

Testimony of Jenifer Schramm in support of HB 4083: The COAL Act

Is the Oregon State Treasury (OST) *still* invested in coal? Yes. The Treasury has hundreds of millions sunk into coal. Why can't I say exactly how much is invested, when they are public funds? The Treasury has chosen to invest over half of OPERF funds in private investments that are not disclosed to the public – nor to the state employees whose retirement funds are being invested.

We do know about one of the Treasury's private investments in coal, thanks to research by the Institute for Energy Economics and Financial Analysis (IEEFA). That investment will not be ended by the statute but it does illustrate some of the problems of coal investment.

In 2015-16 the Treasury invested over **half a billion** in private funds that were poised to acquire the General James M. Gavin coal and fuel-oil power plant in Cheshire, Ohio.

How has that turned out?

- [Pension Funds Investing Indirectly in Ohio's Gavin Coal Plant Are at Risk as Financial, Environmental Disadvantages Mount](#) (IEEFA 10/14/2021). Note that the risks of this investment are both financial and environmental – and increasing.
- The Gavin plant created 11.3 million metric tons of CO₂ equivalents in 2022 and made this top ten list: [Who Were the Worst of the Worst Climate Polluters in 2022?](#) (*Inside Climate News* 10/29/2023)

At the time OST made this investment of public employee retirement funds:

- [The California Public Employees Retirement System divested from coal in 2015.](#)
- The Gavin power plant had already poisoned the town of Cheshire, Ohio ... to the point where, in 2002, Gavin paid the residents \$20 million to abandon their community! [Utility Buys Town It Choked Lock, Stock and Blue Plume](#) (*New York Times* 5/13/2022)
- In 2007, then-owner American Electric Power was the subject of litigation over pollution from the company's coal-fired power plants,

including Gavin. [U.S. Announces Largest Single Environmental Settlement In History](#) (*Electric Net* 10/9/2007)

- The fact the problems were unresolved at the time of the OST investment, and are intractable, is shown by a 2022 EPA statement: Today, the U.S. Environmental Protection Agency (EPA) announced the latest action to protect communities and hold facilities accountable for controlling and cleaning up the contamination created by decades of coal ash disposal. [EPA Takes Final Action to Protect Groundwater from Coal Ash Contamination at Ohio Facility](#) (EPA 11/18/2022)
- The Treasury knew the invested funds were going to be locked up for years, as is the norm with private investments – and in fact Treasury funds are still invested in this Ohio coal plant, with ever-growing risk.

Coal creates financial risk in a myriad of ways. As a stranded or worthless asset as the energy sector shifts. As a major contributor to climate chaos that reshapes our lives. In its financial impact on other assets in the portfolio as well as the global economy. As a health hazard that causes lost productivity as well as misery.

The COAL Act is an important step in acknowledging the need to start to undo the damage that has been done.

Thank you for your service.

Jenifer Schramm
Co-Lead Divest Oregon