

TESTIMONY BY KANOE MARGOL
INTERIM EXECUTIVE DIRECTOR, EMPLOYEES' RETIREMENT SYSTEM
STATE OF HAWAII

TO THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
ON

HOUSE BILL NO. 1511

FEBRUARY 10, 2015, 8:30 A.M.

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM

Chair Lee, Vice Chair Lowen and Members of the Committee,

H.B. 1511 proposes to amend section 88-119, Hawaii Revised Statutes, to prohibit the Employees' Retirement System (ERS) from investing directly in fossil fuel companies in the industry of coal and consumable fuels, integrated oil and gas or oil and gas exploration production. Further, this proposal requires that the Board of Trustees of the ERS divest 100% of the Fund's holdings in publicly traded fossil fuel companies by December 31, 2020.

The Administrative and Legislative Committee of the ERS Board of Trustees opposes this proposal.

The ERS supports the general effort of the Legislature to make Hawaii less dependent on unsustainable energy sources and supports community and legislative safeguards for the natural resources and the environment of Hawaii and the globe.

The Board's responsibility regarding the ERS investment program is outlined in a robust and extensive Investment Policy Guidelines Procedures Manual which devotes a full chapter on Socially Responsible Investing (SRI). Falling within the realms of ERS SRI is the consideration of environmental, social and corporate governance in selection of investment companies.

- Features of the ERS SRI strategy include:
 - Avoiding companies whose records conflict with ERS investment values;
 - Seeking out companies whose record is consistent with ER values;
 - Targeting investments directly into communities;
 - Taking an active role as a shareholder in influencing corporate policies; and
 - Evaluating environmental, social, and governance (ESG) issues.

The ERS is governed by a strong Board of Trustees with independent advice from consultants chosen through a competitive bid process every three to five years and in-house professional investment staff. The ERS has been recognized nationally for a 2015 Investor Intelligence Award nomination in the category of Good Governance. In addition to safe-guarding the Fund's stability and sustainability, good governance involves the balancing of the Fund's investment returns with good citizenship through environmental awareness, ethical behavior, internal controls, performance measurement and sound corporate governance practices.

Because the ERS already demonstrates the qualities of a best practice, good governance, and socially responsible investing of a pension plan sponsor, it objects to the current H.B. 1511 proposal on two grounds:

- It potentially limits the ability to generate returns for the investment portfolio that will help to erase the unfunded liability by dictating an investment strategy that is not fully vetted through professional investment management program or an established set of policies and procedures; and
- It represents bad governance practices by attempting to circumvent established and robust investment policy, guidelines, and procedures through a process that disregards existing best practices and disrespects good governance standards.

On behalf of the Board of Trustees and staff of the ERS, thank you for this opportunity to testify on this important legislation.



House Committee on Energy & Environmental Protection
Tuesday, February 10, 2015
8:30 a.m.

HB 1511, Relating to the Employees' Retirement System.

Dear Chairman Lee and Committee Members:

The University of Hawaii Professional Assembly opposes proposed measure HB 1511. The measure which seeks divestiture of investments in fossil fuel companies does not advance the interests of public employees. To the contrary, the Employee Retirement System already bases its investment decision on policy that recognizes socially-responsible considerations. The impact of divestiture is unknown and could undermine the actions necessary to fully fund the retirement system.

UHPA encourages the Committee to defer this proposed measure.

Respectively submitted,

Kristeen Hanselman
Associate Executive Director

UNIVERSITY OF HAWAII
PROFESSIONAL ASSEMBLY

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	Josh Frost	Jim Olson	Marsha Schweitzer (Alt)	

February 5, 2015

Chair Representative Chris Lee and Energy and Environmental Protection Committee Members

Re: HB 1511 RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.
Hearing on Feb10, 2015

Dear Rep. Au Belatti and Members of the Committee:

Americans for Democratic Action is an organization devoted to the promotion of progressive public policies.

We support HB 1511 as it would prohibit the Employee Retirement System from investing directly in fossil fuel companies and would further require divestiture. Indeed as the introduction to the bill states, this would add our state to a growing number of political entities making a statement for green energy and against fossil fuel companies. We definitely want to encourage non fossil fuels. Therefore we also raise a few questions about the definition of a fossil fuel company, which the bill defines as follows:

(c) For the purposes of subsection (b), a "fossil fuel company" means a company that is identified by a global industry classification system code in one of the following sectors:

- (1) Coal and consumable fuels;
- (2) Integrated oil and gas; or
- (3) Oil and gas exploration and production."

We suggest finding a way to change this definition to reward energy companies that are moving away from fossil fuels to biofuels. What if a corporation does 51% of its business in biofuels and 49% in fossil fuels? On another vein of thought, does the term "a global industry classification system code" provide too much leeway?

Thank you for your consideration.

Sincerely,

John Bickel
President

SHOPO



PRESIDENT
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VICE PRESIDENT
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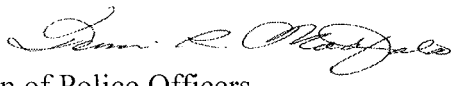
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TO: The Honorable Chris Lee, Chair
House Committee on Energy and Environmental Protection

The Honorable Nicole E. Lowen, Vice Chair
House Committee on Energy and Environmental Protection

Members of the House Committee on Energy and
Environmental Protection

FROM: Tenari Ma'afala, President 
State of Hawaii Organization of Police Officers

DATE: February 5, 2015

SUBJECT: Testimony on H.B. No. 1511, Relating to the Employees'
Retirement System

HEARING DATE: Tuesday, February 10, 2015
8:30 a.m. Conference Room 325

This bill directs the Employees' Retirement System to divest itself of investments in fossil fuel companies. The State of Hawaii Organization of Police Officers ("SHOPO") supports the Employees' Retirement System in its opposition to this bill.

The Employees' Retirement System ("ERS") has worked very diligently to close the gap on the unfunded liability for retirees and future retirees. As we know, the majority of the retirees live in Hawaii and spend in Hawaii. After three out of five years of negative returns for the ERS between 2008 and 2012, ERS achieved 12.3% and 17.8% returns in 2013 and 2014 respectively. The ERS is projecting to be fully funded in 2040.

To ask the ERS investment team to sell off investments in five years is not financially sound. The ERS investment team was hired for their expertise and years of experience. There is a social responsibility policy in place at the ERS. Why not simply ask ERS to add this inclination to their policy and to give it its proper consideration going forward.

Thank you for your careful consideration of the impact of this bill.

EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 05, 2015 9:43 PM
To: EEPtestimony
Cc: mklynch@hawaii.edu
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/5/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Lynch	Asia-Pacific Center for Regenerative Design	Support	No

Comments: I support this measure: At least eight studies have shown that fossil fuel divestment carries very low risk, and changes the return on investment by a negligible amount, sometimes even increasing it. HB1511 addresses only direct holdings, so any fees for selling and buying other investments are only a one-time cost. Divesting is very unlikely to cost anything; the costs of climate change are certain to be enormous.

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To: EEPtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB1511 on Feb 10, 2015 08:30AM*

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Divest Hawaii	Support	No

Comments:

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1/6/15

Representative Chris Lee, Chair
Representative Nicole Lowen, Vice-Chair
Committee on Energy and Environmental Protection Tuesday, February 10, 8:30 am
House Of Representatives, Hawaii State Legislature

Dear Chair Lee, Vice-Chair Lowen, and Members of the Committee,

As I am based in Kona and am unable to provide this testimony in person, I appreciate the opportunity to offer this written support for HB1511.

I am an Accredited Investment Fiduciary® and Managing Partner and Director of Social Research at Natural Investments, a leading national investment adviser in the field of sustainable, responsible, and impact (SRI) investing since 1985 and for the past 15 years the only firm in Hawai'i that exclusively manages SRI portfolios. Of our nine offices, we have three here in Hawai'i – one on Maui and two on Hawai'i Island. In addition to running our firm and overseeing \$250 million in assets, I serve on the national policy committee of USSIF: The Forum for Sustainable and Responsible Investment, which is the national trade association for the SRI industry that represents 17% (nearly \$7 trillion) of all professionally-managed investments in the U.S. markets. We have written three books on this field: *Investing from the Heart* (Crown, 1992), *Investing With Your Values: Making Money and Making a Difference* (Bloomberg, 1999), and *The Resilient Investor: A Plan for Your Life, Not Just Your Money* (Berrett-Koehler, 2015). So our expertise regarding how to integrate values into a portfolio, including the exclusion of various economic sectors, is unmatched.

Fossil fuel free portfolios are popular – many municipalities, public and private pensions, and foundation endowments have already implemented this approach. My firm maintains a highly diversified fossil fuel free portfolio for clients with this interest – it has become one of our most popular investment strategies, and has performed quite competitively compared with our other portfolios: for the period ending December, 2014, a difference of **XXX** from our classic SRI model and **XXX** from our green economy model. This direct experience is supported by research studies on fossil fuel free portfolios, such as:

<http://www.impaxam.com/media-centre/white-papers/beyond-fossil-fuels-investment-case-fossil-fuel-divestment>

https://www.aperiogroup.com/system/files/documents/aperio_group_-_building_a_carbon-free_equity_portfolio.pdf

Michael Kramer, M.Ed.

Managing Partner, Director of Social Research, Financial Advisor, Accredited Investment Fiduciary™

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This research debunks the notion that removing fossil fuels from a portfolio is somehow a breach of fiduciary responsibility. The simple truth is that quality SRI money managers – some of which have been in the business for over 40 years - know how to compensate for any sector exclusion in a portfolio. The strategy here isn't simply to remove fossil fuel holdings, it's to replace them with a well-diversified portfolio that invests in other sectors and companies that can produce high return. The energy sector is not a prerequisite for competitive performance. With oil prices dropping severely in recent months, actually, it should be very clear to any fiduciary that this sector is increasingly volatile and will continue to be subject to both macroeconomic and geopolitical risk, not to mention the serious ongoing health and environmental risks of fracking and oil drilling and pipeline accidents.

It is entirely prudent, therefore, to view fossil fuels as a troubled sector. Once societies commit to reducing carbon in the atmosphere – which is looking increasingly inevitable - oil and gas will be considered stranded asset to these companies, and their financial future, including stock valuation, will be tenuous.

While some suggest that divestment won't achieve the desired outcome – though some companies are already branching out into renewable sources of energy - I'd encourage you to consider reading one of my monthly *Sustainable Shareholder* columns: "Why Shareholder Engagement With Fossil Fuel Companies Won't Work":

<http://www.greenbiz.com/blog/2013/05/29/why-shareholder-engagement-fossil-fuels-companies-wont-work> explains why divestment will apply greater political pressure on fossil fuel companies than direct advocacy, even while we will continue to engage them to acknowledge the business risk of stranded assets.

I am well aware that the Hawai'i ERS does not have an Investment Social Policy that guides advisors and money managers on how to integrate values into the endowment's investment portfolio, but I wish to convey that this is entirely possible, and there is precedent for it among other major public pensions, including the California PERS. Part of such a policy involves voting proxies and other forms of shareholder engagement that are possible through share ownership, but it also typically includes both exclusionary and affirmative screens on what may not be held in and what is sought out. While there can be many exclusionary screens (tobacco and gambling being common ones), there are literally dozens of environmental, social, and governance (ESG) issues that can guide such a policy. Money managers are thereby instructed to exclude certain industries or companies that exhibit certain objectionable actions and policies so that the portfolio better reflects the underlying values of the institution.

As such, I'd like to recommend that the Hawaii ERS divest from fossil fuel companies in its portfolio. We cannot value continued burning of carbon, and so we need to signal the need to alter the course of history. While many of the steps society needs to take to transition to renewable energy economy, this will only occur if various forms of leverage are exerted; divestment is one such approach.

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Governments can increase MPG standards, put a price on carbon and tax it, develop intensive carbon sequestration programs, and craft emergency plans in the case of massive flooding or other severe climate events. But with Congress unwilling to cease fossil fuel industry tax loopholes and subsidies while allowing for the expansion of drilling operations in both sensitive ecosystems as well as inland areas that poison domestic drinking water supplies, market forces must also be used to persuade companies to pursue renewable sources of energy and gradually abandon fossil fuels. One way to do this is to lower the stock price of fossil fuel corporations so they will be pressured into changing course, and large-scale divestment can contribute to this, especially if policymakers take notice and tax carbon emissions.

While I am a firm believer of using the power of share ownership to persuade companies to make voluntary shifts in direction, efforts my industry has made to get such companies to even acknowledge that climate change risk is real rarely succeed – though just the other day Royal Dutch Shell came to its senses. Other companies, however, continue to stick their head in the (tar)sand, and some fund climate change science that denies the impact of human activity on climate change in order to justify business as usual. As with any shareholder ESG issue, when advocacy is unsuccessful, divestment is an appropriate alternative. Of course, there is no leverage with divestment if only a handful of shareholders divest, but as we saw in the '80s with the *apartheid* issue, momentum can build when universities, pension plans, and city and state government treasuries act in unison. The divestment movement at that time helped to bring about the fall of the *apartheid* system in South Africa, and there is no reason to believe that such social change could not occur in this country, despite the fact that we all use fossil fuels in our everyday lives and understand that scaling up alternatives will take time.

The truth is that investing in the long-term financial viability of an industry that will gradually die is not prudent long-term investment practice. As an Accredited Investment Fiduciary[®], I could easily argue that investing in fossil fuels, given their current and potential impact on people and the planet, is a breach of fiduciary responsibility, since we know it will only destabilize societies and the economies upon which investment income derives. If we want to make money – and we do – we need to assure that our economies are growing and resilient; investing in carbon emissions is the antithesis of this goal. Yes, we need to invest in renewable energy, but these industries face a competitive disadvantage as long as the fossil fuel industry remains strong. We can change this, but we need to be bold and unafraid. This is not a moral issue, it is a survival issue with economic consequences. And let's face it, there are plenty of very compelling ways to generate financial return for the ERS endowment.

If you're interested, I can be of assistance in providing research and performance data illustrating that there is a neutral-to-positive correlation between integrating social and environmental issues into a portfolio and financial performance. Fossil fuel free portfolios deliver competitive returns, as money managers I know can attest. Some suggest that the current severe free fall in oil prices reflects the sort of sector volatility that should be minimized

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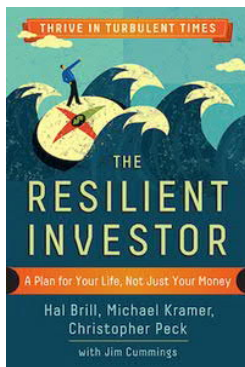
or altogether avoided. It is essential that investment committees, advisors, and managers to have *foresight* regarding investment planning, not just look at back-tested data to justify current decisions. For while fossil fuel stocks have indeed been profitable in the past, we are entering a new era of uncertainty, complexity, and volatility, once that would make divesting from fossil fuels quite prudent.

In conclusion, Hawai'i getting out in front of this issue could be a boon for increasing member participation in the ERS. More and more investors are aligning their values with their investments to support what they believe in and are steering clear of what they find distasteful. I imagine there are employees who would more likely contribute more to their retirement account if the endowment's investments are transparent and embrace important ethical, social, and ecological issues. It is possible to make money and make a difference, and I encourage you to guide the ERS in doing so. As a national expert in this field, I stand ready to help should you desire my assistance.

Aloha,

Michael Kramer
Managing Partner, Director of ESG Research

Co-Author



February, 2015 release:

<http://www.powells.com/biblio/62-9781626563377-0>

<http://www.bkconnection.com/books/title/the-resilient-investor>

<http://www.amazon.com/The-Resilient-Investor-Plan-Money/dp/1626563373/>

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COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 10, 2015 at 8:30 AM

(Testimony is 2 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1511

Aloha Chair Lee and Members of the Committee:

The Sierra Club, Hawaii Chapter, with over 12,000 dues paying members and supporters statewide, supports HB 1511. This measure would prohibit investments of the Employees' Retirement System in fossil fuel companies and require divestiture of direct holdings in fossil fuel companies. The Sierra Club has long been a proponent of proactive policy to tackle the global reaching impacts of climate change.

The fossil fuel industry contributes directly to the detrimental impacts of climate change. Climate change is the most important issue of the century. In his 2015 State of the Union address, President Obama affirmed that no other challenge poses a greater threat to future generations. Just months prior, Defense Secretary Chuck Hagel and the Pentagon reported that climate change is the greatest threat to national security.

Norway recently became the first country to divest from fossil fuels, removing its \$850 billion fund from fossil fuel companies such as all coal, tar sands, cement, and palm oil companies. Dozens of cities including San Francisco, Portland, Providence, Dunedin, and Oxford have divested, as has the Rockefeller Fund, and dozens of religious institutions.

The State has made a commitment to taking action on climate change and divestiture is uniquely an important and relevant way the State can directly impact fossil fuel companies and the industry that is driving the detrimental impacts of climate change in Hawai'i. Continued destruction of ecosystems, increased and intensified tropical storms, and rising sea levels would irreparably harm our State's livelihood and economy.

Hawai'i is the most fossil fuel dependent state in the US—nearly 90% of the state's energy is derived from fossil fuel, roughly 75% of which comes from foreign sources, producing the highest electricity rates in the US and jeopardizing the state's security, economy and environment. It is in the public interest for the legislature to support state efforts to pursue cheaper renewable energy developments, which will save taxpayers money.

Indeed, there is nothing secure about investing in fossil fuels. Former U.S. Securities and Exchange Commissioner Bevis Longstreth states that it is imprudent — perhaps even a breach of fiduciary responsibility — to bet on the long-term financial viability of the fossil-fuel industry. In

addition, financial and investment experts have acknowledged that divestment from fossil fuels does not carry a theoretical risk to a change in returns.

I urge you to move HB 1511 and take this important step forward in protecting Hawai'i's security, economy, natural resources, and commitment to tackling climate change. I am available to provide any input or assistance on this measure. Mahalo for the opportunity to testify.

Aloha,

A handwritten signature in black ink, appearing to read "Joy Shih", with a stylized flourish extending to the right.

Joy Leilei Shih

Vice Chair, Sierra Club, O'ahu Chapter

Conservation Chair, Sierra Club O'ahu

Every ERS dollar invested in fossil fuel companies is an affirmation of their hostility to Hawaii's commitment to malama 'aina. That's why I support HB 1511.

HB 1511 urging the state to get out of fossil fuels is a kupuna and keiki bill. It is a kupuna bill because it recognizes and tries to do right by what has been handed down to us. Those who have gone before us carefully tended Hawaii's beauties and its resources so that we still enjoy that bounty today. It's a keiki bill because it asks the very important question: what will we hand down to our children? Bleached coral, disappearing beaches, rising temperatures, rising waters, and fewer and fewer days of tradewinds? Those are just some of the effects of climate change.

At the heart of all that destruction are the fossil fuel companies. They don't just plunder for maximum profit today: they actively impede any effort to address climate change, going so far as to fund climate change deniers who obstruct good public policy. **Every ERS dollar invested in fossil fuel companies is an affirmation of their hostility to Hawaii's commitment to malama 'aina.**

Every dollar we spend on repairing the damage caused by their activities, by our over-dependence on imported fossil fuels, is a dollar NOT spent on our children's future, on infrastructure, on housing, on food.

I ask this committee to move HB1511 forward because it is the smart thing to do. And it is the right thing to do. How often do we get the chance to do something visionary that has the potential to really make this a better world for everyone? This is one of those chances. Better still, HB1511 is a means of taking a visionary step forward at virtually no risk. In fact multiple studies show that getting out of fossil fuels is the responsible thing to do. Nobody wants to see pensions held hostage in stranded assets—fossil fuels that cannot be tapped because of new EPA rules that are expected soon that will limit what can be taken out of the ground. This is the time to act by passing HB1511. We don't want to leave our children wondering why we did not act when we could. Please support passage of HB1511.

EEPttestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 9:11 AM
To: EEPtestimony
Cc: shakaesr@hotmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
elizabeth riegels	Individual	Support	No

Comments: divesting state money from big oil is essential to our future and health of our planet - we cannot afford to pay the price of climate change - dont wait for a disaster to happen, please work now to protect the people of this beautiful state.

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Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/5/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Haun	Individual	Support	No

Comments: Please support HB1511. It's a serious conflict of interest to use tax dollars in support of an industry whose actions are already starting to cause enormous harm to Hawaii. Burning fossil fuels is the main cause of climate change and rising sea levels. So please vote to divest from the fossil fuel industry.

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Cc: john.from.stl@alumni.stanford.edu
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HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
John Maurer	Individual	Support	No

Comments: Fossil fuel divestment is the fastest-growing divestment movement in history--faster than those for Apartheid, tobacco, Darfur, or firearms. Thirty-nine cities and counties have committed to divestment. Hawaii could be the first state to divest. As the state likely to suffer the worst effects of climate change, we should be leading the way. The carbon pollution from every state and country effects us; this is one thing we can do to fight back.

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HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Peter deVries	Individual	Support	No

Comments:

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Cc: chelsiew12@gmail.com
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HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Chelsie Counsell	Individual	Support	No

Comments: It's a serious conflict of interest to use tax dollars in support of an industry whose actions are already starting to cause enormous harm to Hawaii. Untold taxpayer money will be needed to adapt to climate change, repair damaged land and infrastructure, and prevent future damage.

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To: EEPttestimony
Cc: topherdean1@gmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/8/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Christopher Dean	Individual	Support	No

Comments: Divestment from fossil fuels is essential to force the market into transition. Look at the drought on the mainland. When Lake Mead and Powell fail in the very near future all the cities of the south west will have to be abandoned. Total global economic collapse will follow. We are not exempt. Global warming is the most serious crisis that mankind and all life on Earth has faced in 85 million years. Don't be a part of the problem, be a part of the solution and feel good about yourself.

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EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:19 PM
To: EEPtestimony
Cc: dave.mulinix@juno.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/8/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
David Mulinix	Individual	Support	No

Comments: Aloha, I am a Hawai'i resident and I am submitting testimony in support of HB1511. We need to consider that the world around us is changing more quickly than ever, and we need to change with it for our own best interest. For many years around the corner from my house was a small successful VHS video rental store, it got knocked out of business when DVD's became popular and they couldn't switch their inventory over as fast as Blockbuster could, Blockbuster would later be put out of business by Netflix, because Blockbuster couldn't move fast enough to keep up with online movies on demand. We now have the same situation with fossil fuels. Global Climate Change isn't coming it's already here and it's happening faster than predicted. We are already experiencing the worst hurricanes in history, the island nation of Kiribati is currently planning permanent evacuation because of the irreversible inevitability of their island nation sinking beneath the waves, and the permafrost in Alaska is melting so fast that villages are now falling into the sea faster than they can be moved back away from the coast. Many nations are already working on switching from fossil fuels as their main source of power; global renewable electricity capacity grew 108% from 2000 to 2013, and contributed 23% of all global power generation in 2013. This trend is growing with each ensuing year. People around the world have become very concerned about Global Climate Change, and millions have demonstrated around the world demanding and pressuring their governments to switch from fossil fuels. Divestment from fossil fuels is picking up speed, just recently Norway that has the world's richest sovereign wealth fund is divesting from tar sands and coal. Scientists have already told us that in order for our environment to sustain human life on the Earth 80% of the fossil fuel reserves on the fossil fuel industries books will have to stay in the ground. It isn't a question of if but when will the financial viability bubble of the fossil fuel industry go bust. No one knows the future, however we can see the trends. We can't sit by idly and wait to see what and when fossil fuel investments are going to collapse. We need to begin planning now to be prepared to get investments out before the inevitable crash of the fossil fuel industry. HB1511 is a good step in that direction. Please vote yes on HB1511. Mahalo for your attention, David Mulinix Ahuimanu 96744

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Feb 8, 2015

Dear House EEP Committee members,

I strongly support HB1511, a bill to prohibit the State of Hawaii from investing directly in fossil fuel companies.

Climate change is upon us. Hawaii and other island communities are among the first to feel the effects of the changes that are in store for our planet—weather changes, coral bleaching, eroding beaches and eventually, rising seas. We can begin to take action to slow the pace of change by reducing CO₂ emissions.

Fossil fuel companies need to get the message that we are serious about reducing emissions. One way to do that is through divesting, i.e., uninvesting from fossil fuel companies. A growing number of organizations, including the Rockefeller Foundation; Stanford University; the city of Seattle; and, last week, the [country of Norway](#) have chosen to divest. The University of Hawaii Board of Regents has assigned a task force to investigate a path to divesting. The State of Hawaii can be the first state to divest its holdings from the fossil fuel industry by passing HB1511 and uninvesting its current fossil fuel holdings.

To take no action (status quo) is to ignore the fact the no action may have serious financial consequences for the State. Although the current drop in oil prices is most likely temporary, fossil fuel prices are likely to be much more volatile in the future as the world moves away from fossil fuels to renewables. At the very least, our State should re-examine its financial positions.

I urge you to support HB1511.

Thank you for considering my opinion.

Sincerely,
Jan Pappas
98-1287 Akaaka St.
Aiea, Hawaii 96701

EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 6:22 AM
To: EEPtestimony
Cc: joycemcharles@gmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Midori Charles	Individual	Support	No

Comments: I support HB1511.

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I am in support of HB1511. Divestment is a powerful tool to help decrease Hawaii's dependence on fossil fuel. Climate change is the largest problem the world has faced and without serious and thoughtful actions, we will not have a world to pass on to our grandchildren.

Karen M Kimbrell

EEPttestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 3:11 PM
To: EEPttestimony
Cc: karenkahn33@gmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Kahn	Individual	Support	No

Comments: As an island nation, Hawaii is particularly vulnerable to climate change. Taking this step to divest from fossil fuels is an important statement about the need to seriously address climate change. The fossil fuel companies are taking notice. They must change their business strategies.

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To: EEPttestimony
Cc: kjhelg@hawaii.edu
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kirsten Helgeson	Individual	Support	No

Comments: I support HB1511

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EEPtestimony

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Sent: Friday, February 06, 2015 6:40 PM
To: EEPtestimony
Cc: lindainhawaii65@gmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Morgan	Individual	Support	No

Comments: Please vote yes on HB1511. In an island state, not investing in fossil fuels makes more sense than anywhere else. Our state funded university should not invest in enterprises that threaten our fragile environment. I urge you to support HB1511 for the good of our people and the good of our aina.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 2:39 PM
To: EEPtestimony
Cc: pgozemba@gmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Gozemba	Individual	Comments Only	No
		Support	

Comments: I support HB1511. Hawai'i needs to stop investing in an industry that is damaging our climate and aina.

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Sent: Monday, February 09, 2015 12:32 AM
To: EEPtestimony
Cc: wrokinslow@gmail.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
R. Kinslow	Individual	Support	Yes

Comments: I've been intimately involved in climate change and sustainability campaigns for many years: Hawaii 2050, Energy and Land conservation campaigns, hundreds of community development projects, and given over 70+ talks on sustainability and climate change solutions in Hawaii and around the world to over 10,000 people. For example, for 4y I provided the keynote sustainability presentation for Kamehameha Elementary schools science curricula to over 500+ students. So, I'm concerned, educated and active. It's a serious matter when pensions, governments and corporations are supporting an industry whose actions are causing harm to future generations of keiki in Hawaii. Millions, perhaps billions of taxpayer dollars will be needed to adapt to climate change, repair damaged land and infrastructure, and adapt to the future volatility. At least eight studies have shown that fossil fuel funds divestment is a low risk strategy. Divesting is unlikely to cost anything. And on the other side of the ledger, the costs of climate change to financial portfolios are certain to be enormous, should you defer action. Our best researchers and scientists have advised that in order for our planet to sustain human life, 80% of current known fossil fuels will have to stay in the ground. So, it isn't a question of if, but when the carbon bubble bursts. And, as guardians of the assets of the future keiki of Hawaii, you should be able to see and act on these the trends. Seek and ye shall find, the best policy is to divest from fossil fuel financials. We have a local source of fuel we could be investing in through a producer credit, encouraging both energy security and providing a signal to other states and countries that Hawaii is serious about becoming self-sustaining. We cannot keep on importing energy carrying capacity. I urge you to vote yes on HB1511 and pass it as state law.

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 4:42 PM
To: EEPttestimony
Cc: rsuvorov@hawaii.edu
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

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

Comments: To whom it may concern, I support HB1511. I strongly believe that we should move away from investing in fossil fuels if we want to save the world for our future generations. Ruslan Suvorov, Ph.D. Language Technology Specialist University of Hawaii at Manoa

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To: EEPtestimony
Cc: davidsher@juno.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/8/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments: Aloha As an employee for the State of Hawaii and therefore a member of the Employees' Retirement System (ERS), I strongly support HB1511 to prohibit the ERS from investing in fossil fuel companies and to require divesting holdings in fossil fuel companies. It's a serious conflict of interest to use tax dollars to support an industry whose actions are already starting to cause enormous harm to Hawaii. We're already feeling the effects of climate change. As things get worse, Hawaii will be hit harder than any other state. Extreme weather events like Hurricane Iselle, beach loss, dying coral reefs, decreased trade winds, damage to tourism - these are just a few of the reminders that we need to act now in order to avoid further destabilization of the climate. Experts agree our best hope for getting back to a stable climate is to keep fossil fuels in the ground. Moreover, moving towards 100% renewable energy and divestment from fossil fuels makes good financial sense. According to investment analysts, as governments decide to regulate greenhouse gas emissions, it will result in the devaluation of companies that own fossil fuel reserves and will result in losses from stranded assets. Therefore, investing in the fossil fuel industry has become increasingly risky. Further, for those that have already divested, studies have found that fossil fuel divestment and resulting changes on the return for these investments have been negligible, even increasing it. To date, 17 colleges and universities, 32 cities, 51 religious institutions, and 67 Foundations, including the Rockefeller Brothers Fund, have joined the campaign in this country alone, with even more on a global level. The latest to join the campaign is the Norwegian Sovereign Wealth Fund which on February 6 divested from a total of 22 companies, potentially totaling billions of dollars in assets. Hawaii should not be left behind in this campaign. With what we have a stake from the effects of climate change we should be leading the way. It makes no sense to invest in companies that undermine our future. Continued reliance on fossil fuels is neither safe environmentally nor safe economically. So please take action on behalf of our community and our children's future by voting "yes" in support of HB1511. Sherry Pollack
Ahuimanu

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Stephen Tschudi
Testimony in support of HB 1511
for House EEP Committee Hearing
10 February 2015

Esteemed Legislators,

House Bill 1511 represents a very exciting opportunity for Hawai'i to lead our nation in a sustainable direction. It is time for us all to wake up and begin to take steps to withdraw our support from and minimize our dependence on nonrenewable energy sources that contribute to global warming that has already begun to negatively affect our island state.

Hydrocarbons are an asset whose economic value is distorted. If we were to consume all the world's known oil reserves, the consequences for life on this planet would be catastrophic. Therefore we must, and will, impose limits on hydrocarbon consumption. When these limits are imposed, as they must be, oil and gas will lose a great deal of value, and renewables will gain. By moving in advance of the market to divest from nonrenewables, Hawai'i can demonstrate responsible Earth stewardship AND economic foresight at one stroke.

Hawai'i could be the first state to divest. As the state likely to suffer the worst effects of climate change, we should be leading the way. The carbon pollution from every state and country affects us; this is one thing we can do to fight back.

Stephen Tschudi
Specialist
University of Hawai'i

EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 11:25 AM
To: EEPtestimony
Cc: taurie@hawaii.edu
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/6/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Taurie Kinoshita	Individual	Support	No

Comments: I strongly support HB1511.

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To: EEPtestimony
Cc: tomspring@juno.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/7/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Spring	Individual	Support	No

Comments: I strongly support this bill. The divesting funds can be used to support progress in sustainable energy sources which will be and are a growing industry; returns will be good! The fossil fuel companies will eventually run out of a market we do not want to be caught there!

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**Written Testimony Presented Before the
Committee on Energy & Environmental Protection
February 10, 2015 8:30 a.m.**

**By
Emilie Bierly, Senior Nursing Student
University of Hawaii at Manoa**

HB1511 RELATING TO FOSSIL FUEL DIVESTMENT

Aloha members of the Committee on Energy & Environmental Protection, thank you for this opportunity to provide testimony in support of this bill HB1511.

Many events have occurred around the globe, with drastic change and notice. Looking back on events such as Ebola's biggest outbreak in 2014, the volcanic eruption on the Big Island, Hurricane Iselle, typhoon in the Philippines, and wildfires in California, shows the Hawaii Islands were affected as well. Climate change has been an extremely hot topic these past years and has showed its significance with 2014 being the hottest year ever recorded since 1880, when the records of temperature keeping has begun.

Divesting in fossil fuels is a move that countries are starting to do globally. I know that change takes time to enact, but Hawaii has the governance to initiate this change for future generations. Although a young adult, I have fears for our future. The world has a lot of beauty and charm left with various cultures, countries, and people, but the climate is something that isn't staying the same. Without a sustainable climate, and security in Hawaiian island resources, living on an island sets an uneasy feeling. With divesting the retirement funds directly in fossil fuels, it would bring a new wave of what investments to consider, there are many options and theres a solution.

In conclusion I respectfully request HB1511 to pass. Thank you for continuing to be our legislative leaders for Hawai'i. Mahalo for this opportunity to testify.

EEPtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:05 AM
To: EEPtestimony
Cc: lucialyou@gmail.com
Subject: *Submitted testimony for HB1511 on Feb 10, 2015 08:30AM*

HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lucia You	Individual	Support	No

Comments:

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Sent: Monday, February 09, 2015 8:59 AM
To: EEPtestimony
Cc: mtigch@hawaii.edu
Subject: *Submitted testimony for HB1511 on Feb 10, 2015 08:30AM*

HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Tigchelaar	Individual	Support	No

Comments:

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House Committee on Energy & Environmental Protection

February 10th, 2015 8:30am

Testimony in support of HB 1511 by Anthony Aalto

Aloha Chair Lee, Vice Chair Lowen and members of the Committee.

I am the Chair of the Oahu Group of the Sierra Club on whose behalf I am testifying today.

I believe the members of this committee are aware of the enormity of the danger posed by Climate Change. Global Warming has reached a tipping point beyond which the consequences for human civilization are hard to imagine. It is only the fact that the worst of these consequences may still be a few decades in the future that prevent political institutions around the world from reacting with more alacrity to this crisis. Human beings and democratic institutions are not well equipped to deal with events that are still years over the horizon – as Winston Churchill learned when he pleaded in vain for six long years, for people to pay attention to the looming Nazi threat.

The vast majority of the world's scientists are in agreement about what the future holds in store. Right here in Honolulu, in university research facilities just three and a half miles from this Capitol building, scientists reported in a paper cited all around the world that climate departure - the historical point at which the coldest year in the future will be warmer than the hottest year in the past- will occur across most of the planet in 2047, and in Hawaii in 2043. That's 28 years away. Almost a generation. Long enough for many people to pay more attention to the siren call of the skeptics, the ignorant, the greedy and the willful liars.

Twenty eight years is a long enough event horizon that others can still make the argument that politicians and those who manage vast pension funds have a countervailing and more immediate fiduciary duty than mere moral concerns about climate change. The only duty of the Employee Retirement System, they say, is to extract the maximum possible profit from its retirement portfolio for its beneficiaries.

I don't believe that to be true. Does anyone in this room disagree that if the Board of Trustees were made aware that a company in which the ERS holds stock was engaged in the business of massacring millions of people, they would drop it like a hot potato, no matter how rich its dividend? If so, then the issue is not whether there is a point at which moral obligation supersedes fiduciary duty, the issue is where is that point? At what point does a threat to humanity become real enough to trigger divestment? The answer, our colleagues at UH Manoa are telling us, is that trigger point has already been reached.

Those who refuse to accept that a moral obligation can ever trump a fiduciary one need to address how broadly the trustees are expected to exercise their fiduciary obligation. The consequences of climate change are already starting to inflict heavy financial burdens on society at large. Cities and nations are already looking at the vast cost to adapt to climate change, to harden shorelines, to move infrastructure, to replenish beaches. How many billions did Superstorm Sandy cost New York? How many climate change-induced hurricanes do we need here before the extra profit gained from holding on to fossil fuel investments for a few more years are outweighed by the cost to all taxpayers? And once those costs start to bite, countries will rush to adapt the measures that are needed to halt our carbon dependence. Carbon taxes, fuel efficiency measures, investments in clean alternatives will eventually drive fossil fuel companies into the ground.

Requiring the trustees to divest the ERS from fossil fuel stocks today will be seen as a prescient and astute investment decision tomorrow. I urge you to pass this bill and I thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 1:49 PM
To: EEPtestimony
Cc: jacobt2@hawaii.edu
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM



HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jake Taylor	Individual	Support	No

Comments: Divesting funds from Hawaii's ERS fund would be an act of leadership and conviction in a time when many are complacent in the face of our degrading world. Hawaii by its very nature is a place where caring for the Earth should take mandate over profiteering every time. While it is true that retaining adequate resources to maintain, in this case, the retirements of hardworking citizens of Hawaii, studies have shown that returns on your investments will remain comparable, or even increase with sustainable technology investments. Right now, the cost of obtaining fossil fuels is getting higher and higher, and the amount of energy we receive from the process is declining. Investing in renewable energy as it is now, in its adolescence, will ensure high returns as production costs fall and the amount of energy being returned grows rapidly. We cannot reach our renewable energy goals in this country without taking opportunities like this to show the world we're more than words. This could be a big step in the right direction and I know you'll do the right thing. Thank you for your consideration.

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Cc: jmccay@hotmail.com
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HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
James McCay	Individual	Support	No

Comments: SUPPORT HB1511 Aloha! Thank you to the fine folks who created this timely, awesome and creative bill! I have worked in solar and energy issues for years, and the amount of money wasted in our state for energy (from HECO's imported oil) is crazy. We need to move away from the fossil fuel industry in all ways. It is a dying and dirty industry and most financial analysts are acting accordingly. Support this bill and be proud of what you do. Thank you for your time and serious consideration. Mahalo, James McCay, LEED AP Private, concerned citizen 2957 Kalakaua Ave Honolulu HI 96815

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LATE

February 9, 2015

Re: Support for HB151 Fossil Fuel Divestment

My name is Dr. Joe Mobley. I am a Professor at UH Mānoa. I am a marine mammal researcher and have been studying dolphins and whales of Hawai'i for 35 years. During that time, I've flown the coastlines of all eight major islands hundreds of times, and I've seen the evidence of global warming close up and personal. The effects include the bleaching and death of our coral reef ecosystems, the erosion of coastlines from rising ocean levels and the increasing numbers of major storms, to name a few. To me, there is no issue more pressing and urgent than this. Hawai'i is at the tip of the spear on this issue, we are feeling its effects earlier and more potently than any other state in the US.

Divestment is the most powerful signal we can send to enhance the perceived urgency of this problem. By analogy, when F.W. DeClerk heard that the California state retirement system had divested from S. African holdings, he was quoted as saying, "I knew it was time for apartheid to end." Divestment had similar power with stigmatizing the tobacco industry as well. And make no mistake, global warming, if left unchecked, will kill far more people on this planet than tobacco ever did.

I strongly support the divestment of fossil fuel funds from the Early Retirement System (ERS) of the State of Hawai'i.

Joe Mobley, PhD

Professor

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:10 PM
To: EEPtestimony
Cc: scoleman@surfrider.org
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM



HB1511

Submitted on: 2/9/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

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

Comments: Dear Chair Lee, Vice Chair Lowen and members of the EEP Comm. I am writing in strong support of HB1511. This bill will help protect employees and the general public from the rising costs of climate change and sea level rise by divesting from the companies causing these problems. I am working with a coalition of environmentalists, professors, grassroots activists and akamai economists who helped convince the UH Board of Regents to begin the process of divestment, and we hope to expand those efforts across the state. Thanks for your leadership on this issue and for promoting policies that will help prepare the state for the costs and effects of climate change and sea level rise. Aloha, Stuart Coleman 2121 Algaroba St., #1107 Honolulu, HI 96826

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TESTIMONY IN SUPPORT OF HB1511.txt
TESTIMONY IN SUPPORT OF HB1511

I write in strong support of HB1511. Investing pension money in fossil fuels is risky, counter-productive, and unethical.

Governments are already restricting carbon pollution caused by fossil fuel companies. The EPA's proposed limits for power plants will be finalized this summer. Jay Inslee, Governor of Washington state, has introduced an ambitious cap-and-trade plan for cutting Washington's carbon emissions. It would put a price on greenhouse gases from large industrial plants, cars, trucks, and electric utilities.

As more and more carbon-restrictive legislation passes, fossil fuel stocks will nosedive, because up to 80% of those companies' market values will become "stranded assets"--oil, gas and coal left unburnable and worse than worthless. Hawaii state pensions left in that dying industry are a huge gamble. For example, ERS directly holds \$35.8 million in ConocoPhillips alone.

Numerous studies find the risk of divestment to be inconsequential. HB1511 addresses only direct holdings, so any reinvestment fees are only a one-time cost.

Capital expenditures for renewables are dropping quickly even as production rises; fossil fuel is doing exactly the opposite. Yet of the 200 companies with the world's largest carbon reserves, 75% have no evidence of clean-tech revenues. No major oil company has ever spent enough on alternatives to even meet the SEC's public reporting threshold. Many scientists agree that three-fourths of known carbon must be left in the ground, yet companies like ExxonMobil are saying publicly that governments lack the will to restrict carbon. They are banking on it, quite literally. They are wrong.

Using Hawaii tax dollars to support an industry whose actions are already starting to cause enormous harm to Hawaii is a self-defeating proposition, wasteful and short-sided. Last year the state spent half a million dollars just projecting the costs of climate change to Hawaii. Myriad taxpayer dollars will be needed to repair damaged infrastructure and state property, and more to prevent future damage.

Carbon pollution from every state and country affects us; divesting is one thing we can do to protect both our aina and our taxpayers. I urge your support of HB1511.

Respectfully,
Brodie Lockard
Divest Hawaii

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 6:31 AM
To: EEPtestimony
Cc: lanajbb@aol.com
Subject: Submitted testimony for HB1511 on Feb 10, 2015 08:30AM

HB1511

Submitted on: 2/10/2015

Testimony for EEP on Feb 10, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lana Brodziak	Individual	Support	No

Comments: Please pass HB1511, which I fully support. The time has come when energy costs from utilizing fossil fuels outweigh the benefits. We all knew in 1973, during the OPEC oil embargo, that the time had come to develop renewable sources of energy. More than 40 years later, the time has finally come when it just doesn't make sense, of any kind, to continue to invest in an old and dying industry. Thank you for considering my opinion.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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February 9, 2015

Dear Committee on Energy and Environmental Protection,

There is great potential here for Hawaii to become a model for the rest of the nation.

I am a professor at Western Oregon University and a climate scientist among other things. The facts are clear. The impacts are obvious and scientifically verified. Please lead the rest of us.

Once a state dignifies the reality of a need for sustainability, others will follow. There is no need for California to be the leader. The leader can be Hawaii.

Hawaii is in a unique situation to divest from fossil fuels. It is the one state that can truly be carbon-free and sustainable through a mix of solar, wind, geothermal, and wave energy. The technology is already developed, now all it takes is political will.

Regarding investments, it is obvious that Coal is a poor investment (see Stanford University Divestment). It is also a risky investment in oil and natural gas (see current market trends).

The public retirement fund must provide a low volatility, low risk, predictable outcome for its employees.

Please support HB 1511 in the name of our workers, our children's future, the catalyst for our country.

Sincerely,

Mark M. Van Steeter, Ph.D. Associate Professor, Physical Geography, Western Oregon University

Date: February 09, 2015

To: Representative Chris Lee, Chair
Representative Nicole E. Lowen, Vice Chair
Committee on Energy & Environmental Protection

From: Mike Golojuch, Sr. Retiree

Subject: Strongly Oppose for HB1511

As the member of the ERS and prior Administrator for the City and County of Honolulu Deferred Compensation Plan, I strongly oppose HB1511. From an environmental point of view it sounds great idea to get rid of fossil fuel companies. From a financial standpoint that benefits the ERS investments and its members, this is a bad bill.

It is great to have viable socially responsible funds as part of the portfolio. It is not correct to tie the hand of the trustees. Should you want to pass this bill you need to change Section 4 to add the State legislators as fiduciaries to the ERS plan so they can be held responsible for losses to the Plan.