

September 4, 2020

Commissioner Wayne Christian,

We are a collection of large financial asset managers that believe climate change related risks can severely impact our investment portfolios. We therefore strongly support actions that reduce the climate and environmental impacts of oil and natural gas production and distribution.

Flaring of natural gas in Texas, and indeed globally, is an important Environmental, Social, Governance (ESG) issue. It represents wasted natural resources, increased emissions, and failure to monetize a product that would otherwise add value to the oil and gas producing companies in our portfolios.

Actions of leading operators demonstrate the financial and technical viability of ending routine flaring. It is clear, however, that voluntary actions alone have been insufficient to eliminate routine flaring industry-wide. Strong and effective regulatory action – beyond initial steps to improve data gathering and transparency – is essential to build stakeholder confidence and solve this challenge across industry.

We understand that the Railroad Commission is currently considering new regulations to address flaring in Texas. We wanted to take this opportunity to tell you we support eliminating routine flaring by 2025 and would encourage you to officially endorse this objective, and to achieve it through policy, regulation, and enforcement. This includes supporting the development of more gas pipeline infrastructure and promoting in-basin use of produced gas.

To further support the Railroad Commission, we will encourage companies to implement practices to end routine flaring as a matter of environmental stewardship, risk management, and good operations.

Thank you for recognizing the importance of flaring and committing to address this key issue.

Respectfully,

Michelle Dunstan, Global Head—Responsible Investing, and Sharon Fay, Chief Responsibility Officer, AllianceBernstein

Kirsty Jenkinson, Director of Sustainable Investments & Stewardship Strategies, California State Teachers' Retirement System

John Hoepfner, Head of US Stewardship & Sustainable Investment, and Alexander Burr, ESG Policy Lead, Investment Stewardship, Legal and General Investment Management

