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To: [Office State Actuary, WA](#)
Subject: Transparency in coal pension investments
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SCPP staff,

Below you will find my testimony for the May 20th hearing. I served in the Washington State Legislature for 18 years and can't stay away from public policy issues.

Former Rep. Mary Lou Dickerson

Transparency needed

How much does WA still have invested in dirty coal?

The Washington State Investment Board, which is the 5th to 6th largest pension fund in the country, has greatly underestimated its coal investments when briefing state legislators.

Coal is one of the dirtiest forms of fossil fuels and a significant contributor to climate change and health problems throughout the world.

This year WSIB staff reported to key legislators through emails and individual meetings that it had, as of 2023, only \$119 million in public equity investments in coal. However, this is only a small fraction of its coal investments in public equity funds. According to the **Global Coal Exit List**, a list used throughout the world, the WSIB had, in 2022, public equity investments in coal totaling \$2.6 billion. Quite a difference. Washington state is a climate leader recognized as such throughout the U.S. In 2019 the Legislature passed the Clean Energy Transformation Act which required state utilities to stop using coal to generate electricity by 2025. Few knew then that the WSIB had major coal investments. Had they known about the significant coal investments made by the WSIB, the Legislature may well have tackled this coal investment issue also.

How could such very different estimates for the Board's public equity coal investments be presented? The answer lies in the different criteria used by the two coal investment list makers.

The Board uses a list developed by **MSCI** which provides tools for the global investment community. **It counts only investments in companies which have 60% or more of their investments in coal as part of their energy portfolio. This is a very high bar and leaves out major investments in coal.**

It is common practice for very large companies to own a number of smaller businesses including those that are energy related. Some of the world's largest investors in coal make significant investments **but do not hit the 60% criteria.** An example of such a company is **NTPC**. This company is currently expanding its coal burning capacity and funds the equivalent of **92 Centralia TransAlta coal plants.**

In contrast, the **Global Coal Exit List, (GCEL)** is designed to help organizations divest from coal and is used worldwide. It counts investments in corporations that use 10% or more of their funding in coal. It reports that **the top nine coal**

investments on the list made by the WSIB total over a billion dollars.

The WSIB has positioned itself as moving towards a green economy and offers an annual report on its progress. Without **full transparency** it is difficult for legislators, other decision makers and the public to judge how much progress is truly being made toward that goal.

It is time for the Joint Committee on Pension Policy to call for strong transparency provisions that will allow it to accurately assess how much the WSIB has invested in coal and what progress it is making in significantly reducing that investment. I ask that you specifically require the WSIB to report annually the money it has in coal dollars by individual investment and the name of the company, using the GCEL list.

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