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My name is Amy Gray and I am the Associate Director of Climate Finance at Stand.earth (<https://www.stand.earth/>) and I present testimony in support of HB 4083. The COAL Act will direct the Treasury to phase out publicly traded investments in coal, halt new investments in coal and report on the phase out of coal. PERS and the Oregon Short Term Fund have between \$700M and \$1B invested in coal over the past 3 years in publicly traded funds. In addition to these public investments, the Treasury has more coal investments in private funds that are kept secret from the public. The COAL Act sets the goal of moving the state's investments out of dirty coal and keeping pensions and state finances safer.

I strongly support HB 4083 - the COAL Act - because it establishes the goal of moving the state's investments out of dirty coal and keeping pensions and state finances safer. It sets Oregon on the path to the decarbonization of its investments to which Treasurer Read has committed. HB 4083 is right-sized for the short session: the provisions of the act are specific, achievable and measurable.

It's a first step, and a small step, but its impact will be felt by more than 400,000 Oregonians and their families who depend on PERS for their retirement. We have learned, from the experience of California in removing coal from CalPERS investments in 2015, that coal is no longer a good investment. CalPERS returns increased by \$598 million after removing coal from its portfolio. Oregon, on the other hand, is losing money with its coal investments. According to an analysis by Divest Oregon, Oregon's coal investments underperformed by \$340 million in the past 7.5 years.

Divestment from fossil fuels, but especially coal should be looked at as a responsible fiduciary act. It is legally sound and fiscally right. And it is no longer novel. With a decade of data, [more than 1500 institutions representing over \\$40 trillion in assets](#), have committed to some form of divestment. [A recent report](#) by the Institute for Energy and Economics shows increased support and evidence for the case for fossil fuel divestment.

This report addresses the many arguments against fossil fuel divestment and updates a 2018 IEEFA report. The opponents of divestment made a simple case that divestment would lose money. It was not true then, and is less true now as hundreds of funds adopting various paths of divestment have maintained their investment targets. These include very large, mainstream banks, insurance companies and pension funds. New York State, New York City, Washington DC, Chicago, Baltimore, Minnesota, San Mateo County, Los Angeles are all US examples of

public pension funds that have implemented or are pursuing divestment. They have done thorough legal and financial checks.

The coal industry has been on the decline for many years and as it has been proven that the health and environmental impacts are enormous. Causing damage to air, soil, and waterways and human health impacts such as cancer, cardiovascular disease, respiratory disease, kidney disease, mental health problems, adverse birth outcomes, impaired child development, and others, and coal across the use continuum impacts vulnerable populations disproportionately.

Oregon finds itself at a key moment, when the economics of the industry are clearly structurally declining in the long term - your investing horizon - not the short term. Climate science has never been clearer; impacts of fossil fuels companies on frontline and BIPOC communities are well-known and documented; viable, investable alternatives exist; and other pensions have already broken the ground.

We urge you to support HB 4083 as a critical first step to true decarbonization of the pension fund. It is crucial that Oregon leads in divesting the state's pension funds and protecting the retirement future for all its first responders, teachers and public employees. They are the backbone of our communities and they deserve the very best we can give them. This is a monumental step forward in what could surely be a shining example for other states and a legacy you can be proud of.

Respectfully,

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