

THE VOICE OF THE NATIONAL ASSOCIATION OF ROYALTY OWNERS

# ROAR

THE ROYALTY OWNERS ACTION REPORT



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## DIVESTMENT

For years now, activists have been looking for ways to stop fossil fuel development at any cost. This includes fighting on behalf of the fracking ban in New York State, finding ways to deny pipeline permits and, for the last couple of years,

demanding the state divest fossil fuel-related companies from state retirement investments.

Lumping clean-burning natural gas in with coal and oil as fossil fuel enemies was a huge strategic mistake for the antis as it damaged their own stated goal of reducing carbon dioxide in the atmosphere. None of that seems to matter.

Evidently, the simplistic concept seems to be divestment from the big, bad energy companies will somehow make them go out of the fossil fuel business, see the light and focus all of their resources solely on developing solar and wind power. The idea that renewables will ever provide 100%, or even half, of our energy needs is preposterous, but let us save that argument for another article.

A movement to force large investment institutions, such as universities and pension funds, to divest has

come to New York. The \$184 billion plus state retirement system has about \$12 billion invested in fossil fuel-related industries. The fund has only one trustee to oversee the investments, State Comptroller Thomas DiNapoli.

Earlier this year, several lawmakers introduced a bill to force DiNapoli to divest the state pension fund of any investments in the 200 largest fossil fuel-related companies. Fortunately, there is still some semblance of sanity remaining in the state. DiNapoli does not support the measure.

“The divestment movement is too simple a way to try to attack a very complex problem” he said.

DiNapoli said it would be “unrealistic” to think that divestment of fossil fuel industries would change anything. “It’s better that we have a seat at the table as a shareholder,” he said.

Supporters of divestment claim that fossil fuel-related investments could become a liability. If fossil fuels are no longer a primary energy source, investors could be stuck with stranded assets.

With the occasional exception of a small-time craps game in Las Vegas, I’m not much of a gambler. As to whether fossil fuels will be displaced as our primary energy source in our lifetimes, I’m not going to lose any sleep over that bet.



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