



SUSTAINABLE BUSINESS FEBRUARY 28, 2019 / 11:07 AM / UPDATED 4 HOURS AGO

# Big U.S. pension funds ask electric utilities for decarbonization plans

Ross Kerber

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BOSTON (Reuters) - Top U.S. pension funds are asking electric utilities to accelerate efforts to cut carbon emissions but will not force the issue with proxy resolutions this spring, hoping market shifts and falling prices for renewable energy have already made executives and directors receptive to the goal.

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FILE PHOTO: Wind turbines generate power at the Loraine Windpark Project in Loraine, Texas U.S.  
August 24, 2018. Picture taken August 24, 2018. REUTERS/Nick Oxford

Investors including New York City Comptroller Scott Stringer, who oversees retirement funds, and leaders of the California Public Employees' Retirement System are asking the 20 largest publicly traded electric generators in the United States for detailed plans for achieving carbon-free electricity by 2050 at the latest, according to material seen by Reuters.

They also seek other steps like board commitments and tying progress to executive pay.

Stringer termed decarbonization a "financial necessity" in a statement sent by a spokeswoman. "This initiative makes clear that mobilizing for the planet goes hand-in-hand with protecting our pensions, and we need these commitments now."

Making electricity carbon-free by 2050 will be key to meeting the goals of the 2015 Paris Agreement to constrain global warming, the investor group said in a separate statement. They praised a December announcement by Xcel Energy Inc that it will aim for carbon-free generation by 2050.

Large utilities receiving the letter include Duke Energy Corp and NRG Energy Inc. Each has already moved toward cutting emissions: Duke has set a goal of reducing carbon emissions by 40 percent by 2030 from its 2005 levels, and NRG aims to cut emissions in half by 2030 and by 90 percent by 2050 compared with 2014 levels.

Asked about the funds' request, Duke spokeswoman Catherine Butler noted the goal and said via email, "We continue to evaluate options to further reduce emissions beyond that date."

In a statement sent by a spokeswoman, NRG Vice President of Sustainability Bruno Sarda said the company agrees with the "urgency for decarbonization" and said it is reviewing its goals based on newly-available science.

Falling prices for wind and solar power will help the utilities' efforts, while the pace of coal-fired power plant closures has accelerated in the face of price competition.

Funds involved in Stringer's effort collectively manage \$1.8 trillion and also include Hermes Investment Management and money overseen by New York State Comptroller Thomas DiNapoli.

Technically the group is asking for "net-zero" carbon emissions by 2050, meaning the amount of carbon utilities release must equal the amount they remove.

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Reporting by Ross Kerber in Boston; Editing by Matthew Lewis  
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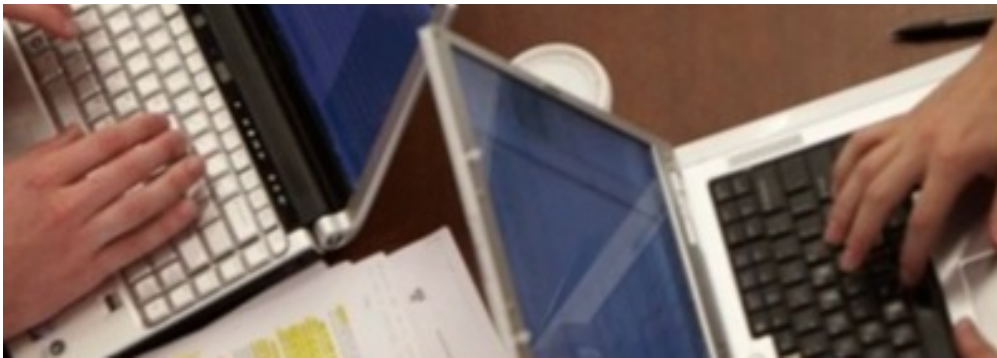
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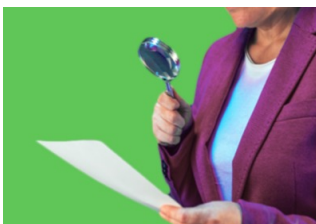
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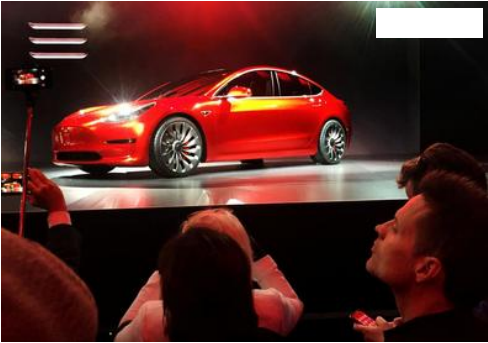
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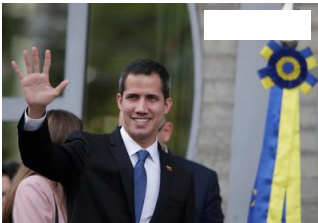
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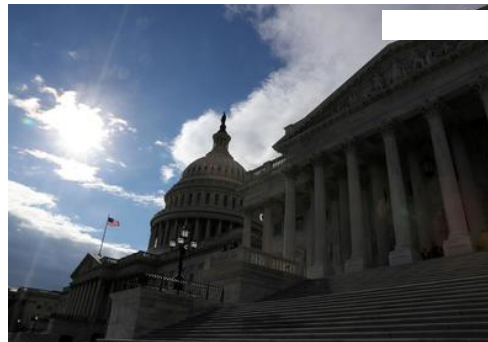
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