



The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 22, 2024

To: [Sen. Janeen Sollman, Chair, Senate Committee on Energy and Environment](#)

Re: [HB 4083](#) – Thermal coal divestment – **Support**

The League of Women Voters of Oregon (LWVOR) believes that climate change is a serious threat facing our nation and planet, and supports climate goals consistent with the best available science that will ensure a stable climate system for future generations. LWVOR supports transitioning off of fossil fuels to alternative forms of energy: wind, hydroelectric, wave, tidal, geothermal, and solar; and prioritizing a just transition for all Americans.

LWVOR strongly supports HB 4083, the COAL Act, which would direct the Oregon Investment Council (OIC) and the State Treasurer to phase out the Public Employees Retirement Fund's (PERF) investments in thermal coal, halt new investments in coal, and report to the Legislature on the phase-out each year until divestment is completed.

Coal is one of the fossil fuels most harmful to human health and our climate. Recognizing this, Oregon lawmakers enacted SB 1547 in 2016 to mandate the elimination of coal as an energy source for the state's major utilities by 2030. Enacting HB 4083 this session would align PERF investments with Oregon's climate commitments by moving about \$1 billion of state treasury funds out of publicly traded coal company stocks. Oregon would join a growing number of governments, banks, institutional investors, and public pension funds that have divested from coal, including the public retirement systems of California and New York.

Under this bill, divestment and reinvestment of moneys in the PERF would have to be accomplished without monetary loss to the fund. Far more likely, divesting coal from PERF's investment mix would improve the fund's performance. According to [Divest Oregon's modeling analysis](#), the Treasury's public equity coal holdings have underperformed the market by \$340 million since 2014 when compared to the S&P 500 Fossil-Fuel Free Index. CalPERS has estimated the positive impact to its fund due to removing thermal coal in 2015 to be \$598 million as of fiscal year 2022.

State Treasurer Tobias Read has affirmed that HB 4083 is consistent with the Treasury's fiduciary duty to protect the public pensions of Oregonians. Coal investments are likely to decline further in value as the world transitions to a renewable energy economy. As a result, the coal industry and its investors could face significant stranded-asset risks within a decade.

HB 4083 directs the Treasurer to engage with companies that are not ready to make the transition to a low-carbon future. The Treasurer could retain a thermal coal investment if the company demonstrates that it is transitioning to clean energy on a reasonable timeline, as defined by OIC rules, which may reflect guidelines of the United Nations' Intergovernmental Panel on Climate Change regarding necessary decreases in greenhouse gas emissions.

Treasurer Read has released a [Net Zero Plan](#) by which the PERF's investment portfolio could reach net-zero carbon emissions by 2050. However, without a legislative mandate to move forward with the plan, a future treasurer might not feel bound to implement it. The Legislature must act now to take this modest but important step toward a cleaner and more secure pension fund.

LWVOR urges your support for HB 4083.

Thank you for the opportunity to discuss this legislation.



Rebecca Gladstone
President LWVOR



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Cc: [Rep. Pham K](#)