

Submitter: KATHALEEN PARKER
On Behalf Of: Rogue Climate
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SB681
SB681: The Pause Act (fossil fuel divestment)

Dear Chair Meek, Vice-Chair McLane, and Members of the Committee,

SB681 relating to a moratorium on private investments by the State Treasurer in fossil fuel dominant funds. SB681 prohibits the State Treasurer from renewing investments in or making new investments in a private market fund if the managers of the fund have stated an intention to invest in fossil fuels, subject to fiduciary duties.

The Act says that for five years, the State Treasurer can't invest in private funds that deal heavily in fossil fuels.

“Invest in fossil fuels” means to make investments, or to intend to actively consider making investments, of at least 10 percent of assets under management in companies engaged in any combination of:

- (A) Producing, exploring for or extracting fossil fuels;
- (B) Transmitting or exporting fossil fuels;
- (C) Creating, maintaining or dealing in infrastructure dedicated to fossil fuels, including pipelines and terminals; and
- (D) Refining or processing crude oil or natural gas.

SB681 sunsets on January 2, 2031.

Oregon SB681 would ban State Pension Investments in Private Markets Funds Invested in Fossil Fuels, and would prohibit the state treasurer from renewing or making investments in private equity or other alternative funds which state an intention to invest in fossil fuels.

My experience has shown that private equity funds often operate with limited regulatory oversight, making it difficult for public entities—such as pension funds and municipal investment programs—to assess the true risks and costs involved. Additionally, private equity investments tend to have high fees and complex structures that can erode returns over time.

Private equity firms are responsible for over a gigaton of emissions annually. 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.

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.

Approaches To 'Climate Positive' Investments

Different approaches taken by pension plan peers to define 'climate-positive' investments such as vanguard fossil free funds, and S&P 500 fossil fuel free index.

Examples are:

- PSP Investments
- CDPQ
- CPP Investments
- Green Century Funds

With the future of oil now on a collision course with the future of our planet, it is not the time to assist or invest in fossil fuel industries. On the contrary we should be investing in green energy, especially since solar is now the world's cheapest source of energy and renewable capacity is growing at an incredible speed. Its place in Oregon's energy profile reflects our state's support of renewables...not of carbon-based energy.

Please vote the Pause Act out of committee. Thank you for your support of SB681.

Sincerely,