

Cherice Bock
Verbal testimony
HB 2601
2023.03.02

Thank you, Chair Grayber and committee, for the opportunity to speak in support of HB 2601. My name is Cherice Bock, representing Ecumenical Ministries of Oregon in our statewide climate and environmental justice work with faith communities through Oregon Interfaith Power & Light.

I began working on climate issues because I care about people: all the social concerns I carry will become worse through the climate crisis, and our economy cannot thrive on an increasingly unlivable planet.

Because I care about people, particularly in this case PERS retirees, I ask you, ***why would we NOT remove carbon-intensive investments from our state's portfolio?***

[slide 1] Fossil fuel free index vs OST's fossil fuel public investments

Economically, these funds have not done well over the last decade, even in the last year. The Treasury has received **\$4–10 BILLION less over the last decade** than it would have if it had removed fossil fuels from its publicly traded assets.

[slide 2] \$9.6 billion / 10 years / 157,962 retirees = \$6,077 a year, or \$506 a month.

\$3.8 billion / 10 years / 157,962 retirees = \$2,532 a year, or \$211 a month.

This means the average PERS retiree, who currently receives benefits of approximately \$33,000 a year, **would have received about \$2,500–\$6,000 more per year** over the last 10 years **had the Treasury removed carbon-intensive funds**, and this is only accounting for its publicly traded holdings.

[slide 3] 14.5% loss to PERS in business-as-usual scenario

Because I care about people, and particularly PERS retirees, I am concerned that the **Treasury's commissioned reports project a significant loss if the state does NOT divest**. This is not in some future decade: this is in the next five years.

[slide 4] "No new fossil fuel investments!"

—"Pathway to Net Zero," The International Energy Association

—UN Secretary-General António Guterres
—implied in Oregon State Treasury’s “Climate Risk Scenario Modelling”

This “Climate Risk Scenario Modelling” report said it was urgent to move out of fossil fuel investments, and **definitely to stop new investments**. No new fossil fuel investments is also recommended by the 2023 report, “Pathway to Net Zero,” published by The International Energy Association, and the advice of UN Secretary-General António Guterres.

Please pass HB 2601, a bill that follows this economic advice of no new investments. We also need transparency and phased removal of high-risk, worst polluting funds.

[slide 6] No new investments, transparency, remove worst polluters especially coal

PERS Underperformance Over the Past 10 years - \$4-10B

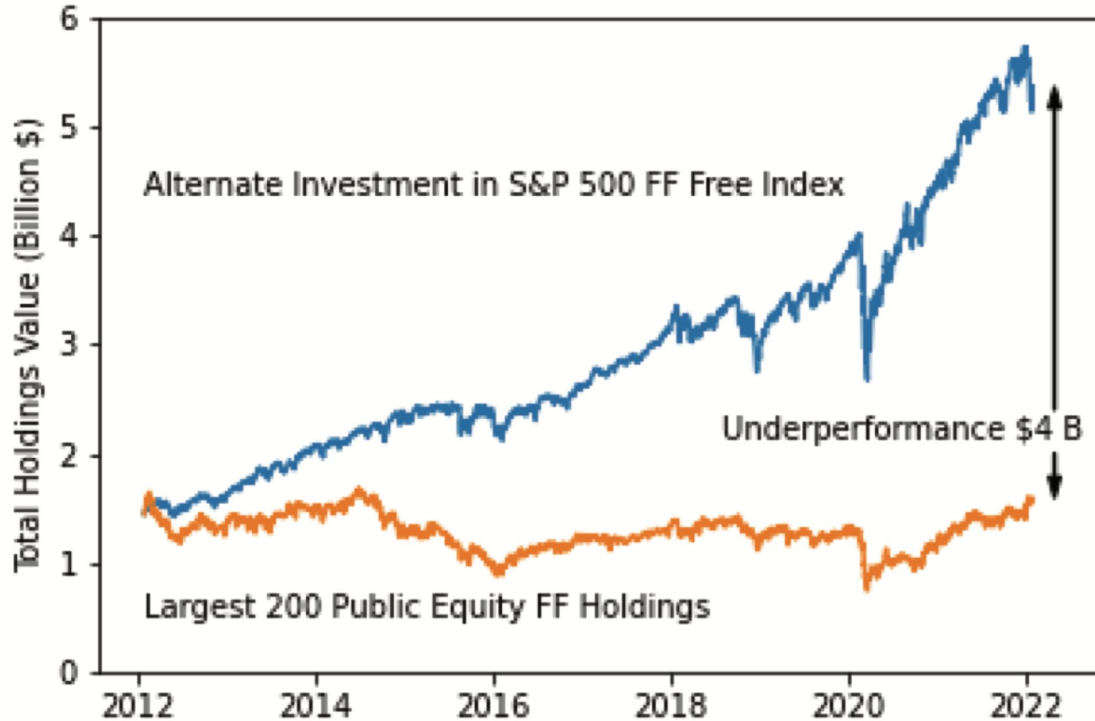


Figure 5: Estimate of underperformance of 200 largest public equity OST holdings (with available data) over the past decade as compared with S&P 500 Fossil Fuel Free Index (see Appendix B).

GAIN to Each PERS Retiree from Divesting:

If Oregon State Treasury had divested from public fossil fuel funds 10 years ago (157,962 retirees):

- \$3.8 billion over 10 years =

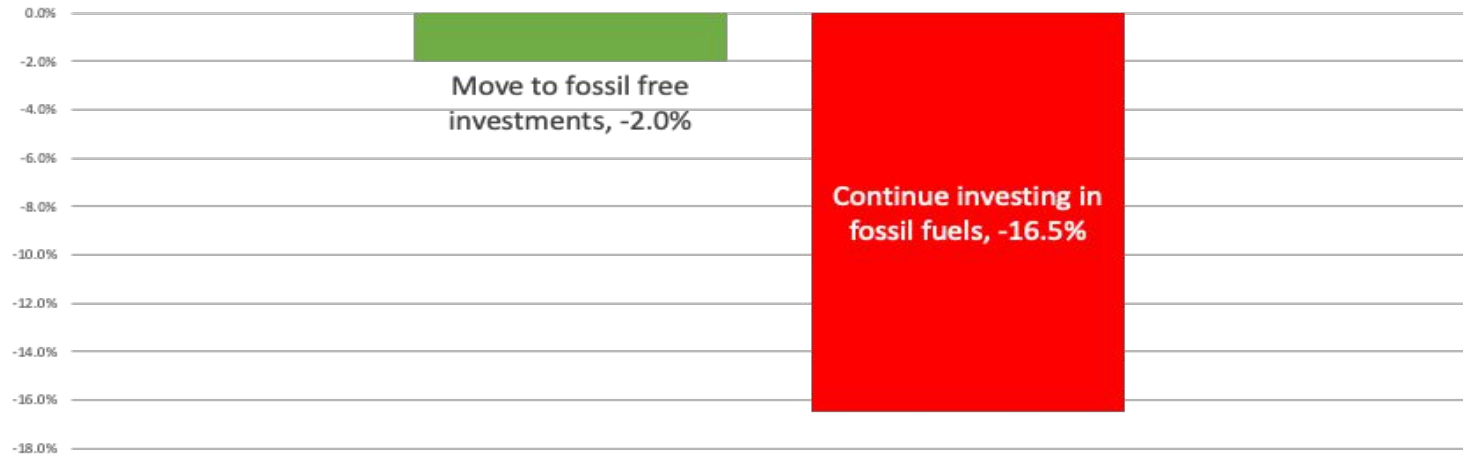
+ \$2,532 / year, or \$211 / month

- \$9.6 billion over 10 years =

+ \$6,077 / year, or \$506 / month

Ortec “Climate Risk Scenario Modelling” report: Continue with fossil fuels, lose 16.5% by 2027

“Impact of replacing fossil-fuel with a 'climate aligned benchmark’” for public equity holdings in a Paris Disorderly Transition – next 5 years
(Ortec report to Treasury, Feb 2022)



Stop new fossil fuel investments!

- “Pathway to Net Zero,” The International Energy Association
- UN Secretary-General António Guterres
- Implied in OST-commissioned “Climate Risk Scenario Modelling” report

Treasury Investment & Climate Protection Act (HB 2601)

- **No new investments** in carbon-intensive investments
- **Transparency** of aggregated data, within statutes
- Remove worst polluters with highest financial risk, particularly **coal**