The Case for UNC to Divest from Coal
The Filthy Fifteen

Ameren  AEP  Dominion  SOUTHERN COMPANY
Duke Energy  ppl  FirstEnergy  GenOn  EDISON INTERNATIONAL
MIDAMERICAN ENERGY  Peabody  PATRIOT COAL
CONSOL ENERGY  ArchCoal  Alpha Natural Resources
Historical Precedence

South Africa (1987)
- apartheid
- established divestiture committee at UNC

Sudan (2008)
- ethnic cleansing
- resolution by UNC Investment Fund
National Context

308 universities have divestment campaigns
Successful Divestment

- **9 universities**
  - San Francisco State University (Public)

- **22 cities**
  - Seattle, WA
  - Portland, OR
  - San Francisco, CA
Media Coverage

"Apartheid divestment spurs Beyond Coal campaign" - Daily Tar Heel

"The Case for Fossil-Fuel Divestment" - Rolling Stone

"Student Congress at UNC supports divestment in coal" - Herald-Sun

"To Stop Climate Change, Students Aim at College Portfolios" - The New York Times

"Students vote for UNC to divest coal stocks" - News & Observer

"The Next Frontier for Climate Activism: College Investments" - TIME

“Divesting From Fossil Fuels Means A Cleaner, Safer And More Resilient Future” - Forbes

"UNC-CH students to university: Divest from coal" - Triangle Biz Journal
UNC Student Body Support

- 77% Student Support
- Group Endorsements
- Support from all 5 SBP candidates year, all 4 SBP candidates this year
- Student Congress resolution
Why Coal?

Public Health

- Affects public health from cradle to grave
- Cost the US economy $300 - $500 billion annually
Why Coal?

Environment

- Most carbon intensive fuel source
- 30% more CO$_2$ than oil and twice much as natural gas
- MTR coal mining is one of the most destructive forms of extraction
Why Coal?

Why Coal?

Economy

- 120 of 520 coal plants shut down in last 2.5 years
- 19-26% of coal production capacity will be retired by 2016
Why Coal?

Over-valuation of coal stocks

- Company value based on current assets

- Assets subject to climate regulation
  - necessary to contain global warming
  - majority of coal reserves left unburnable

- Coal industry hit hardest
  - Investors face risk
Why Divestment?

- Shows real financial leadership on sustainability
- Social and political tool to raise awareness about the climate crisis
Broad Impacts

- UNC Divestment → National Divestment → Media
- Shift in Public Discourse → Climate Legislation → Jumpstart Green Energy Sector
Impact on Investment

Returns

• Risk and Return

• Increased publicity and alumni donations

• Long-term health of endowment
"If their college's endowment portfolio has fossil-fuel stock, then their educations are being subsidized by investments that guarantee they won't have much of a planet on which to make use of their degree."

-Bill McKinbenn, Rolling Stone 7/19/12
Why Carolina?

With lux, libertas — light and liberty — as its founding principles, the University has charted a bold course of leading change to improve society and to help solve the world’s greatest problems.
Common Controversies

• We are too reliant on fossil fuels to transition away from them

• Divestment is difficult because the endowment has a complicated investment strategy
Summary

- Why Coal?

- Why Divestment?

- Why Carolina?
Questions?
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Next Steps - Short Term

1. Establish a working group to research feasibility (Sept - March 2014)

2. Present findings to UNC-CH Board of Trustees for resolution of support (March 2014)

3. Present to UNC-CH Foundation Investment Fund Board of Directors for resolution of support (Spring 2014)

4. Complete divestment from university controlled funds (Fall 2014)
Next Steps - Long Term

1. Communicate with other UNC system schools and affiliates about taking action on resolution (Fall 2013 - Fall 2016)

2. UNC Management Company communicates with external fund managers (Spring 2014 - Fall 2016)

3. Full divestment of entire endowment from coal (Spring 2016)