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We, the 58 undersigned institutional investors, members and supporters of the Interfaith Center on Corporate Responsibility, representing $58.2 billion in assets under management, are writing in support of the EPA's Clean Power Plan proposed rule: "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units." The Interfaith Center on Corporate Responsibility (ICCR) is a coalition of faith-based and mission-driven institutional investors who view the management of their investments as a powerful catalyst for social change. We have been engaged with corporations within a variety of sectors relevant to this proposed rule for over 25 years, working with them to reduce their own emissions and increase investment in renewable energy.

At ICCR we consider climate change within the context of its economic, social and environmental impacts, and therefore offer the following comments highlighting the importance of the proposed rule as well as specific recommendations that may strengthen the rule. We support this rule for several reasons. First, this rule is timely and necessary because decisive national action to address climate change is needed; we have a moral obligation to act. Second, this rule will have critical positive impacts on the health and well-being of vulnerable populations, in the United States and around the world, that provide not only a health, but also economic benefit. Third, as investors with a serious stake in the financial performance of many companies impacted by this rule, we are confident that it will have a net positive impact for business in providing economic certainty and incentives for innovation, and promoting the creation of new jobs.

As faith based and socially responsible investors, ICCR members and supporters acknowledge the sacredness of creation and are concerned with the impacts of global climate change on all species, particularly the most vulnerable on our planet. Global climate change is already exacerbating existing challenges, such as food and water security, migration and global health. With congregations throughout the United States and across the globe bearing witness to the devastating impacts of climate change, ICCR members are acutely aware that the economically disadvantaged will suffer disproportionately. These individuals are less able to adapt and are often more dependent on climate-sensitive resources such as local water and food supplies.

Across the sectors in which ICCR members invest, climate change is a material issue presenting significant risks for the long-term value of their investments, whether from water scarcity, supply chain shifts, or physical risk related to extreme weather events. We therefore **support the proposed rule for a number of reasons**:

- **The United States must be a global leader in addressing climate change**.
  The 30% emissions reduction that the rule entails sends a clear signal to other major emitters that the U.S. is prepared to act decisively to address climate change. As the world prepares for the negotiation of a new climate treaty in Paris in November 2015, this rule places the U.S. in a much stronger starting position. Carbon pollution from existing power plants is the single largest stationary source of greenhouse gas pollution in the United States, comprising 40% of emissions and this is an important measure to limit our national CO_2 emissions.

- **The rule will provide important public health benefits.**
  Analysis predicts that the proposed reductions in emissions will significantly reduce asthma attacks and respiratory disease throughout the U.S, which is especially important because particulate-emitting production facilities are disproportionately located in low-income communities and communities of color.[1]

- **In reducing climate risk and increasing green energy innovation, the country will see broad economic benefits.**
  Energy efficiency, a key part of the proposed rule, reduces costs and is good for the bottom line. A combination of strategies to manage carbon emissions will encourage greater deployment of low carbon energy production which will in turn help manage energy price volatility – an economic variable that presents a significant risk to companies within ICCR members' portfolios. In addition, the development of new technology and infrastructure to facilitate our transition to a low carbon economy will spur innovation and create new jobs in a variety of sectors.

- **We support the flexibility that the rule provides.**
  Each state may alone, or with other states in the region, craft the strategy that will most efficiently and effectively lower the carbon intensity of its energy production, including through reduced emissions from power plants, energy efficiency and renewable energy measures.

- **We need to act now to address the impacts of climate change.**
  We appreciate the aggressive, but realistic, timelines established in the rule and encourage that these deadlines be maintained in order to propel swift national

[1] http://www.e3network.org/papers/Cooling_the_Planet_Sept2012.pdf

action on climate change. If possible, we encourage the establishment of incentives that would encourage states to take action to reduce carbon emissions before 2019.

We would like to highlight a few **concerns about the rule and present recommendations** on how the rule might be strengthened.

- We are troubled by the environmental justice analysis that indicates there may be certain electricity generating units that will be more intensively used after they are made more efficient. This will lead to increased pollution in areas close to those facilities. We therefore encourage that the rule require a thorough environmental justice analysis of these impacts to ensure that low-income communities and communities of color are not disproportionately impacted.

- We are concerned about the increased deployment of plants powered by natural gas contemplated by the rule. While natural gas does have many benefits in reducing CO_2 emissions, there are risks to both communities and the environment associated with the development of this resource. We therefore recommend the rule include language to encourage adherence to best practices for hydraulic fracturing to mitigate these impacts. Specifically, we recommend encouraging best practices related to (i) having a systematic approach to assessing and managing human rights and health impacts, (ii) ensuring adequate community consultation to minimize impacts, (iii) requiring disclosure of the chemicals used in the fracking process, (iv) using best practices to reduce fresh water use, for example through increased use of recycled or brackish water, and (iv) adopting measures to minimize the risk of water contamination.

Finally, we would like to highlight a few concerns on the **components of the state plans**, and present recommendations that might be required of states as they develop their plans.

- We appreciate that each state is required to certify that it held a hearing on the plan, including a list of witnesses and their affiliation, along with a summary of the presentation. However, we encourage even broader community participation in the creation of the state plans and recommend the inclusion of representatives from the environmental justice community. As the state plans are both developed and implemented, we want to ensure that the needs of the most vulnerable and low-income populations are taken into account.

- We understand that states may develop their own path to reducing emissions using the four building blocks. However, we believe use of two of the building blocks – specifically, renewable energy and demand-side energy efficiency – should be incentivized and promoted. There is a significant need to increase the use of renewable energy to address the impacts of climate change. Therefore, we suggest including incentives that encourage states to deploy renewable energy on a larger scale. Furthermore, increased capacity and evolving technology allow renewable energy to be used at lower cost and larger scale than contemplated in the proposed rule. Increased targets for renewable energy use within each state would allow for even greater reductions in carbon emissions in a cost-effective manner that would also support innovation and create new jobs. In addition, we recommend the development of comprehensive systems to improve energy efficiency at the individual level.

- In recognition of the importance of an understanding and responsiveness to the environmental justice impacts of the steps associated with implementation of the plans, we recommend that the rule require each state to conduct an environmental justice analysis as a component of its plan. Alongside the climate benefits of the rule, each state should seek to maximize the health benefits accruing to local communities who have suffered the long-term impacts of living near high-polluting operations. To ensure maximum health benefits are achieved from the rule, we also recommend consideration of the development of a health registry to record and analyze the effects of carbon pollution on those who live near these facilities. Further, it is important to look at the entire energy value chain taking into account health impacts associated with the production of the power plant feed stocks. While the health and environmental impacts of coal mining are well known, we encourage specific attention to be paid to potential deleterious impacts on local communities and the environment from hydraulic fracturing and the production of oil and gas.

As institutional investors that have engaged the companies in our portfolios to advance sustainable and just climate solutions, we would like to reiterate our support for the EPA's proposed Clean Power Plan. We encourage the EPA and states to develop inclusive and effective implementation plans that will protect the health and well-being of climate-vulnerable communities, secure a better economic future for our nation and position the United States as a leader in addressing the global threat of climate change.

Sincerely,

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