



October 30, 2018

Administrator Andrew Wheeler  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

**RE: Docket ID No. EPA-HQ-OAR-2017-0355**

Dear Administrator Wheeler,

Wespath Benefits and Investments (Wespath) manages over \$23 billion in assets on behalf of over 100,000 pension and retirement plan participants of The United Methodist Church and more than 100 United Methodist-affiliated institutional clients. Wespath maintains the largest reporting faith-based pension fund in the world and is among the 100 largest U.S. pension funds. As a prudent fiduciary, we seek investments that position our funds for long-term, sustainable growth. Regarding the above-referenced docket number, we write to state our opposition to the Affordable Clean Energy (ACE) rule.

As an investor in the electric power sector, Wespath frequently meets with company executives to discuss strategic business risks and opportunities. In these conversations, we regularly hear that *“consistent and stable government regulation”* is an important factor in companies’ ability to provide affordable, safe and reliable electricity to their customers.

Furthermore, corporate consumers of energy are increasingly sourcing electricity generated from low-carbon sources in order to help them meet their own greenhouse gas emission reduction goals. In 2017, nearly half of the companies in the Fortune 500 had targets to cut their greenhouse gas emissions, improve energy efficiency and increase consumption of renewable energy.<sup>i</sup> As U.S. demand for electricity continues to grow, the U.S. Energy Information Administration projects generation will increasingly come from lower-carbon sources such as wind, solar and natural gas.<sup>ii</sup>

In 2015, Wespath wrote to 29 state governors, encouraging adoption of the Clean Power Plan (CPP). We continue to believe the objectives and timeline of the CPP provide an important framework to facilitate an orderly transition to a low-carbon economy. Since the finalization of the CPP, we have witnessed significant innovation by companies to reduce their greenhouse gas emissions. As a long-term investor, we welcome the investment opportunities that these innovations create.

Wespath is concerned that adopting the ACE rule will create unwanted volatility in the regulatory environment and hinder the reduction of greenhouse gas emissions, negatively impacting environmental health and adversely affecting future, stable economic growth.

While our primary motive for writing is the potential adverse economic consequences resulting from adoption of the ACE rule and the negative impact on our plan investments, we feel compelled to communicate the position of The United Methodist Church (UMC) which Wespath serves as benefit plan provider and investment manager. The UMC views issues related to climate change “not simply as an environmental or economic concern but rather a deep ethical and spiritual concern that the Church must address so that abundant life is ensured for our children and future generations.”<sup>iii</sup>

Thank you for the opportunity to comment on the proposed ACE rule.

Sincerely,

A handwritten signature in black ink, appearing to read "David H. Zellner". The signature is fluid and cursive, with the first name "David" being the most prominent.

David H. Zellner  
Chief Investment Officer

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<sup>i</sup> <https://www.environmentalleader.com/2017/04/nearly-half-fortune-500-goals-cut-greenhouse-gases/>

<sup>ii</sup> <https://www.eia.gov/outlooks/aeo/pdf/AEO2018.pdf>, accessed October 24, 2018

<sup>iii</sup> The United Methodist Church 2016 Book of Resolutions, #1035 Climate Change and the Church's Response