From:	Kristin Edmark
To:	Office State Actuary, WA
Subject:	Public comment to the June 17 th meeting of the Joint Select Committee on Pension Policy
Date:	Monday, June 9, 2025 2:04:15 PM

CAUTION:External email.

Dear Office of the Actuary:
Please accept my written comment to the June 17 th meeting of the Joint Select Committee on Pension Policy regarding SB 5439 The Coal Act. Comment from: Kristin Edmark, concerned citizen in Battle Ground Washington

Written Comment:

Please promote SB 5439 The Coal Act.
All of this information has been presented to the WSIB both written and orally. Individuals from Divest Washington have been attending WSIB meetings over the last 10 years except for briefly during the pandemic. **For Context, these are reasons why I believe legislation is necessary for WSIB to significantly decrease fossil fuel investments:**

Legislators have a strong connection with citizens and realize that Washingtonians want climate action.
WSIB staff have strong, long-term partnerships and ties to some of the largest promoters of fossil fuels world-wide. For example, July 2024 large promoters of fossil fuels were asked to give presentations to WSIB including David Rubenstein and Meg Starr from Carlyle, Abebayo Ogunlesi founder of Global Infrastructure Partners, Larry Fink co-founder Blackrock, and Henry McVey CEO KKR. **WSIB CEO and staff repeated points** made by private equity speakers; specifically, both stated 1) the need for continued use of fossil fuels, 2) it is wrong to judge a company by its emissions and 3) investing in a company with a very large emissions can be better for the environment because influencing that company to be more sustainable could produce more benefit like WSIB investment in NTCP Limited. (note: NTCP increased coal production in 2024)

Amount invested in fossil fuels has not significantly changed despite the Paris Climate Agreement, WA climate legislation/goals, and numerous climate reports. January 2025, WSIB told legislators that the amount invested in coal is decreasing anyway so legislation is not necessary. No significant decrease is found.
Professional analysis financed by Stand.earth (https://climatesafepensions.org/quiet-culprits-report/) shows WSIB investments:
6/30/2020 6/30/2021 6/30/2022
Production/Support/Fossil utilities/more fossil fuels : $7.557 Billion $8.091 Billion $8.197 Billion
Carbon Underground 200 (included in total above): $1.444 Billion $1.843 Billion

$2.487 Billion
Global Coal Exit List (included in total above) $2.921 Billion $3.191 Billion $2.683 Billion

Non-professional comparison of Global Coal Exit list and WSIB investments on the website reveals 6/2024 WSIB Global Coal Exit List investments: $2.5 Billion
% change over 2 years 2022 to 2024 is less than 5% decrease in coal investments
% change over 4 years 2020 to 2024 is less than 3% decrease in coal investments

WSIB has no plan to decrease fossil fuel investments and no intention of decreasing portfolio emissions
The Sustainability Report is not a plan to decrease fossil fuel investments; in fact, the last section of the 2023 and 2024 Sustainability Reports entitled "Fossil Fuels: the Impacts of Active Ownership Versus Divestment" clearly states reasons for retaining fossil fuel investments including portfolio diversification, costs and use of proxy voting. These arguments have been shown to be not valid. https://ieefa.org/resources/two-economies-collide-competition-conflict-and-financial-case-fossil-fuel-divestment
Washington has a D- record for proxy voting on climate issues. https://www.sierraclub.org/sites/default/files/2024-01/Hidden-Risks-State-Pensions-Report.pdf. July 17, 2024 at the WSIB Strategic Planning, Sherry Trecker, Sustainability Director, stated, "**WSIB goal is not to lower world greenhouse gas emissions or portfolio emissions** but instead to make informed investment decisions."

Other state investment boards, for example Oregon and New York, have developed effective plans to decrease fossil fuel investments. The 2024 Global Climate Investing Survey: Realism in the transition Journey: Insights from investors by ROBECO surveyed 300 institutional investors world-wide. https://www.robeco.com/en-int/insights/2024/05/global-climate-investing-survey-2024-realism-on-the-transition-journey Some of the findings include:
*62% of investors say climate change is at the center of or is a significant factor in their investment strategy
*62% have a decarbonization strategy for all or part of their equity portfolio
*53% have a decarbonization strategy for all or part of their fixed income portfolio
*69% plan to invest in climate solutions, either as a general aim or via a quantitative target

Criteria used in the Sustainability Report are too narrow to have value. WSIB uses MSCI which omits diversified companies; the largest producers of coal world-wide are diversified companies. MSCI omits utilities which are the largest consumers of coal world-wide. This explains why the MSCI picks up about 5% of the coal companies on the Global Coal Exit List used by over 600 financial institutions world-wide. Faulty criteria have led to investments which slow the transition to clean energy or increase greenhouse gas production. For example, as a sustainable investment, WSIB invests in TPG Rise Climate which is 90% invested in Anew which administers carbon credits and renewable methane. Renewable fuels are well documented as not only consuming large amounts of energy to produce and transport but also burn to greenhouse gas and promote the continued use of burned fuels. TPG Rise (over $1 Billion invested) which looks to me to be 90% a carbon credit brokering company. NTPC Limited (WSIB had over $22 million invested 6/2024) is a large utility in India mining coal and producing electricity. NTPC is given as an example in the Sustainability Report of an investment in a company transitioning to cleaner energy. However, despite announcing plans to increase wind and solar, NTPC electricity is about 61% produced by coal and last year NTPC increased coal production and added coal-fired plants as well as wind/solar power.

WSIB analysis of greenhouse gas omits scope 3 emissions without which the analysis has minimal value; between 75% and 90% of fossil fuel company emissions are scope 3 caused by the end use of their product; emissions from burning of fossil fuels are essential in greenhouse gas emission analysis.

Decreasing fossil fuel Investments Increases profit

Performance of $10,000 Over 10 Years	S&P 500	MSCI ACWI	Russell 3000
Without Fossil Fuels	$33,174	$23,430	$31,488
Standard Index	$31,149	$22,570	$29,641
Energy Sector Alone	$14,085	$13,308	$12,681

Source: IEEFA calculations based on MSCI, S&P 500, and FTSE Russell returns data
https://ieefa.org/sites/default/files/2024-02/Passive%20Investing%20in%20a%20Warming%20World_February%202024.pdf

One of many study examples, ***2021*** Maryland State Retirement and Pension System (SRPS), would have made 15% more in last 10 years if they had not had their investments in the Carbon Underground 200. Investments are similar to Washington.
https://chesapeakeclimate.org/wp-content/uploads/2022/02/FFI_Solutions_Backtest_MD-MSRPS-2021.pdf. The study identified $623,093,558 CU200 investments in Maryland SRPS. Similarly, June 30,2021 Washington State had $1,843,109,442 invested in the **same investments** identified in SRPS securities of CU200 companies which decreased Maryland's earnings by 15% in the study.

Please help WSIB. Like other WA agencies, WSIB should have a transparent, effective plan to limit CO2 emissions. Doing so is expected to increase profits and decrease systemic economic harm as well as climate-related costs. Why shouldn't CETA apply to portfolio investments? Passing the coal act in 2026 will help. Climate is an emergency. I have presented all of this same information to WSIB repeatedly.

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