

Submitter: Diane Meisenhelter

On Behalf
Of:

Committee: House Committee On Emergency Management, General
Government, and Veterans

Measure: HB2601

I'm testifying as a PERS member who is very concerned about climate risks and the effects on our retirement funds. At this point we need the structure, legislative oversight, accountability, and move towards transparency that HB 2601 provides. We need a sooner than later planned phase out and a moratorium on new investments to both avoid losses from stranded assets and reduce the economic and other disturbances from increased climate chaos. I have already divested my personal funds from fossil fuels and am extremely happy with the results of impact investing. I want to know that the state is doing all in their power and fiduciary duty given what we have already seen in the Treasury's Climate Risk Assessment report to both divest from fossil fuels, but also pursue the opportunities provided by investments in climate and social justice solutions. I don't want my PERS or other state funds undermining Oregon's lead towards a greener future and the economic opportunity that will bring.

In a September NY Times Op-Ed, Treasurer Read noted (quote)"Climate change is already affecting the profitability of entire industries in which the OST is invested. Fires, floods and droughts are snarling supply chains and destroying property. It is clear that we need to consider which of our pension fund assets are most exposed." Yet they've seemingly acted opposite of what their own climate risk scenario modeling report from early 2022 would suggest as prudent. Their report from January '23 showed they've invested at least another half billion in fossil fuels. For the Treasury to continue making imprudent long-term investments in the fossil fuel industry when there are sound fiscal alternatives that are consistent with the Oregon statutory mandate to move toward clean energy is truly maddening! There is at least \$5.3 billion we know of invested in fossil fuels and an untold amount in private investments where there is no transparency.

The Legislature must play its part in mandating this transition because the Treasury does not have the urgency about the risks to the portfolio and what is revealed in their own documents. They've in essence said they need legislative guidance. In an October 25, 2021 letter, Treasurer Read and the OIC told legislative leaders that if the legislature is interested in divestment, a statute is required with the provisions that are in this bill – a mandate, a reasonable timeline, and a fiduciary safety valve. I believe your support for HB2601 is a positive, straightforward, expedient way to do just that.

Thank you for your time and consideration.

Diane Meisenhelter, retired PERS member