



March 19, 2025

Oregon State Legislature
Senate Committee On Finance and Revenue
900 Court St. NE
Salem, OR 97301

RE: Support for Senate Bill 681, the PAUSE Act to halt investments in private fossil fuel funds

Dear Chair Meek, Vice-Chair McLane, and members of the Senate Committee on Finance and Revenue,

On behalf of the more than 55,000 members and supporters of the Sierra Club Oregon Chapter, we write in support of Senate Bill 681, also known as the PAUSE Act.

The PAUSE Act would impose a 5-year moratorium on pension investments in private fossil fuel funds. This is an important step for restricting PERS exposure to risks associated with both private equity and a changing energy economy, but more importantly, helps reduce overall portfolio risk.

Private investments in fossil fuel funds represent additional resources for the extraction, transportation, and use of coal, oil, and gas, contributing to increased greenhouse gas emissions. The science and economic analysis is well established: the climate cannot accept, nor does the energy transition require, new fossil fuel expansion¹. This is a primary concern for our members, who, in addition to striving to protect the people and places they love, seek a secure and dignified retirement.

For our members who have already retired and those who have just begun their careers, a dignified retirement requires not only a stable climate but a stable economy in which their hard-earned savings can grow.

In a 2023 report, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency concluded that “The economic effects of climate change and the transition to a lower carbon economy pose an emerging risk to the safety and soundness of financial institutions and the financial stability of the United States.”²

¹ <https://www.iea.org/reports/net-zero-by-2050>

²

<https://www.federalregister.gov/documents/2023/10/30/2023-23844/principles-for-climate-related-financial-risk-management-for-large-financial-institutions>



Climate change poses systemic risks to the economy, which threatens PERS' ability to deliver on its promise to pension plan participants. These risks are numerous and varied, from extreme weather events to unsafe working conditions in rising temperatures and challenging agricultural conditions, all of which will have repercussions for the health of the economy and investment returns. Diversification cannot shield PERS from these impacts.

Instead, PERS should seek strategies to reduce overall portfolio risk by reducing real-world emissions. The 2024 COAL Act has set the pension on this path, and a moratorium on private investments in fossil fuels is an important next step. In Maine, where the legislature has directed MainePERS to divest, the fund reported that it anticipates no new commitments to private market investments that are fossil fuel-focused.³

Private equity firms are responsible for over a gigaton of emissions annually.⁴ They're also notoriously secretive and extractive and offer little to no opportunities for accountability. Private investments in fossil fuels put communities, workers, and the planet at risk, and those impacts will inevitably be reflected in the PERS portfolio.

Please support Senate Bill 681. Thank you,

A handwritten signature in black ink, appearing to read "Damon Motz-Storey". The signature is fluid and cursive, with the first name "Damon" written in a larger, more prominent script than the last name.

Damon Motz-Storey
Director, Sierra Club Oregon Chapter
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https://www.maineopers.org/wp-content/uploads/pdfs/Reports/2023/Divestment-Report_120423-FINAL.pdf

⁴ <https://www.peclimaterisks.org/2024scorecard/>