Remarks by Oregon Treasurer Ted Wheeler
OWET Ocean Renewable Energy Conference 2014
September 25, 2014

Hello. It is a pleasure to be here in Portland during what is now “Ocean Renewable Energy Week.”

Thank you to the Oregon Wave Energy Trust and the Northwest National Marine Renewable Energy Center for having me here to discuss one of the most fascinating transitions in human history – the move away from energy produced by burning fossil fuels to a future based on clean, renewable energy.

As State Treasurer, I have a front row seat to the creation of new technologies to capture and distribute the abundant energy produced by nature, and to the development of profitable investments in that technology. What’s more… sometimes that front row seat is in fact the driver’s seat.

I’m often asked how I can use the tools of my elected office to best address global climate change. I think some are surprised by how much a State Treasurer from a relatively small state can do.

As State Treasurer, I am a fiduciary of an $88 billion portfolio. Oregon ranks among the top performing global investors thanks to our innovation and discipline. Due the hard work of our investment team, our largest fund, the Oregon Public Employees Retirement Fund, had among the highest returns in the nation in 2013.

This gives us some clout, and we are already using it to lead, to reinvest, and to find new investments in ways that can make a real difference.

- We exercise strong leadership as an active shareholder to press companies to make smarter and cleaner choices.
- We actively support regulations to boost transparency of carbon risk that will help the renewable energy market evolve.
- We leverage our investments to accelerate the transition toward cleaner sources of energy.

What does that look like in practice? Let me give you a few examples:

So far the major actions we’ve taken have to do with convening: getting the right people in the right room at the same time.

This spring, the Oregon Investment Council convened a panel of national experts to outline ways that we can potentially integrate environmental, social, and governance standards into every investment we make. I am personally committed to this kind of leadership. In fact, next month we will give PERS participants an ESG option in their deferred compensation plans so that they can choose to invest their money in a way that is socially responsible.

I recently co-convened a United Nations summit which brought together some of the nation’s top institutional investors to discuss ways we can work together to responsibly invest public funds into wind, solar, and geothermal energy.

I signed the Climate Declaration, along with Oregon employers like Nike, Intel, and the Trailblazers, to highlight the imperative to reduce emissions.
I have a vote on the Oregon Investment Council, and I will use it to vote NO on any pure coal plays brought before the Oregon Investment Council. Any investment that is all about coal is a bad investment. Instead, I want to find profitable and responsible investment options in renewables and believe there are opportunities to invest in renewables that meet the high standards we have for all of our investments.

To that end, this summer I brought together thought leaders from government, academia, and business at a summit in Portland that focused on the opportunities and challenges for institutional investors looking to get into the clean energy sector.

I left more optimistic than ever that there are opportunities to invest in renewables that are right for Oregon. Immediately following the summit, I convened our investment staff and asked them to help put together a plan. **In the final two years of my term as Treasurer I want to double the state’s investment in renewable energy.** And that’s just a floor. I hope we can do more. This isn’t just good for our environment; it’s good for our portfolio.

I think wave energy has the potential to play a vital role in the renewables mix. For a state like Oregon, it is a particularly attractive option.

- First, we are a coastal state. Our proximity to the ocean, as well as the particular features of our coastline, makes us an ideal location to deploy new technologies.

- Second, we have a strong manufacturing base. Companies like Oregon Iron Works and Vigor specialize in building big things out of metal, which happens to be an essential component of wave energy technology.

- Third, we have a grid. Our state’s once-thriving forest industry was instrumental in developing a system of transmission lines and substations stretching far and wide. That infrastructure will have to be replaced over the next 50 years. With the basic elements already in place, we can rebuild the grid around clean energy uses.

Throughout our history, Oregon’s economy has been based around two things: natural resources and manufacturing. We have weathered the ups and downs of these sectors. Over the past couple decades, it seems like there have been far more downs. Many good manufacturing jobs left the country. The timber economy is reeling.

**Renewable energy and the production of technologies necessary to harness it offers hope that Oregon can once again thrive as an economy that manufactures high-demand products and takes advantage of our abundant natural resources.**

As such, ocean renewable energy has the potential to be a big “win” for our state: a win for jobs, and a win for our energy future.

But to achieve that potential, we will have to fully understand the risks associated with wave energy. As hosts of the Northwest National Marine Renewable Energy Center, Oregon State University is a key partner in that work. NNMREC’s job is to facilitate marine energy development by bringing science to
bear on the technical, environmental, and social dimensions of these ocean energy technologies. Their work will inform regulatory and policy decisions, and close key gaps in scientific understanding.

They are on the cusp of some very exciting things. The Pacific Marine Energy Center is set to add a new test site in 2016. Known as the South Energy Test Site, this will be the NNMREC facility where developers can test devices in the ocean with a connection to the electric utility grid via a subsea cable. The South Energy Test Site will serve as the utility-scale wave energy test facility for the US.

The location of the South Energy Test Site – in Newport, OR – was chosen in collaboration with the local fishing industry. It will not impede shipping lanes and environmental impacts were taken into consideration.

One of the companies that plans to utilize the test facility is Columbia Power, an exciting Oregon-based technology company that is leading the way in wave energy. Oregon is proud to invest in Columbia Power through the Oregon Angel Fund.

Another company at the forefront of developing wave energy technologies is M3 Wave. They hardly need an introduction here… their device is on display outside this conference. They just successfully tested the device at a depth of 50 feet in the ocean approximately one mile off the coast of Camp Rilea near Astoria.

This is truly an historic time for renewable energy and for Oregon as well. I would be remiss if I didn’t temper our excitement just a bit. There is a lot of work to do to get us where we need to go. In Oregon we know all too well that innovation means little without execution. Questions of scalability, profitability, and regulation loom large. They must be answered.

Luckily we are here this week in Portland, OR to face down these challenges and craft solutions. We have – collected in this room – some of the foremost thinkers and doers in renewable energy: regulators and policymakers from Oregon, from all corners of the United States, and across the globe. I applaud you for your work and urge you to help us chart a path forward.

Thank you.