

ENSOGO

ANALYTICS

March 2, 2019

Dear Co-Chair Dembrow, Co-Chair Power, and members of the Joint Carbon Reduction Committee:

The Oregon we have come to know and love is being threatened. Climate change is impacting our weather, recreation, farming, fisheries, water, livelihoods and health. Each one of us must do all that we can to meet this most critical issue of our time and in our state's history. You are in the unique position to pass HB2020 to put Oregon on a path to reduce its carbon footprint and create a long-term strategy to expand Oregon's green economy.

Climate change is happening and time is of the essence. Last October, a critically important report was released by a UN panel of scientist that examined more than 6,000 scientific studies worldwide in which it described global warming occurring more rapidly than had been previously thought. To combat the new findings, they recommended a transformation of the world economy from green-house gasses at a speed and scale that has "no documented historic precedent." The report described worsening food shortages, wildfires, health risks and an estimated cost of \$54 trillion of economic damage by as early as 2040.

I have long seen climate change as a challenge for our state. As State Treasurer, I sponsored a workshop in 2005 on climate change for the Oregon Investment Council to understand the risks it posed to the state pension fund. As a result, the state joined the Ceres Investor Network on Climate Risk and Sustainability, a newly formed group of large institutional investors from around the world. Together, we tackled climate change through investment practices and corporate engagement strategies.

Much has changed in the financial world since that workshop. Corporate investors now price evaluations of company's climate risk. As part of their risk analysis, investment firms, including those working for the state pension fund, are analyzing the company's policy, mitigation efforts, and transparency towards climate change. There has even been a growing movement by institutional investors to divest from fossil fuels, questioning the long-term value of those industries given the need to move away from these energy sources to fight global warming.

Investing in technologies and companies that are lowering the cost of alternative energy has surged. As a result, solar and wind costs to produce electricity has dropped precipitously and has brought a massive worldwide effort in locating wind and solar farms. Our own Columbia River Gorge displays numerous wind farms

along with other alternative energy companies that are now headquartered in Oregon.

Sustainable-driven real assets have also surged and can also benefit Oregon. For example, there are growing opportunities in sustainable agriculture to invest in permanent crop farms in large-scale greenhouses that are vertically integrated. Equilibrium headquartered in Oregon is one of the largest investors in large-scale greenhouses in the US and is considering investments the state. House Bill 2020 would continue to help expand these opportunities to investing Oregon's "green" economy and creating jobs.

We are running out of time to make critical changes we need to meet the challenges of climate change. The legislature must pass HB2020 to do its part to help the current and future generations of Oregonians who will be affected by a changing climate.

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