



**TESTIMONY OF THE MAYOR'S OFFICE
BEFORE THE NEW YORK SENATE
COMMITTEE ON FINANCE**

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**Presented by:
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I. INTRODUCTION

Good afternoon. My name is Daniel Zarrilli, and I am New York City Mayor de Blasio's Chief Climate Policy Advisor and the Director of OneNYC. Thank you for the opportunity to speak about New York City's approach to fossil fuel divestment and the progress the de Blasio Administration has made as a global leader in the fight against climate change, including the actions we've taken to create a Green New Deal in New York City and to hold the fossil fuel industry accountable for the destruction that has been unleashed by the continued burning of fossil fuels. I'd like to thank Senator Liz Krueger for inviting me here to provide testimony to the New York State Senate's Standing Committee on Finance.

Today, I intend to briefly describe the history of the City's actions to address climate change, an overview of the three main themes of our current work – mitigation, or the reduction of the city's own greenhouse gas emissions, adaptation, or the preparations we're making for the changes already occurring to our climate, and accountability, holding the fossil fuel industry directly accountable for the damage we've already seen and can reasonably expect to see in the future.

II. A LEGACY OF CLIMATE ACTION

First, a bit of history. In October 2012, Hurricane Sandy roared ashore and brought home the reality that climate risks could no longer be thought of as a future risk. It is already here and now. And the risks are not limited to hurricanes. Rising seas, more extreme heat, and stronger precipitation events threaten as well. In response, the City released its first comprehensive climate resiliency plan and set forth a detailed risk assessment and new initiatives, launching an over \$20 billion program to prepare New York City for a future with climate change. We were a city that had been shaken to consciousness on climate change and our actions had to change.

III. OneNYC 2050: NEW YORK CITY'S GREEN NEW DEAL

When the de Blasio administration came into office, that legacy informed our work, and we knew that we had to expand on it as well. In 2015, Mayor de Blasio released *One New York: The Plan for a Strong and Just City* (OneNYC), a strategic plan that was the first of its kind to place the issue of equity alongside climate action. Four years later, we've recognized the need to go even further.

This Earth Day, New York City released its newest strategy, **OneNYC 2050: New York City's Green New Deal**. This was the culmination of more than nine months of intensive data-driven analysis, interagency collaboration, and a citywide community engagement effort that together identified the critical challenges facing New Yorkers today, including rising unaffordability, economic insecurity, stubborn health and wealth inequities, a climate emergency, failing infrastructure and changing needs, and global threats to democracy.

OneNYC 2050 consists of eight integrated goals and 30 strategic initiatives to address these challenges and redefine what it means to be a global city in the 21st century. The plan not only looks inward and sets aggressive goals to address local, interconnected challenges around climate change, poverty, and economic development – it also looks outward and recognizes New York City's place in the global landscape of sustainable development. OneNYC provides a compelling model of how local governments can put the ideals of the Green New Deal into action.

OneNYC has deepened the City's commitment to increasing equity and addressing income inequality across the five boroughs of New York City. As Mayor de Blasio has said, our environmental sustainability work must walk hand in hand with our economic sustainability work in order to achieve a truly strong and fair city for all New Yorkers.

On that point, while climate change affects everyone, its impacts are not equally shared. Simply put, climate change is fundamentally unfair. The poorest and most vulnerable – who have historically contributed the least to GHG emissions – are the hardest hit by climate change. OneNYC explicitly seeks to address the disparate environmental conditions that have historically resulted in diminished health outcomes, economic opportunities, and quality-of-life in some of our city's neighborhoods. These injustices have led to public health impacts from poor air quality, disproportionate exposure to pollution, and increased risks related to chronic exposure to extreme heat and the urban heat island effect.

Across the globe, the increasing frequency of extreme weather events and natural disasters, rising sea-levels, floods, heat waves, droughts, wildfires, desertification, water shortages, and the spread of tropical and vector-borne diseases will directly and indirectly threaten food security and public health, and could cause migration and conflict, threatening human rights. We all must recognize the urgency of this challenge and take bold action to deliver on the Paris Agreement.

IV. THE THREE PILLARS OF NYC'S CLIMATE LEADERSHIP

Today, we continue to deliver on the commitments of OneNYC and the Administration's efforts to urgently address climate change, fill the void of leadership left by Washington DC, and deliver results for New Yorkers. Our work to secure a livable future for the next generation can best be summed up in three themes: sustainability, resiliency, and accountability.

Sustainability

Our climate mitigation—or sustainability—work is focused on reducing our contribution to climate change by cutting our greenhouse gas emissions as fast as possible. In OneNYC 2050, we committed to carbon neutrality by 2050 and 100 percent clean electricity. The City will pursue steep cuts in GHGs from buildings (the largest source of emissions in NYC) by mandating that all large existing buildings cut emissions, and convert government operations to 100 percent clean electricity, while creating green jobs and holding polluters responsible for climate-related costs.

Resiliency

Our climate adaptation—or resiliency—work focuses on adapting the City to the growing risks of climate change, such as rising seas, more frequent and intense storms, and extreme heat. In OneNYC 2050, we committed to making the City's neighborhoods, economy, and public services prepared to withstand and emerge stronger from the impacts of climate change and other 21st century threats.

To accomplish this goal, we are working with many agencies to deliver on the City's over \$20 billion resiliency investment program and institutionalizing resiliency into city operations broadly. By doing so, we're creating jobs and delivering on our promise to protect all New Yorkers, along with their homes and businesses, from the impacts of climate change.

Accountability

And finally, New York City is bringing this fight straight to the fossil fuel companies that caused this climate crisis in the first place.

Let's talk plainly. The burning of fossil fuels is the single largest contributor to human-caused climate change. This simple fact was denied and buried for decades by fossil fuel companies intent on misleading policymakers and the public. Now, New York City is seeking to end a decades-long

pattern of deception and denial by holding those fossil fuel companies to account for the damage they've caused while taking prudent steps to protect the financial interests of New Yorkers.

V. THE CITY'S PLAN FOR FOSSIL FUEL DIVESTMENT

In January 2018, NYC Mayor Bill de Blasio and other pension trustees committed to begin divesting our pension funds from fossil fuel reserve owners – those companies that own the oil and gas in the ground. This is a case where the prudent action to protect city pensions also lines up perfectly with good social policy to fight climate change. Fossil fuel securities have consistently underperformed the market in recent years, and the outlook for fossil fuel investments continues to be poor. And it's important to note that the actions that cities like New York and many others are taking to reduce greenhouse gas emissions will have a long term impact on our nation's and the world's reliance on fossil fuels. We have a fiduciary obligation to understand the impact these changes will have on pension investments in fossil fuel reserve owners and recognize the true nature of the potential for stranded assets as we all work to achieve the Paris Agreement.

According to our most recent analysis, the City's five pension funds hold roughly \$5 billion in securities of over 100 fossil fuel reserve owners. Working hand-in-hand with the City Comptroller, the pension funds' investment advisor, New York City's pension fund trustees are pursuing divestment, consistent with prudent practice and in line with our fiduciary responsibilities. This will involve many steps, from additional analysis and trustee resolutions, to the actual process of selling the securities. To date, we have completed a Request for Information process designed to solicit advice on the best way to approach a procurement for divestment-related services. That led to a Request for Proposals for an advisor to analyze, evaluate, and recommend prudent fossil fuel divestment strategies to the NYC pension funds. That work will begin this year. The selected advisor will help the pension boards develop a prudent fossil fuel divestment strategy for their approval and implementation. The goal is to complete this divestment process as fast as possible AND no later than the end of 2022.

Make no mistake, this move is among the most significant divestment efforts in the world to date and, along with others, is already being noticed by fossil fuel companies who have remarked in annual reports on the material threat that the divestment movement could have on their ability to secure financing.

In order to build on this momentum and facilitate the ability of global cities to share best practices regarding their divestment efforts, NYC is a co-leader, with London, of the Divest Invest Forum, which is sponsored by the C40 Cities Climate Leadership Group. The objective of the forum is to bring city leaders, pension fund managers, asset managers, investment consultants, and other stakeholders together for events, workshops, and related dialogue that will showcase how two of the leading financial centers of the world are divesting from fossil fuels, and will foster dialogue and debate among interested cities on the challenges and approaches to shifting towards low carbon, sustainable investments.

More recently, the NYC pension funds also announced a commitment to double their investments into climate solutions to \$4 billion. Combined with divestment, the NYC pension funds are leveraging their assets to help create the solar, wind, and energy efficiency solutions that we so vitally need and securing the retirements of NYC workers at the same time.

VII. CONCLUSION

The good news is that New Yorkers don't wait for others when a challenge arises. We step up and lead. And that's what New York City is doing and what the State has the opportunity to do as well.

I would like to thank the members of the Senate's Committee on Finance. We look forward to continuing to work with our State partners as we seek to address our shared climate challenges.

Thank you.