

Fact Sheet: Washington Coal Act, SB 5439

Sponsored by Washington State Senator Noel Frame at noel.frame@leg.wa.gov

1. The Washington Coal Act directs the Washington State Investment Board (WSIB) to stop investing in coal. Coal is a public health disaster. No matter where on earth coal is burned, it makes climate-driven fires and floods worse for all Washingtonians.

2. WSIB oversees about \$200 Billion in state Treasury funds. It is the sixth largest public pension fund in the U.S.

3. \$2.6 Billion of WSIB's portfolio was invested in coal in 2022 (about 1.3% of their \$200 Billion fund) — but WSIB claimed their coal investments totaled only \$114 Million in 2022.

4. Other West Coast pension funds profited from phasing out coal:

- **California gained an estimated \$598 Million** as of 2022, after removing coal from its CalPERS portfolio in 2015.
 - **Oregon lost \$340 Million** over 10 years due to their coal investments, according to an analysis by Divest Oregon. The Oregon State Legislature passed a law in 2024 directing the Oregon pension fund to phase out its coal holdings.
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5. The State of Washington is a climate leader.

- All Washington State electric utilities will stop burning coal to generate electricity by 2025 as stipulated in the 2019 Clean Energy Transformation Act (CETA).
 - The last remaining coal plant in Washington State closes by the end of 2025.
 - **Why is WSIB, a Washington State agency, still investing in coal?**
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Supported by organizations and pension fund beneficiaries across the state:

- *Divest Washington*
- *Third Act Washington*
- *PSARA, Puget Sound Advocates for Retirement Action*
- *350 Seattle*
- *350 Wenatchee*
- *350 Yakima*
- *Sierra Club Washington*
- *Physicians for Social Responsibility*
- *Stop the Money Pipeline*
- *Climate Safe Pension Network*
- *UW Institutional Climate Action*
- *Lower Columbia Stewardship Committee*
- *Cascadia Climate Action Now*
- *Olympia Green Faith*
- *Olympia Unitarian Universalist Congregation*
- *Washington Conservation Action*

Pension Board statements hide coal investments

UNDERSTATING COAL INVESTMENTS

WSIB claimed their coal investments totaled **\$114 Million** in 2022 (2023 Sustainability report).

OUR RESPONSE: WSIB has identified only a small fraction of their coal investments. According to the **Global Coal Exit List**, WSIB had **\$2.6 Billion** invested in coal in 2022. The internationally recognized Coal Exit List is used by large investors to exclude coal companies from their portfolios. **The Coal Exit List identifies 90% of global thermal coal.**

TRANSPARENCY AND ACCOUNTABILITY

WSIB's Climate Blueprint allows them to invest in **NTPC, a company in India with large coal holdings and renewables.**

OUR RESPONSE: In terms of coal burning capacity, **NTPC is equivalent to 92 Centralia TransAlta coal plants** (2024). NTPC is currently **expanding** its coal burning capacity by about 11 Centralia TransAlta coal plants. No matter how much renewable energy NTPC buys, they are still burning **huge and increasing amounts of coal.**

NTPC is only one of the Global Coal Exit List companies WSIB is invested in. Some of the world's largest coal players are **diversified companies where coal is hidden in a relatively small percentage of their revenue**, but this doesn't make that coal any less harmful.

By using the Global Coal Exit List, the WSIB would enable legislators and beneficiaries to see the coal in their holdings, and track their progress in removing it.

ENGAGEMENT VS DIVESTMENT

WSIB: Engagement (such as proxy voting) is more effective than divestment from fossil fuels or coal.

OUR RESPONSE: [WSIB was rated D+ and F for their climate proxy voting](#), by Sierra Club/STAND.Earth.

"...engagement is likely to assist Big Oil and Big Coal in postponing the day when governments limit the burning of fossil fuels."

— former SEC Commissioner Bevis Longstreth

FIDUCIARY DUTY

WSIB: Excluding fossil fuel or coal investments would deprive the WSIB of opportunities to diversify the portfolio and to maximize returns which is our fiduciary duty.

OUR RESPONSE: This bill does not conflict with the WSIB's fiduciary duty. The WSIB's estimated \$2.6 Billion in coal make up only about **1.3%** of the **\$200 Billion** fund. **The experience of other West Coast pension funds suggests there are better investment opportunities than coal.**