

2019BCDCC-015-191104 - SUB – GOVT–DEALING WITH STRANDED ASSETS

Whereas anthropogenic global warming driven by excess greenhouse gas emissions from combustion of fossil fuels is rapidly becoming an existential climate crisis [1];

Whereas countless individuals and institutions have over the centuries invested heavily in coal, oil, and gas companies and in fossil-fuel reserves in the form of coal mines and oil fields;

Whereas the ongoing transition to clean (low-carbon) renewable energy will likely result in the fossil-fuel assets of coal, oil, and gas companies becoming less and less marketable over time, hence becoming “stranded assets”;

Whereas the International Energy Agency in 2014 estimated that circa \$US 300 billion are at risk of becoming stranded (unmarketable) even if rising temperatures are constrained to 2 degrees Celsius above pre-industrial levels [2];

Whereas the prospect of their fossil-fuel reserves becoming stranded will lead fossil-fuel companies to do everything they can to harvest returns from their investments for as long as possible, even if those efforts would substantially increase short-term carbon emissions, thereby exacerbating climate change;

Whereas although a sudden collapse of fossil-fuel markets is improbable, the value of fossil-fuel reserves could easily decline year-by-year as renewable energy becomes more prevalent, resulting in ongoing uncertainty and instability throughout the national and global economies;

Whereas a sudden collapse of fossil-fuel markets would likely result in severe reductions of the assets of the afore mentioned individuals and institutions;

Whereas, as much as one might prefer free-market approaches to solve this problem, it may prove to be far too big for the free market to digest on its own, and may for better or worse require governmental intervention to resolve fairly and satisfactorily;

Therefore, be it resolved that the Benton County Democrats urge our Governor, Jay Inslee and/or our state’s legislative delegation to convene a task force to research alternative approaches toward a fair disposition of these stranded assets, such as buy backs for investors, protection of pension plans, transitioning workers to new industries, transitioning fossil-fuel assets to renewable energy assets, and guiding or incentivizing the energy markets, with the objective of protecting the general economy from widespread instability or even collapse.

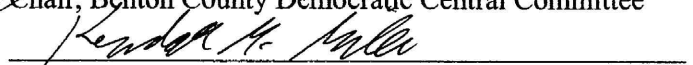
References:

[1] <https://www.forbes.com/sites/jamesconca/2018/12/03/new-government-report-on-climate-change-will-it-matter/#33937e8462e0>

[2] <https://www.carbonbrief.org/the-iea-weighs-in-on-stranded-assets-not-just-a-green-conspiracy>
<https://www.nature.com/articles/s41558-018-0182-1> (links to many articles on the subject)

Resubmitted to the Benton County Democrats Central Committee by the Resolutions Committee
November 4, 2019.


Chair, Benton County Democratic Central Committee


Secretary, Benton County Democratic Central Committee