

September 15, 2010

SRI Investors Fight For More Coal Ash Regs

More than 20 investor groups are asking for new regulations over coal ash disposal to prevent costly environmental and public health problems.

A public comment letter was submitted to the U.S. Environmental Protection Agency today by investors representing more than \$240 billion in assets under management. The letter to the EPA follows shareholder resolutions, filed for the first time in the 2010 proxy season, requesting improved disclosure on how companies are reducing environmental and health risks associated with coal ash.

“The catastrophic coal ash spill at the Tennessee Valley Authority pond in December 2008 demonstrated that current regulations are not enough to mitigate environmental and financial risk for utilities and their shareholders,” write the investors. The TVA faces over \$1 billion in costs along with dozens of lawsuits after a retaining wall failed at one of the public utility’s coal ash ponds in 2008, spilling over one billion gallons of coal ash sludge into homes and rivers in the town of Kingston, Tenn.

Coal ash is a by-product of burning coal that contains arsenic, mercury, lead and other toxins filtered out of smokestacks by pollution control equipment. The toxins in coal ash have been linked to cancer, organ failure and other serious health problems. Coal ash is generally stored in enormous quantities in landfills or impoundment ponds, such as the one operated by TVA that failed in 2008. Currently, coal ash ponds and landfills are subject to less consistent regulation than landfills accepting household trash.

“It’s not just the possibility of another TVA spill that presents risks to companies that store or dispose of coal ash. There is documented evidence of coal ash contamination from leaching or spillage at over 67 different sites in the U.S. Lax regulation of coal ash means companies often do the bare minimum to comply with the regulations that exist, and unfortunately this can lead to serious environmental and health risks. We need consistent, federally-enforceable regulations that bring all companies up to best practice,” says Emily Stone, shareholder advocate at Green Century Capital Management, which organized the letter along with **As You Sow**, a shareholder advocacy organization based in San Francisco.

Others who signed the letter include Boston Common Asset Management, Calvert Asset Management Company Inc., Catholic Healthcare Partners, Catholic Healthcare West, Christopher Reynolds Foundation, the Connecticut State Treasurer’s Office, Domini Social Investments LLC, Dominican Sisters of Hope, First Affirmative Financial Network LLC, the Midwest Coalition for Responsible Investment, New York State Comptroller Thomas P. DiNapoli, Newground Social Investment, the Northwest Coalition for Responsible Investment, Oregon Treasurer Ted Wheeler, PaxWorld Management LLC, Robert Brooke Zevin Associates, Sisters of St. Francis of Philadelphia, Sisters of St. Joseph of Carondelet and Associates, The Sustainability Group at Loring, Wolcott & Coolidge, Trillium Asset Management Corporation, and the Ursuline Sisters of Tildonk.