coal projects. There are already at least 17 international insurance and reinsurance companies that have stopped or restricted coverage for coal. These include Allianz, Axa, Generali, Swiss Re, and Zurich. Coal companies cannot function without insurance since it is required at every phase of coal production. The more limited the number of insurance companies that are willing to take the risk of insuring coal, the harder it will get to secure affordable insurance, which will drive up the cost. Some coal companies already have a hard time finding insurance for their dirty projects. At least 16 different insurers declined to insure the Adani Group’s newly proposed Carmichael mine in Australia that would produce 4.6 billion tonnes of CO2 during its lifespan.<sup>30 31</sup>



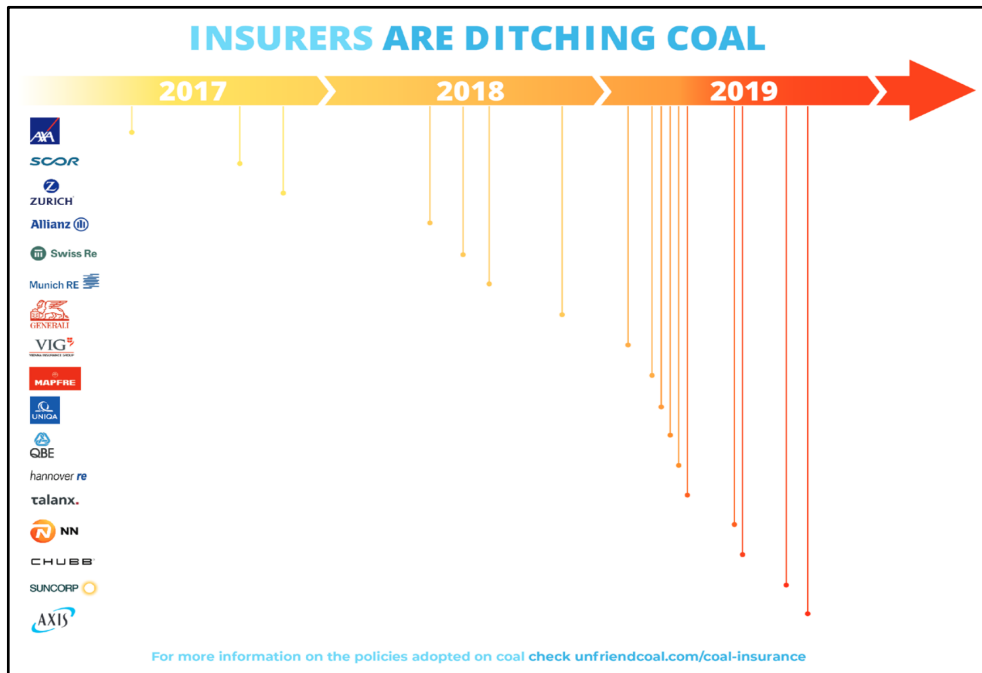
Source: <https://unfriendcoal.com/2019scorecard/>

<sup>28</sup> <http://www.louisianaweekly.com/past-time-to-remember-thousands-displaced-and-left-behind-by-hurricanes-laura-and-delta/>

<sup>29</sup> <https://www.noaa.gov/media-release/record-breaking-atlantic-hurricane-season-draws-to-end>

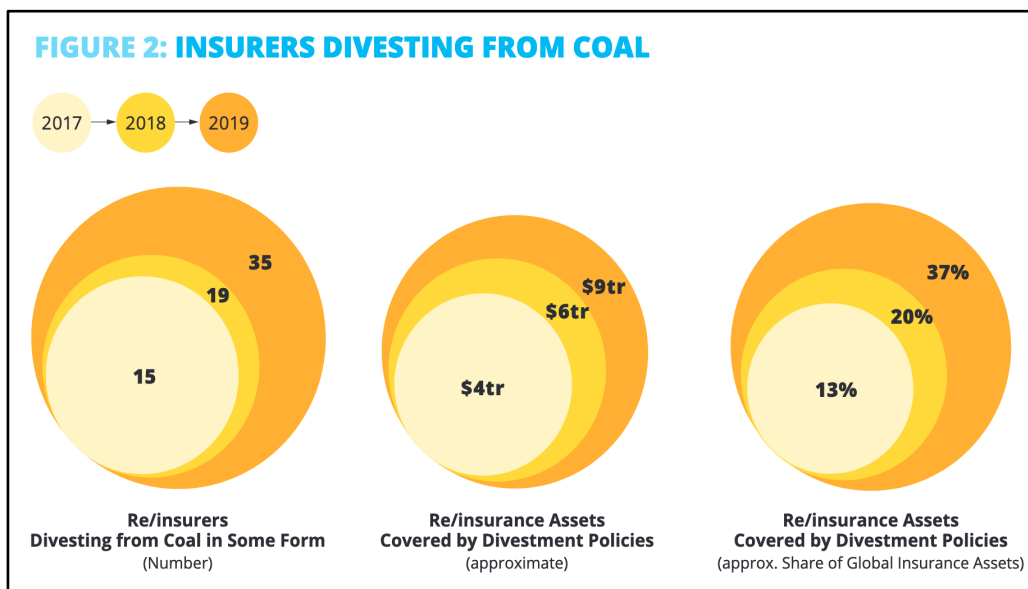
<sup>30</sup> <https://unfriendcoal.com/2019scorecard/>

<sup>31</sup> <https://www.insurancejournal.com/news/international/2020/06/12/571994.htm>



Source: Page 8  
<https://insureourfuture.co/wp-content/uploads/2019/12/2019-Coal-Insurance-Scorecard-soft-version-2.pdf>

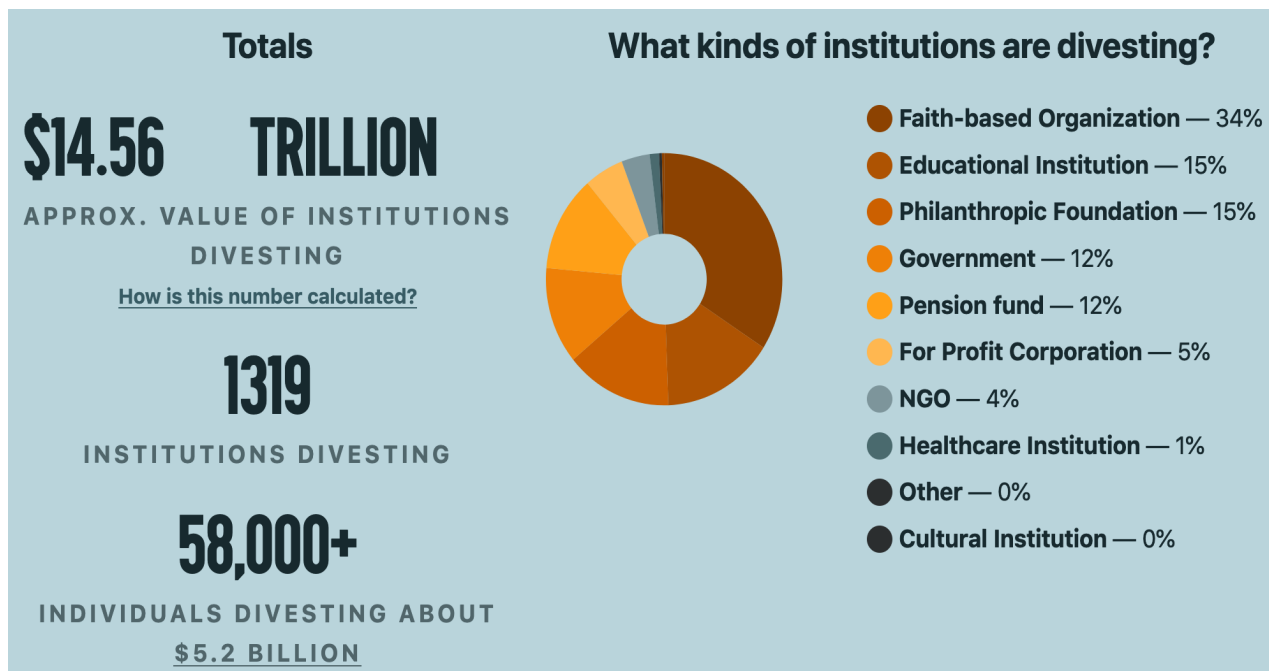
Financing for coal is also drying up fast. With approximately \$30 trillion in total assets, insurance companies are one of the largest institutional investors. To date, more than 100 insurance companies and banks have announced their divestment from coal mining and coal power plants and the list is growing constantly.<sup>32 33</sup> Globally, governments, pension funds, faith-based organizations, educational institutions, philanthropic foundations and NGOs with assets over \$14.5 trillion have been committed to some form of fossil fuel divestment. The vast majority of these commitments include thermal coal.<sup>34</sup>



Source: Page 11  
<https://insureourfuture.co/wp-content/uploads/2019/12/2019-Coal-Insurance-Scorecard-soft-version-2.pdf>

<sup>32</sup> <https://insureourfuture.co/fossil-fuels-insurance/>  
<sup>33</sup> <https://ieefa.org/finance-leaving-thermal-coal/>  
<sup>34</sup> <https://gofossilfree.org/divestment/commitments/>





Source: <https://gofossilfree.org/divestment/commitments/>

## VI. CLIMATE FINANCE REGULATIONS

Governments and regulatory agencies around the world recognize that climate change poses a substantial threat to the stability of the global financial world. For decades and still this day, fossil fuel companies have proven themselves to be incapable of admitting their contribution and complicity to the climate crisis so governments are stepping in with financial and environmental regulations that will have increasingly far-reaching negative impacts on the future viability and profitability of the fossil fuel industry, starting with coal.

The Securities and Exchange Commission (SEC) has appointed a climate tsar and created an environmental, social and governance (ESG) task force to focus on climate-related disclosures. Companies will be mandated to disclose how climate change will impact their business. Similar climate-related mandatory disclosures are expected to take effect in Britain<sup>35</sup>, Switzerland<sup>36</sup> and New Zealand with many more in the pipeline around the world.<sup>37 38</sup>

Last year, the U.S. Federal Reserve joined other global central banks in the Network of Central Banks and Supervisors for Greening the Financial System to use their regulatory oversight and authority in the fight against the effects of climate change on the financial system.<sup>39</sup>

<sup>35</sup> <https://www.reuters.com/world/uk/britain-proposes-mandatory-climate-related-financial-disclosures-by-2022-2021-03-24/>

<sup>36</sup> <https://www.bloomberg.com/news/articles/2021-01-13/swiss-set-to-toughen-financial-disclosure-rules-on-climate>

<sup>37</sup> <https://www.gtreview.com/news/asia/94534/>

<sup>38</sup> <https://www.economist.com/business/2021/03/13/regulators-want-firms-to-own-up-to-climate-risks>

<sup>39</sup> <https://www.reuters.com/article/us-usa-fed-climate/fed-to-weave-inescapable-climate-change-risk-into-bank-oversight-idUSKBN2A828A>

# VII. PRIVATE SECTOR MOVES TO RENEWABLES

Over 290 global multinational corporations have pledged to cover their operational energy needs from 100% renewable sources, and the list is growing constantly.<sup>40</sup> Apple, the most valuable company in the world worth more than \$2 trillion<sup>41</sup> has already achieved carbon neutrality for its global corporate emissions, but last year the company made more ambitious commitments to be 100% carbon neutral across its entire business, including manufacturing, supply chain and product life cycle by 2030, 20 years sooner than the IPCC targets.<sup>42</sup>

Apple has 380 production facilities in China all striving to be powered without fossil fuels within the next 10 years, which is bad news for coal and investors of coal, since China has the most coal-fired power plants in the world with 1,082 in operation as of the beginning of 2021. Demand for electricity generated by these plants will diminish, since there are many other companies like Apple who will follow suit.<sup>43</sup>

The graphic below shows just some of the companies that have pledged to go 100% renewable:



Source: Climate Reality Project

<sup>40</sup> <https://www.there100.org/re100-members>

<sup>41</sup> <https://www.nbcnews.com/business/business-news/apple-now-worth-2-trillion-making-it-most-valuable-company-n1237287>

<sup>42</sup> <https://www.apple.com/newsroom/2020/07/apple-commits-to-be-100-percent-carbon-neutral-for-its-supply-chain-and-products-by-2030/>

<sup>43</sup> <https://www.statista.com/statistics/859266/number-of-coal-power-plants-by-country/>

## VIII. THE TRANSITION AWAY FROM COAL

Coal-fired electricity generation is the largest contributor to global warming, accounting for 30% all energy-related carbon dioxide emissions in the world.<sup>44</sup> Coal is therefore the number one target in the fight against climate change. As governments and countries around the world seek to lower their carbon emissions, the obvious first choice is to eliminate coal. The more coal-fired power plants shut down, the less profitability and market share the industry retains.

With the election of President Biden, the US has officially re-joined the Paris Climate Accord on Day 1 of his presidency to combat the climate crisis. Biden's Climate Summit on Earth Day ended with some very encouraging commitments that are bad news for fossil fuel companies in general, but especially for the coal industry.

The US pledged to reduce carbon emissions by at least 50% by 2030, which is double the amount of the country's previous pledge in the Paris Accord. Japan, Canada and Brazil have increased their decarbonization commitments. China, Russia and India had reaffirmed their prior commitments and vowed to slash their emissions. South Korea, one of the biggest financiers of coal projects promised to stop public financing of coal-fired power plants overseas and working on reducing their carbon emissions.<sup>45</sup>

The decline of coal has been quick and unparalleled in the US. 318 coal-fired power plants have closed in the last 10 years, representing 60% of the US' coal-fired generating capacity. More than 50 US coal companies have declared bankruptcy over the past decade and this trend is expected to continue since alternative sources of energy are more cost effective.<sup>46</sup>

Europe is halfway to closing all of its coal plants. Since the signing of the UN Paris Climate Agreement in 2016, 162 of Europe's 324 coal plants have either been closed or announced closure by 2030.<sup>47</sup>

China is the largest consumer of coal today. But it also has the fastest growing renewable energy sector. As clean energy generation continues to become more price competitive, coal is likely to decline sharply in China. Early details from China's 14<sup>th</sup> Five Year Plan signals that radical reforms are on their way with emphasis on climate-friendly, sustainable growth and enhanced energy efficiency.<sup>48</sup>

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<sup>44</sup> <https://www.iea.org/reports/global-energy-co2-status-report-2019>

<sup>45</sup> <https://www.cnbc.com/2021/04/22/biden-climate-summit-2021-what-brazil-japan-canada-others-pledged.html>

<sup>46</sup> <https://www.powermag.com/continued-toll-on-coal-more-companies-file-bankruptcy/>

<sup>47</sup> <https://www.euractiv.com/section/climate-environment/news/europe-halfway-towards-closing-all-coal-power-plants-by-2030/>

<sup>48</sup> <https://www.eastasiaforum.org/2020/12/13/chinas-bold-new-five-year-plan/>



29 new coal-fired power plants got cancelled in Bangladesh after banks in Japan and South Korea, which are some of the major Asian coal investors, announced new regulations on their coal lending. Vietnam cancelled 7 plants and halted the construction of 6 plants that were already in progress. The Philippines announced a moratorium on all new coal projects in November 2020. The abandonment of coal in these emerging markets is yet another signal that the industry is failing.<sup>49</sup>

Coal is already more expensive than renewables and natural gas, making coal less competitive and less attractive to investors.

## IX. CONCLUSION

The burning of fossil fuels is creating a climate crisis. Firestorms, superstorms, droughts and floods are already destroying lives and communities. Experts tell us, and the nations of the world agree, that a temperature rise of 1.5 centigrade will cause irreversible damage to the world's ecosystems and result in profound human suffering. The only rational course for humanity is to stop burning fossil fuels.

The fossil fuel energy sector is shrinking dramatically as the world transitions from fossil fuels to clean and renewable energy. The weakest and most threatened industry is coal. Therefore, continued investments in coal stand to damage the financial health of the pension fund that hundreds of thousands of New York State public teachers and administrators are relying upon.

**Divest NY calls on NYSTRS to develop a coal exit plan now and divest its coal stocks as soon as possible. This should be the first step in a comprehensive divestment plan to reduce NYSTRS' climate related risks and to help stabilize the climate for future generations.**

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<sup>49</sup> <https://www.goodnewsnetwork.org/emerging-asian-coal-markets-cancel-coal-power-projects/>