



Adrian Bankhead <abankhead@avaenergy.org>

Item 24 - Ava Community Energy Investment Policy (March 30, 2024)

Tom Kelly <tkelly@kyotousa.org>
To: Adrian Bankhead <abankhead@ebce.org>

Mon, Mar 18, 2024 at 10:45 AM

Dear Adrian,

Please distribute to the Ava Board and CAC. Thank you.

Tom Kelly

Dear AVA Community Energy Board Members and Community Advisory Committee Members:

We are pleased to see that AVA Community Energy is considering investing a portion of its substantial reserve funds in Socially Responsible Investments (SRI). We would like to point out, however, that the staff report includes the following statement:

Staff has also added a section on Socially Responsible Investing (SRI) prohibiting Ava from investing in any corporate instrument originating from any company whose primary business (emphasis added) involves one or more of the following activities:

- * Fossil fuel extraction, refining, and distribution
- * Tobacco manufacturing and production
- * Firearms manufacturing or distribution

The staff memo does not, in our view, correctly describe Socially Responsible Investing. Please consider a more accurate and expansive definition offered by Investopedia:

Socially responsible investing<<https://www.investopedia.com/socially-responsible-investing-4689738>> goes one step further than ESG (Environmental, Social, Governance) by eliminating or adding investments based solely on a specific ethical consideration. For example, an investor might opt to avoid any mutual fund or exchange traded fund (ETF) <<https://www.investopedia.com/terms/e/etf.asp>> that owns the stocks of firearms manufacturers<<https://www.investopedia.com/news/how-one-etf-issuer-dealing-firearms-makers/>>. Alternatively, an investor might seek to allocate a fixed proportion of their portfolio to companies that donate a high proportion of their profits to charitable causes.

Socially responsible investors might also avoid companies associated with:

- * Alcohol, tobacco, and other addictive substances
- * Gambling
- * Weapons production
- * Human rights and labor violations
- * Environmental damage

We encourage you to follow the guidelines for SRI as described by Investopedia and avoid any investments in companies, banks, bonds, stocks, etc. that are involved in any business (primary or otherwise) related to the criteria for SRI described above.

Thank you.

Tom and Jane Kelly
Berkeley

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