



SIERRA CLUB OF HAWAII

MĀLAMA I KA HONUA. *Cherish the Earth.*

LATE TESTIMONY

SENATE COMMITTEE ON JUDICIARY AND LABOR

Friday January 29, 2016 9:00AM Room 016

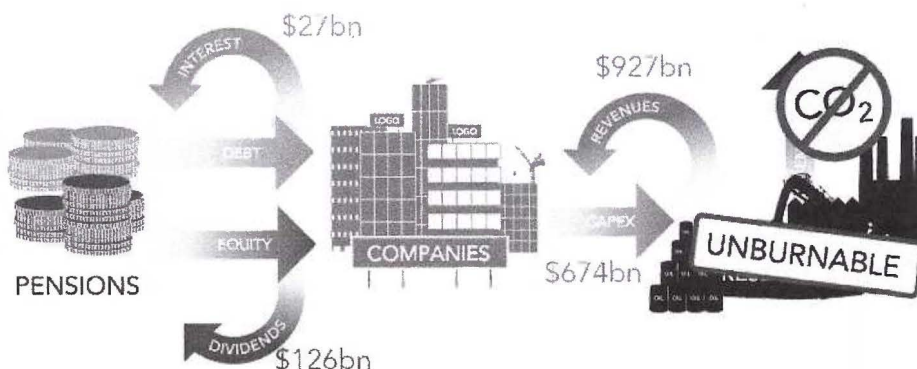
In SUPPORT SB2155 Relating to the Employees' Retirement System

Aloha Chairperson Keith-Agaran and Senate Judiciary & Labor Committee Members,

In support our O'ahu Group and our 12,000 members and supporters, the Sierra Club of Hawai'i urges you to pass SB2155 directing the Employees' Retirement System to divest from fossil fuels.

Divestment from fossil fuels is the sensible, prudent choice for the future of our public pensions, our environment, and our economy.

Scientific research shows that in order to keep global warming to a 2-degree rise (and thereby preventing catastrophic rates of climate change), approximately two-thirds of current fossil fuel reserves must stay in the ground. In December, 195 countries committed to individual actions that collectively aim to keep temperatures from rising above 2-degrees celsius. As these policies take affect around the world, fossil fuels will become unburnable. Experts estimate as much as 90% of all fossil fuel reserves will unusable. This means investments in fossil fuels will lose their value, eventually becoming stranded assets. It is wise for investors to sell their fossil fuel assets before they become worthless.



From "Unburnable Carbon 2013: Wasted Capital and stranded assets," CarbonTracker and the Grantham Institute for Climate Change and the Environment.
<http://carbontracker.live.kiln.digital/Unburnable-Carbon-2-Web-Version.pdf>

- MORE -

Divestment from fossil fuels is the prudent course of action. "Fossil fuel-free investment strategies continue to prove themselves as the responsible investment strategy to protect and grow members retirement savings," said the managing director for a major investment firm in Australia, where private pensions not invested in fossil fuels are significantly outperforming public pension funds that remain invested in fossil fuels.¹

The World Bank supports the financial argument for divestment. Its president Jim Yong Kim state that: "every company, investor and bank that screens new and existing investments for climate risk is simply being pragmatic."²

We want to protect the investments of our retirees. We also want to prevent the worse of the climate disaster from happening. That is why we urge you support HB1511 calling for ERS to study of divestment from fossil fuels.

Thank you for the opportunity to testify on this measure.

Mahalo,



Martha Townsend
Director

¹ "Fossil fuel investments damaging Australians' retirement savings, research shows," The Guardian, January 19, 2016. <http://www.theguardian.com/australia-news/2016/jan/20/fossil-fuel-investments-shown-to-be-damaging-australians-retirements>

² "Scrap fossil fuel subsidies now and bring in carbon tax, says World Bank chief," The Guardian, April 13, 2015. <http://www.theguardian.com/environment/2015/apr/13/fossil-fuel-subsidies-say-burn-more-carbon-world-bank-president>

CHAIR OF THE SENATE COMMITTEE ON JUDICIARY AND LABOR

Kristen Jamieson
representing the
Student Sustainability Coalition of Hawaii
Sustainable UH
1391 Frank St
Honolulu, HI 96816
425-495-6241

Friday, January 29, 2016 9:00 AM Room 016

In SUPPORT of SB2155

I am a senior studying Natural Resource Environmental Management at UH Manoa, where I have learned about the devastating and irreversible environmental devastation and ensuing human suffering we will see with runaway climate change. The overwhelming majority of scientists agree that climate change is already happening and it is caused by human activity. If we do not address climate change, my peers will see drought, food scarcity, increasing storms and wildfires, sea level rise, ocean acidification and plant and animal extinction. Climate change is the defining struggle of this era. This situation provides important context for this bill.

I am testifying in support of SB2155. We must be global leaders in divesting from fossil fuels, following the example of the University of Hawaii this last year. The case for divestment is strong. Investing in fossil fuels is out of alignment with our state's 100% renewable energy goal. Over 30 American cities have already divested from fossil fuels and maintained economic stability. Fossil fuels are an unstable investment as we continue to see oil prices drop. Even The Rockefeller Brothers Fund (heirs to Standard Oil) have divested from fossil fuels

Thank you for your time in hearing my testimony **in support of SB2155** to require that employees' retirement system to divest its investment portfolio of coal, oil, and gas companies within five years. I appreciate you making addressing climate change a priority.

Mahalo,

*Kristen Jamieson
Student Sustainability Coalition of Hawaii
1391 Frank St
Honolulu, HI*

From: mailinglist@capitol.hawaii.gov
To: [JDL Testimony](#)
Cc:
Subject: *Submitted testimony for SB2155 on Jan 29, 2016 09:00AM*
Date: Friday, January 29, 2016 8:49:01 AM

SB2155

Submitted on: 1/29/2016

Testimony for JDL on Jan 29, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Stuart Coleman	Surfrider Foundation	Support	No

Comments:

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SB2155

Submitted on: 1/29/2016

Testimony for JDL on Jan 29, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Ashley Lukens	Hawaii Center for Food Safety	Support	No

Comments:

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SB2155

Submitted on: 1/29/2016

Testimony for JDL on Jan 29, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Kelsey Barrow	Trees to Seas	Support	No

Comments:

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SENATE BILL NO. 2155
JANUARY 29, 2016, 9:00 A.M.
RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

Chair Keith-Agaran, Vice Chair Shimabukaro, and Members of the Committee,

I support SB2155, for the following reasons:

- Divestment removes artificial supports from inefficient and toxic energy use.
- Divestment from fossil fuels is clearly in line with the intent of the State Environmental Policy, HRS §344-3, which states that we will enhance quality of life by “[e]stablishing a commitment on the part of each person to protect and enhance Hawaii’s environment and reduce the drain on nonrenewable resources.”¹
- Any economic losses due to divestiture are, as a climate change mitigation tactic, likely to be relative minor to the economic losses that climate change will induce:
 - For 32 years, state government has warned that climate change induced sea-level rise will result in environmental damage, costly shoreline stabilization projects and lost tourism revenue.²
 - Climate change will lower economic output, affecting both visitation and our own productivity, likely straining government resources.³
- Other state governments are more likely to pursue fossil fuel divestiture if Hawaii sets a committed precedent.

Passing this bill is the right thing to do and provides the people of Hawaii with the opportunity to migrate our support to renewables.

Mahalo nui loa,
Dylan P. Armstrong, Member
Manoa Neighborhood Board

¹ State Environmental Policy. Hawaii Revised Statutes. http://www.capitol.hawaii.gov/hrscurrent/Vol06_Ch0321-0344/HRS0344/HRS_0344-0003.htm

² Effects on Hawaii of a Worldwide Rise in Sea Level Induced by Global Warming. Office of Planning and Economic Development. <http://planning.hawaii.gov/wp-content/uploads/2013/04/Sea-Level-Rise-Effects-on-Hawaii-1985.pdf>

³ Marshall Burke, Solomon Hsiang, Edward Miguel. Global non-linear effect of temperature and economic production. *Nature*. <http://www.nature.com/nature/journal/v527/n7577/full/nature15725.html>

From: mailinglist@capitol.hawaii.gov
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Subject: Submitted testimony for SB2155 on Jan 29, 2016 09:00AM
Date: Thursday, January 28, 2016 7:54:00 PM

SB2155

Submitted on: 1/28/2016

Testimony for JDL on Jan 29, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	Individual	Support	No

Comments: There is no future for fossil fuels and by allowing ERS to invest in them it puts State and county employee's at risk. We have a task of making Hawaii free of fossil fuels by 2030 and why would we be betting against this goal by allowing ERS to invest them? Please keep in mind that the ERS lost \$6 billion while investing in fossil fuels. So it appears to me that they may need so more oversight and not just in this area.

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Date: Thursday, January 28, 2016 8:36:16 PM

SB2155

Submitted on: 1/28/2016

Testimony for JDL on Jan 29, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Marten	Individual	Support	No

Comments: Aloha Senators. I am writing to urge you to support SB2155 to divest the State Employees Retirement System from fossil fuels. Fossil fuels are no longer a sound investment due to the recent dissolution of OPEC and the price wars set off by Saudi Arabia as they seek to undercut their enemy, Iran. In addition, with the international pressure to keep fossil fuels in the ground to slow global warming, the future of the industry as a whole is uncertain. As a former State employee, I want our retirement funds to be invested well. Please support divestment. Mahalo, Lisa Marten

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SB2155

Submitted on: 1/29/2016

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Submitted By	Organization	Testifier Position	Present at Hearing
ELIA BRUNO	Individual	Support	No

Comments:

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SB2155

Submitted on: 1/28/2016

Testimony for JDL on Jan 29, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Ruslan Suvorov	Individual	Support	No

Comments: To whom it may concern, As a state employee who makes regular contributions to the Hawai'i Employees' Retirement System, I am very concerned about the financial risks associated with fossil fuel investments. Taking into account the falling prices for fossil fuels and the growing trend among major investment trusts and foundations to divest from fossil fuels in order to protect their public funds, I wholeheartedly support the bill SB2155 and believe that it is paramount for the Employees' Retirement System in Hawai'i to divest from fossil fuel companies. Sincerely, Ruslan Suvorov, Ph.D. Language Technology Specialist Faculty University of Hawai'i at Manoa

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State Legislature,

Please consider divesting in fossil fuels as this is necessary to continue along Hawai'i's plan to become a 100% sustainable state. Enjoy how low gas prices are right now? That is a warning to all of those who are investing – oil is an unstable market and its on its way out.

Don't let Hawai'i bear the mistake of staying in the big oil game. Join the other 30 American cities that have divested from oil and have remained economically stable. Keep our future's bright, turn off the oil!

Joseph McConnell

Electrical Engineering Student @ UH