

UNC trustees want to look at clean energy investments

By Jane Stancill

jstancill@newsobserver.com September 25, 2014

CHAPEL HILL — UNC-Chapel Hill trustees on Thursday directed endowment fund managers to look into clean energy investments, after student activists called for university divestment from coal-burning companies.

In a unanimous resolution, the board requested the UNC Management Company, which handles the endowment funds, to research targeted investments that “advance environmentally friendly clean energy strategies.”

It’s unclear whether the move will result in clean energy investments, and there is no plan for UNC-CH to divest from coal-related energy companies. But students were happy with Thursday’s action after several years of activism on the issue.

“It’s hard not to be ecstatic,” said Tait Chandler, a senior from Canada who began work on a coal divestment campaign his first year at UNC-CH. “This is like the first time we can say, ‘This is what we’ve done.’ ... This is something. It’s a step in the right direction.”

Jasmine Ruddy, a senior from Morehead City, said she was grateful for the board’s collaborative approach but added, “We’re always going to be pushing and challenging the board and the administration to see what they’re willing to do to face the climate crisis.”

The action came the week of the United Nations summit on climate change, amid a growing movement away from fossil fuel investments by some universities and philanthropies.

A recent report from Arabella Advisors, a Washington-based firm focused on socially responsible stocks, said that 181 institutions and local governments had pledged to divest from fossil fuels as of this month. Among them are Stanford University, which dropped coal, and the Rockefeller Brothers Fund, a philanthropy by the family of John D. Rockefeller, the founder of Standard Oil.

UNC-CH’s \$2.4 billion endowment includes energy stocks, but it’s not clear how much money is tied up in coal. Investments can be spread across portfolios that include stocks from many different companies.

The UNC-CH students against coal appeared before the trustees a year ago to ask for coal divestment. At the time, trustees thanked the students for the information but said it was one-sided. That led to a campus forum in April and included representatives from the investment community and Duke Energy, as well as environmentalists.

For energy companies, dropping coal immediately would mean a power shortage and a negative impact on the economic environment, Steve Lerner, a Chapel Hill trustee, said Thursday.

“But,” he added, “the only way to transition off of that is to have alternative sources of energy.”

So, he said, the board decided on a measured approach to not stop any investments but to pursue new ones in clean energy.

Extricating energy stocks from portfolios is complex and difficult, said Trustee Chairman Lowry Caudill of Durham.

“The focus shifted to: What can we do? Where can we have impact and move the needle?” Caudill said. “It’s a very forward-looking approach to handling this.”

Chancellor Carol Folt said she was proud of the students. “They really entered into this in a wonderful spirit,” she said. “They went out and talked to people from all areas of the conversation and brought them to campus. This is an idea that they fully embraced and have been real leaders on, so we’re very excited about that.”

Ruddy said the ultimate goal of divestment campaigns is to encourage utilities to abandon coal and move more quickly to renewable energy. “This is something that is becoming a really popular movement,” she said.