

Submitter: Kristin Edmark

On Behalf  
Of:

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

Measure: HB2601

Please support HB 2601

HB 2601 would stop OIC confusion regarding legislative mandate.

My children and grandchildren live in Portland. My son and daughter-in-law are OPERS members. I am a retired science teacher and scientist and believe the science which calls for urgent action on climate.

I have provided Oregon Investment Council comments at every meeting in the last 18 months explaining that investments in fossil fuels are inappropriate for Oregon because of high risk, lower returns, opposed to public opinion and opposed to Oregon legislation. Oregon investment Council claims that they must follow their legislative mandate to only consider investment returns. Clearly, if OIC was following that mandate correctly, OIC would have dropped fossil fuel investments.

Studies Reveal Fossil Fuels Investments have Lower Returns

- Colorado's pension fund, PERA, is valued at \$2.7 billion less than it would have been had it divested from fossil fuels a decade ago according to a 2022 Corporate Knights study. <https://350colorado.org/tag/colorado-state-pension-fund/>
- Oregon Treasury's Climate Risk Assessment by Ortec. ([https://irp.cdn-website.com/21c0cb7e/files/uploaded/Climate\\_MAPS\\_OPERF\\_Report\\_Oct2021\\_Redacted.pdf](https://irp.cdn-website.com/21c0cb7e/files/uploaded/Climate_MAPS_OPERF_Report_Oct2021_Redacted.pdf))

Finance Climate Maps show much lower returns in the Failed Transition Pathway. Ortec suggests

“integrating climate into your investment process”.

- Risky Business: Oregon Treasury's Fossil Fuel Problem explains expected lower returns with fossil fuels.
- BlackRock 2021 report commissioned by New York City's Comptroller and pension funds found that divestment “outperforms all other options.” And that that fossil fuel stocks “consistently underperformed the broader market over the past five years.” According to Blackrock the costs to divest were negligible and can be done within normal activities. (<https://ieefa.org/articles/new-york-city-comptroller-urges-blackrock-drop-fossil-holdings>)
- CalSTRS would have gained \$11.9 billion and CalPERS would have gained \$5.5 billion had they been invested in other than oil/gas production in the 10 years between 2009 and 2019. (<https://fossilfreeca.org/study-ca-and-co-pension-funds-lost-billions-on-fossil-fuels/>)
- Maryland State Retirement and Pension System (SRPS), would have made 15% more in last 10 years if they had not had their investments in the CU 200.

[https://chesapeakeclimate.org/wp-](https://chesapeakeclimate.org/wp-content/uploads/2022/02/FFI_Solutions_Backtest_MD-MSRPS-2021.pdf)

[content/uploads/2022/02/FFI\\_Solutions\\_Backtest\\_MD-MSRPS-2021.pdf](https://chesapeakeclimate.org/wp-content/uploads/2022/02/FFI_Solutions_Backtest_MD-MSRPS-2021.pdf)

The study identified \$623,093,558 CU200 investments in Maryland SRPS. Similarly, June 30, 2021 OPERS had \$622,019,740 public equity and a few fixed income invested in the same investments identified in SRPS securities of CU200 companies in the study. June 30, 2021 SRPS stock holdings totaled approximately \$24,130,100.000; OPERS public equity portfolio was \$28,416,502,017. Maryland investment is close to identical to Oregon.

HB 2601 provides needed transparency and necessary analysis.

HB2601 provides a necessary structure to quickly prevent additional unnecessary risk, fund loss and damage to our atmosphere.

Oregon Is increasing fossil fuel investments

In 2022, Oregon made new long-term, illiquid investments in private equity firms highly invested in fossil fuels including:

6/27/2022 \$250 million Stonepeak Core Fund

6/27/2022 \$250 million Blackstone Energy Ptr IV & sidecar

4/11/2022 \$250 million Quantum Energy Ptr XIII & sidecar

4/18/2022 \$100 million side car for Brookfield Super Core

3/14/2022 \$ 50 million Stonepeak Trailblazer Invest Ptr

1/25/2022 \$250 million Advent International GPE X

Oregon has no control over projects added to the funds over many years.

Please support HB 2601. Guidance is needed to protect Oregon funds from decreased earnings and excessive risk.