

February 24, 2024

To: Sen. Janeen Sollman, Chair

Senate Committee on Energy and Environment

Re: Support for HB 4083 Thermal coal divestment

Chair Sollman and members of the committee, thank you for this opportunity to discuss HB 4083, the COAL Act. I am a long-time Oregonian, grandmother and love this State and its wealth of beautiful landscapes and scenery. I have been an independent climate action advocate and have been following climate change discussions here and with the Oregon Global Warming Commission and the Public Utility Commission for well over three years.

As an observer of the process, I can't help notice that the enormity of the environmental effects of coal have not been stated clearly enough in this process for some to understand the urgency necessary for removing coal from Oregon energy resources. I would like to bring to attention some of the facts around what keeping coal stocks in the PERS portfolio is doing to the very precious air we breathe and to our future as a society.

Despite the closing of the Boardman, Oregon coal-fired power plant in 2022, coal still affects Oregon air quality and greenhouse gas (GHG) emissions. Electricity produced at coal plants still contributes to our energy mix and GHG emissions continue to blanket our region, mostly coming from the Colstrip, Montana coal-fired power plant, which, sitting only 100 miles from Oregon, continues to put out massive emissions in this region, four times as much as all the other regional plants combined. Modeling done for Oregon in 2021, titled the [Oregon Clean Energy Pathways](#), revealed **continuing to eliminate coal from our economy was the most powerful, least regret action Oregon could take to reduce emissions**. Both the OGWC and Oregon Department of Energy (ODOE) agreed. OGWC 2020 recommendations to the Legislature included “#29 Pass legislation to eliminate coal from the electricity supply before 2027”, while ODOE in their 2023 biennial energy report observed that in the studies reviewed for this report, retirement of coal resources was ranked as a critical component to Oregon's emissions reduction strategy.

Washington State was expected to push for the **closure of Colstrip**, one of the nation's biggest emitters. After a long legal fight with Montana and Colstrip owners, they had to abandon those efforts and instead its utilities struck a deal that kept the plant alive. The Natural Resources Defense Council remarked that “It's just a huge missed opportunity.” How big was it? Their answer “if you get this wrong and leave those emissions on the system, **there are so few places where Washington can cut emissions at that scale.**”

Using data from the EPA, a recent report says the Colstrip plant alone continues to put out **18 million tons of CO2** emissions and **1490 pounds of mercury** into the air annually.

One owner has stated they **intend to run the Colstrip plant until the 2040s**, while another has said it intends to operate the plant as long as it is profitable to do so.

Coal plants will likely remain open until they become a losing financial proposition for their owners as more and more people divest from stocks like the ones holding Colstrip. One analysis from Moody's in

2021 said “the coal industry’s limited access to capital, loss of regulatory support, public opposition, health and safety risks, pollution contributions, and loss of employment base leaves it vulnerable to increasing pressure on investors to divest.”

It isn’t prudent for the Treasury to ignore the signs but readily available analyses doesn’t seem to be persuasive enough. Of course, divesting from coal or any stock needs to be considered carefully. A close examination of coal shows definite signs that the industry is collapsing. To add to all those problems for coal, the US Environmental Protection Agency (EPA) has proposed [new rules](#) to limit coal plant emissions by 90 percent by 2030; those rules involve adding carbon capture equipment to coal plants. The extremely high cost of that technology will lead to the closing of many coal plants, including perhaps even Colstrip.

As to objections that the Legislature should not direct the Treasury, I say this; everyone, including Government bodies, needs to be accountable, whether it’s to the Legislature or to the people. Growing recognition that this is a crisis, a climate emergency should compel government to do something about the relentless problem with coal and divesting from coals tocks is the only tool we have at hand at this point. Having looked at all things, I think this action is right for this time and this situation, and urge you to vote Yes on HB 4083, the COAL Act.

Arlene Sherrett

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