Submitter: David Parker

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB681

I am a PERS retiree, and I am concerned about the performance of PERS investments for my own financial security and because poor performance of PERS investments will take money away from schools and local governments across Oregon. I am also a grandparent, and deeply concerned about the world I am leaving to them, their grandchildren, and future generations across the world. Because of climate change, further investments in fossil fuels are a crime against humanity that will be felt for centuries. But we don't need to sacrifice investment returns to stop investing in fossil fuels. In fact, fossil fuels through private equity are poor investments in strictly monetary terms.

Further investment in fossil fuels cannot be supported by fiduciary duty. Further fossil fuel investments have underperformed in recent years and are subject to unacceptible risks as described below. Moreover, private equity contracts are risky, long term, and not transparent, and have also underperformed the public stock markets in recent years.

According to a recent article in Forbes
<https://www.forbes.com/sites/mariannekrasny/2025/03/06/climate-risk-and-prudential-fiduciaries-tiaa-vs-tiaa-divest/>:
"The risks that climate change poses to retirement incomes are not distant and small, but immediate and potentially wealth-destroying. According to the Center for International Environmental Law, those risks encompass:
Physical impact
Sea level rise, unprecedented floods, and raging fires are some of the physical effects of climate change. In the U.S., fossil fuel refining and export infrastructure is concentrated along the hurricane ravaged Gulf Coast, creating significant risk of disruptions to oil and gas markets. In 2020, Hurricane Laura shuttered Cameron LNG in Louisiana for over a month. And after Hurricane Harvey hit Houston and Port Arthur in 2017, US retail gasoline prices rose by 13% in a matter of weeks.
Stranded assets
As societies confront the real costs of climate change, they are moving away from fossil fuels, resulting in billions of dollars in stranded assets. For example, TIAA is the world’s 4th largest holder of coal bonds, even as the three coal plants it owns are shuttered. The World Economic Forum estimates that the world would realize a net gain of $85 trillion from phasing out coal power, or 1.3% of current world GDP per annum leading to 2100.
Energy transition
The transition to a low-carbon, renewable energy economy is here--and it’s

happening a lot faster than forecast. The International Energy Agency predicts that renewables will overtake coal as the leading source of electricity this year, and that fossil fuel demand will peak by 2030. Further, solar investment in India and the U.S. is expected to reach nearly $25 billion over 2022-2027, a sevenfold increase over the previous five years. The 85% acceleration in expansion of renewables from 2022-27 is nearly 30% higher than forecast.

Litigation

According to the Center for Biological Diversity, by December 2024, eleven attorneys general and dozens of municipal and Tribal governments had filed lawsuits against oil and gas companies for deceiving the public about fossil fuel's role in climate change. In responding to litigation brought by the city of Honolulu, the U.S. Supreme Court denied an appeal from fossil fuel companies to block lawsuits holding them responsible for billions of dollars of damages due to climate change. The Town of Carrboro NC has alleged that Duke Energy deceived the public about the transition away from fossil fuels and should be held responsible for the costs to rebuild after Hurricane Helene. And Oregon's Multnomah County sued fossil fuel corporations for their role in the area's fatal 2021 heat dome."