

January 12, 2021

Governor Charlie Baker  
Massachusetts State House  
Office of the Governor, Room 280  
24 Beacon Street  
Boston, Massachusetts 02133

Dear Governor Baker:

As diversified, long-term investors with holdings in the Massachusetts energy utility industry, we write to convey our support for strong climate legislation to ensure a reliable, fair, and rapid transition to clean, renewable energy.

As investors, we manage the funds entrusted to us with a view to ensure sound financial returns for our beneficiaries. We recognize the significant financial risks posed by climate change as well as the enormous economic opportunities provided by low-carbon and climate-resilient technologies, markets, and business models. Firms representing over \$6.5 trillion in assets under management have made clear their concern that companies align their climate lobbying with the Paris Agreement, citing the risks inherent in unabated climate change.<sup>1</sup> Already, companies are experiencing material costs and disruptions from climate change impacts including increased frequency of extreme stochastic events, rising temperatures, supply chain disruptions, and loss of worker productivity.

The changing economics of the low carbon energy market support this concern. Renewable energy sources are poised to expand enormously in the next decade including a burgeoning local offshore wind industry. However, natural gas infrastructure investments can have operational lifetimes of 40 or more years. As more cost-effective energy technology is developed, careful planning of the natural gas to electric system transition will help Massachusetts avoid burdening ratepayers with maintenance of an aging gas system and minimize the risk of stranded assets that create losses for shareholders and ratepayers. Companies that do not act with deliberation and speed are likely to miss market opportunities, lag their competitors and, ultimately, lose value. Consequently, we are eager to see our natural gas-reliant companies transition to sustainable, long-term business models aligned with the Paris Climate Agreement, reducing the climate risk associated with fossil fuels.

In this conversation, policy plays a key role in ensuring a level playing field for all operators. This foundation provides the framework through which Massachusetts can transition to a clean energy economy to benefit its citizens and businesses and demonstrate climate leadership in the process. Strong public policy can provide greater confidence and security to utilities as they map their future investments in low carbon technology, while simultaneously spurring innovation that will benefit all operators.

As the Commonwealth embarks upon the transition to clean energy, it is essential that this be a just and equitable transition. For too long Environmental Justice communities have been left out of decisions which impact them. An inclusive process that recognizes overburdened communities can create a durable policy outcome which will accelerate a just transition.

For these reasons, we write today to urge you to sign S.2995: An Act Creating a Next-Generation Roadmap for Massachusetts Climate Policy. In September, Investors wrote to the Conference Committee in support of provisions for environmental justice, utility-scale renewable thermal pilot programs, and a managed transition

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<sup>1</sup> <https://www.ceres.org/news-center/press-releases/200-investors-call-us-companies-align-climate-lobbying-paris-agreement>

off of fossil fuels. In addition to these specific provisions, the undersigned investors support the final bill that includes many important measures to ensure our Commonwealth can meet our climate goals in a just, equitable way.

We trust you will lead in signing this important legislation to help the Massachusetts energy utilities sector maintain its viability for the foreseeable future while addressing the economy-wide risks of climate change.

Sincerely,

Steven Heim  
Managing Director  
Boston Common Asset Management

Jeffery W. Perkins  
Executive Director  
Friends Fiduciary

Lila Holzman  
Energy Program Manager  
As You Sow

Laura Devenney & Amy Augustine  
Senior ESG Research Analyst & Director, ESG Investing  
Boston Trust Walden

Pat Miguel Tomaino  
Director of Socially Responsible Investing  
Zevin Asset Management, LLC

Andrew McGeorge  
Treasurer / Chief Financial Officer  
Unitarian Universalist Association

Natasha Lamb  
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Director of Social Research & Advocacy  
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Cathy Rowan  
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