

Testimony of Rick Pope, Divest Oregon

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Climate change is a risk like no other. Global warming to 3°C, the path we are on, has never been seen in human history.¹ Climate change increasingly permeates all economic activity. It is the mother of huge systemic financial risks—including risk of a chronic climate bear market. Economists in recent years have estimated a 20 to 40% depression of investment values if climate change is unabated.² As with all systemic risks, the precise times and impacts of climate change are uncertain. Prudence requires flexibility and caution.

Lowering greenhouse gas emissions in OPERF’s portfolio is a key financial strategy to mitigate climate risk. Lowering emissions can eliminate unnecessary, dubious or even poor investments; can reduce the impact of clean-energy transition risks on OPERF holdings; can discourage new fossil fuel projects and replace them with clean energy; can reduce emissions damage to the rest of OPERF’s portfolio; and can demonstrate OPERF’s credibility if it seeks with others to reduce economy-wide emissions. All of these actions are consistent with Oregon’s state climate policy.³

HB 2200 strengthens Treasury’s fiduciary duty to impartially protect old and young PERS beneficiaries.⁴ The Treasury must manage long term climate risks in order to provide promised PERS retirements to young teachers, firefighters, police, and other new public servants. But long-term public pension management is under attack nationally and in Oregon⁵ by organized fossil fuel interests who recognize the financial risks their products’ unabated use imposes on future retirements. Their representatives would prevent the Treasury from protecting the promised retirements of young and middle aged PERS beneficiaries. The fossil fuel interests behind them would do so in order to preserve their own profits. HB 2200 says: Not in Oregon you won’t.

¹ Ripple et al., [The 2023 state of the climate report: Entering uncharted territory](#) (Bioscience 2023).

² Ortec Finance, [OPERF Climate Risk Assessment](#) p. 8 (2021); Rebonato et al., [How does climate risk affect equity valuations?](#) pp. 6, 32 & Table 1, p. 39 & Table 5 (EDHEC 2024).

³ 2007 [House Bill 3543](#) found after extensive study that global warming poses “a serious threat to the economic well-being . . . of Oregon (p.1 Section 1(3)); and that “There is a need to . . . begin reducing greenhouse gas emissions in order to prevent disruption of Oregon’s economy (p. 2 Section 1 (7). The bill established the Oregon Global Warming Commission (p.3 Section 4). 2020. [Executive Order No. 20-04](#) pp. 1, 3 followed suit, as did the [Oregon Global Warming Commission](#) report to legislature p. 9 (2023), and the Oregon Environmental Quality Commission [Climate Protection Program 2024 Rulemaking](#) p. 14 (11/21/24).

⁴ [ORS 293.726\(4\)\(a\) – Standard of judgment and care in investments.](#)

⁵ [American Legislative Exchange Council](#) model act Section 1(c)(iii)(b); 2025 [House Bill 2571](#) Section 2(2)(b)(B).