



To: Joint Committee on Labor and Housing

From: Anna Siegel, Maine Youth for Climate Justice

Date: February 3, 2021

Re: Testimony in support of L.D. 99 **An Act to Require the State to Divest Itself of Assets in the Fossil Fuel Industry**

Senator Rafferty, Representative Sylvester, and Members of the Joint Committee on Labor and Housing. My name is Anna Siegel, and I proudly speak as a representative for Maine Youth for Climate Justice (MYCJ), a coalition of over 300 youth from across the state who are fighting for bold climate action and a just transition to a livable future in Maine. At the core of our work is climate justice; we acknowledge that the climate crisis is rooted in systemic failures and forms of oppression, and disproportionately affects marginalized communities. We also understand that to tackle a broad issue such as the climate crisis, it must be dealt with comprehensively. Such a comprehensive response includes financial solutions, making L.D. 99 an important step forward.

Fossil fuels are not a safe investment. As we transition to 100% clean energy and begin leaving coal, oil and gas in the ground most of their value will be lost. There is tremendous momentum behind fossil fuel divestment as a tool for climate action as fossil fuels have become increasingly unstable and volatile investments. The industry is in financial trouble. Now is the time to start the wholesale transition to green energy. The primary duty of the Maine Public Employee Retirement System (MainePERS) is to ensure that the pension fund is well-funded and protected from large and unnecessary risk. These fossil fuel companies are exactly the kind of risk that they are mandated to minimize. The bottom line is that fossil fuels are not a safe investment for Maine, not safe for future generations, and not safe for the public employees relying upon this pension fund to support them as they age.

In the place of these investments, MainePERS could explore options that would simultaneously maximize returns and benefit for retirees, the people of Maine, and the planet overall. Money

invested in the fossil fuel industry could be reinvested into climate solutions for Maine. These funds can provide hundreds of millions of dollars in investment for clean energy in our state, supporting and fast-tracking the goals of the Maine Climate Council. This could be done through a statewide Maine Clean Energy and Sustainability Accelerator, similar to the Connecticut Green Bank.

The climate crisis will touch every aspect of our society, and policy solutions will be key to effective and just mitigation, adaptation, and transition. L.D. 99 will be critical in all aspects of a successful course of climate action. There are three core aspects of this bill that motivate our support:

1. L.D. 99 mandates that divestment must be complete by 2026. This timeline reflects the urgency that scientists warn is needed to mitigate the climate crisis.
2. Interim goals are set within L.D. 99 to ensure accountability and continue a thoughtful and measured divestment approach.
3. Pensioners deserve better out of their retirement funds than investment in companies that actively damage the ground on which we walk, the water we drink, and the air we breathe.
 - a. Members of Maine PERS who are educators and folks working for the public shouldn't have to be part of a pension fund that is complicit in the climate crisis.

The Maine Climate Council, in their recent 2020 report titled *Maine Won't Wait*, wrote: "Climate action requires leveraging a variety of funding sources and innovative financing mechanisms to support sector-level transformations and the ability of Maine lenders to make crucial long-term investments in climate-focused projects and initiatives." The millions of dollars that would come from the state divesting from fossil fuel companies is exactly the type of "innovative financing mechanism" that the Council recommends, freeing up capital for reinvestment into "climate-focused projects and initiatives." In this way, L.D. 99 can fund a just and equitable future for all.

For the above reasons, our coalition, Maine Youth for Climate Justice, urges you to vote ought-to-pass on L.D. 99.