Submitter: Susan Palmiter

On Behalf Of:

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

Measure: HB4083

In 2015, the California Public Employee Retirement System (CalPERS) divested from thermal coal. The legislation (CA SB 185) prohibits CalPERS from investing in public equity or debt securities of publicly-traded companies that generate 50% or more of their revenue from the mining of thermal coal. Per the legislative mandate, they regularly report on the impact this divestment has on the total fund. This is to ensure that CalPERS' standards for fiduciary care are upheld when divesting. Wilshire, CalPERS consultants, using the most recent results presented in October 2022, estimated the cumulative positive impact to the fund due to divesting from thermal coal to be $598 million as of FY 2022.

Though the analysis framework is confidential, it does take a multi-lens approach. In the case of thermal coal, some of the consultants' considerations include that coal as a source of power is losing market share, China has a commitment to economic decarbonization, the industry faces further fundamental deterioration due to elevated CO2 emissions intensity, and banks reluctance to fund the industry leads to increase costs of funding.

As you can read in this article out this week, "In a 'monumental shift', EU coal and gas collapse as wind and solar ascend" https://electrek.co/2024/02/06/eu-coal-and-gas-collapse-wind-and-solar-ascend/. The shift is coming quickly and Oregon should not be the last one to try to sell their coal assets.

This is yet another reason why the COAL Act must be passed in 2024. Thank you.