

Southern Oregon Climate Action Now

**SOCAN**

Confronting Climate Change

<https://socan.eco>

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Reference HB2601

Chair Graybar and members of the House Committee on Emergency Management, General Government and Veterans:

I write as cofacilitator of Southern Oregon Climate Action Now (SOCAN), an organization of over 2,000 rural Southern Oregonians who are concerned about the climate crisis and urge statewide action to address it. The mission of SOCAN is to promote awareness and understanding of the science of global warming and its climate chaos consequences and stimulate individual and collective action to address it.

I write to respond to the draft letter submitted by Representative Helm that contains unsubstantiated assertions, hidden assumptions, and unreasonable interpretations of HB 2601 with comments shared by past deputy comptroller of New York State, Tom Sanzillo.

**The Helm letter inaccurately states that divestment from fossil fuel stocks will lose money. But it doesn't explain why.** Indeed,

- Over the last twelve years the Morgan Stanley All Country Index without fossil fuels outperformed its index that includes fossil fuels. and
- Over the last ten years the Energy Sector lagged the S&P 500.

**The letter says the bill will eliminate the private equity portfolio dragging down returns as a whole.** But...

- This isn't true. There are plenty of investments beyond fossil fuels that can produce profits. McKinsey reported that of the eight covered sectors in private equity, oil and gas have the lowest deal volumes for the last five years.

**The letter says divestment will result in forced sale losses for Private Equity.** But...

- This claim is unreasonable; the bill does not require forced sales; it gives until 2035 to unwind the existing private equity portfolio.

**The letter says revenue losses will hurt the credit rating of the state.** But...

- Moody's has stated that investments in coal plants along with oil and gas infrastructure are high credit risks while S&P has said the same about petrochemical hubs.
- Revenue losses are unlikely if there is an orderly divestment of fossil fuels. Long term performance of low carbon funds is projected to be positive.

**These unfounded claims must be substantiated with data.** The Treasury owes you and PERS members an honest and robust analysis of HB 2601 because they are acting as fiduciaries. Financial regulators around the world are sounding the alarm that climate change poses significant systemic risks that investors can proactively mitigate. We are depending on you. Thank you.

Respectfully Submitted

A handwritten signature in black ink that reads "Alan Journet". The signature is written in a cursive, flowing style with some loops and flourishes.

Alan Journet