

Southern Oregon Climate Action Now

SOCAN

Confronting Climate Change

<https://socan.eco>

Alan R.P. Journet Ph.D.

Cofacilitator

Southern Oregon Climate Action Now

alan@socan.eco

541-500-2331

February 15th 2023

Reference HB2601

Chair Grayber and members of the House Committee on Emergency Management, General Government and Veterans:

I recently submitted testimony on behalf of Southern Oregon Climate Action Now (SOCAN) on the Treasury Investment and Climate Protection Act, HB2601. As an organization committed to promoting awareness and understanding about the science of global warming and its climate change consequences SOCAN finds the concept embodied in HB2601 highly laudable.

Today (February 15th), I visited the HB2601 bill page on OLIS and reviewed the submissions opposing the bill. As a rural Oregonian substantially concerned about how the climate crisis is unfolding and affecting those of us living on the frontline, I offer the following responses:

I start with a few quotes from a recent study of our Treasury's investment behavior by Becker *et al.* (2022):

Report Summary:

"Rather than championing this necessary and massive shift in the energy sector, the Oregon State Treasury still has at least \$5.3 billion invested in climate-wrecking fossil fuel companies with over \$1 billion invested in the coal industry alone."

"In general, funds with significant fossil fuel investments have provided lower returns over the past decade than funds without."

Full Report

"Fossil fuel divestment is an effective tactic for influencing future investment strategies. Divestment is a vote of "no confidence" in the fossil fuel sector that can decrease company valuation and raise the cost of financing future products (and therefore keep more fossil fuels in the ground)."

"Fossil fuel investments do not align with Oregon's political commitments, and they do not reflect the growth trajectory of the state's economy. Over half of all energy sector jobs in Oregon are in clean energy. Job growth in this area is outpacing economy-wide job growth by over 60%."

"Oregon has a green economy, grounded in renewable energy, agriculture, and a historical commitment to protecting our natural spaces. Building on this legacy and leading the country forward requires bold

leadership from every governmental agency including, critically, divestment by the Oregon State Treasury.”

I respond below to submissions by Hal Smith, Kelly Kintz, Heather Grey, and Treasurer Read:

Hal Smith seems not to have done his homework; if the treasurer were to be honoring his fiduciary responsibility, he would have divested from fossil fuels yesterday. This is because renewable energy is a much more promising energy source than fossil fuels and offers better financial returns.

Contrary to the claims of Kelly Kintz, who also seems not to have done the requisite homework, it is not the green industry that needs subsidy in order to survive but the fossil fuel and nuclear industries. Second, despite the campaign of disinformation waged by the industry, fossil (natural) gas is profoundly not a clean energy source; in fact, because of the leakage of methane, some 30 times worse than carbon dioxide as a warming gas on a 100-year basis, and some 80 times worse on a 20-year basis, this fossil fuel is probably as bad as coal if not worse. Kelly seems to have forgotten about storage (whether battery storage or gravity storage) as a way to overcome the intermittent generation of solar and wind energy. In addition, of course, our energy relies on a grid. This means that we do not rely on solar or wind from just one location but from a multiplicity of locations; the wind may not be blowing in one place, but probably is elsewhere.

Presumably Heather Gray simply rejects climate science and does not accept the data that show our Earth is warming and that fossil fuel combustion is the primary cause. Heather similarly seems not to understand that divesting absolutely does not challenge the income received from investing state funds.

State Treasurer testified: “Legislation that imposes blanket or even targeted restrictions on how or where Treasury can invest will affect these numbers and would mean that funding retirement incomes is no longer the sole purpose of OPERF. Claims that limiting Oregon’s investment choices through statute will automatically or easily be revenue-neutral or yield higher returns are pure fiction.” In addition, the Treasurer states: “these restrictions will almost certainly lead to a reduction in investment returns and the benefits OPERF payments afford communities across our state.” While there may be a revenue consequence of actualizing the bill, we should acknowledge that it will probably be positive since fossil fuel-free investment portfolios generally perform at least as well if not better than unrestricted funds. While it is certainly the case that individuals have the right to make their own investment choices, it is also the case that the state has a responsibility to avoid investing in targets that behave in a socially irresponsible manner. Would the Treasurer and the Oregon Investment Council (OIC) countenance, for example, investing in corporations that practice child labor or earn their profits by promoting authoritarian leaders around the planet? I certainly hope not! It should be the responsibility of the Treasurer and the OIC to follow the values of Oregonians as reflected in the recent campaign platforms of the elected Governor and the party controlling the chambers. The Democratic Governor, House, and Senate were elected on campaigns of addressing the climate crisis. This, therefore, clearly reflects the values of Oregonians. By the same token, the investment of state funds should be based on targets that reflect the values of Oregonians.

While most corporations incorporate on the basis of requirements that they maximize profit, there exist Benefit corporations that commit to promoting social justice and a sustainable planet in addition to profit. Surely, the state of Oregon, comprising people and a threatened environment should adopt

policies akin to those of the Benefit (B) corporation, not just the unfortunate 'maximize profits' principle exhibited by most corporations.

The document by Becker *et al.* (2022) offers evidence that counters these comments.

Respectfully Submitted,

A handwritten signature in black ink that reads "Alan Journet". The signature is written in a cursive, flowing style.

Alan Journet

Source Cited:

Becker A, Bogrand A, Palmiter S, Room C, Scandella B, Schramm J & Yuill N 2022 Risky Business: Oregon Treasury's Fossil Fuel Problem.

<https://irp.cdn-website.com/21c0cb7e/files/uploaded/Risky%20Business%20--%20Oregon%20Treasury%27s%20Fossil%20Fuel%20Problem%204-20-2022.pdf>