



350PDX
3625 N. Mississippi Avenue
Portland, OR 97227
350pdx.org

Re: Support HB 4083, The COAL Act

February 10, 2024

Dear Chair Grayber, Vice Chairs Lewis and Tran, and House Committee on Emergency Management, Government, and Veterans,

Thank you for the opportunity to offer testimony in support of HB 4083, the Clean Oregon Assets Legislation (COAL) Act. I serve as the climate policy manager at 350PDX, a grassroots environmental nonprofit with thousands of members in the Portland area, advocating for climate justice. 350PDX is one of the 100+ member organizations, unions, and community groups that make up the Divest Oregon coalition.

The COAL Act is a simple, straightforward bill for the short session that focuses on one small piece of a bill brought in the 2023 session: removing thermal coal from the Oregon State Treasury's publicly traded investments. With extensive dialogue between legislators, the Treasury, and stakeholders, HB 4083 ensures an impressive win-win: **removing coal from selected portions of the OST portfolio is good for public health, good for the planet, and good for PERS returns.** All of this is achieved through a bill crafted to carefully maintain OST's ability to carry out its fiduciary duty.

Recognizing the Treasury's first responsibility of maintaining strong returns for public employees' retirement funds, it is important to note that coal is not a strong investment, and it is increasingly becoming a stranded asset. [Oregon's public coal investments have already underperformed](#) compared to a fossil fuel free index by \$340 million from 2014–2022. On the other hand, [CalPERS saw an economic benefit of \\$598 million](#) in the first 6 years after removing coal from its portfolio. Since Oregon's Public University Fund (PUF, also managed by the Treasury) removed fossil fuels in 2019, [PUF has done as well or better](#) than the fund they left, Oregon Intermediate Term Fund. Even in [China](#), coal use will start ramping down in 2026. **For economic reasons alone, coal should be removed from Oregon's investments in order to maintain strong retirement funds for PERS members.**

Additionally, it is important to recognize that in order for PERS members to retire comfortably, we must have a planet upon which we can continue to thrive, with relatively predictable temperatures, seasons, and consistent water cycles. Scientists agree that the upper limit of warming that our planet can handle while staying in this climate system is 1.5°C. **The planet has already averaged at least 1.5°C above pre-industrial temperatures for 12 consecutive months**, according to a report released on the same day the hearing was held for HB 4083 — February 8, 2024 ([European Union's Copernicus Climate Change Service](#)). We have reached this milestone more quickly than scientists estimated, and this can lead to tipping points of Earth's systems that we cannot recover from by simply reducing greenhouse gas emissions at some future date. Another [report](#) this week detailed the **slowing of the Atlantic meridional overturning circulation (AMOC)**, which cycles the waters of the Atlantic, keeping predictable temperatures in place and moderating land temperatures.

Building the climate justice movement.



350PDX
3625 N. Mississippi Avenue
Portland, OR 97227
350pdx.org

This is due to faster-than-expected melting in Greenland and the Arctic. **This change is not reversible in human timescales**, it would cascade into other tipping points, and it would create change so rapidly that it would be very difficult for many species to adapt. Such changes would make it difficult to grow food and lead the types of normal lives that we would hope to experience in our retirement years.

We have already put more greenhouse gases into the atmosphere than the planet has yet responded to, so even if we stop emitting today, we have not experienced all the warming that is in store. We need to also enact natural climate solutions to help replace these emissions back into the soil and into their proper cycles so we can avoid these kinds of catastrophic events. **Waiting until 2050 is much too late to get to net zero**, as the Treasurer's new plan proposes. We are already at 1.5°C of warming, with more already locked into place without large mitigation projects. This sets the stage for erratic weather, which places global financial markets at great risk — **our current public employees will not have a stable climate or economic system at the time of their retirement if we continue business as usual**. Our investment policies need to take into account the realities of how our ecological systems will respond to our current and future emissions, because the economic impacts will not occur in a vacuum. Our economy cannot continue to thrive if we experience more and more intense droughts, floods, wildfires, extreme temperatures, sea level rise, and more severe storms. This will make it physically and economically impossible to gain a good return on our investments.

Coal is just one greenhouse gas emitting product, but it is one of the ones that has the largest negative impact on public health and causes much air pollution. It is not a good economic investment at this point, and it is egregiously terrible for our planet's life support systems that make it possible for us to live comfortably. Removing coal from our publicly traded investments is not enough to change the trajectory we're on as a planetary community, but it is one step. If we all take that step, we reduce the impacts of climate change at least a little bit. It is not enough, but it is something, and it is better than nothing. Let's invest that \$1 billion into things that make our planetary community flourish.

Please take this small step this legislative session: vote yes for HB 4083 for the sake of PERS' retirement funds, for the sake of Oregonians now and in the future, and to show care for the entire Earth community.

Cherice Bock
Climate Policy Manager
350PDX

Building the climate justice movement.