

Oregon Investment Council January 24, 2024 Public Comment

Good afternoon madam chair and board,

The undersigned organizations and individuals have come together to present comments regarding OIC's investment in the proposed Rio Grande Liquefied Natural Gas (LNG) terminal via its fund commitment to private equity firm Global Infrastructure Partners (GIP).

Last year, OIC invested [\\$350 million into Global Infrastructure Partners' Fund V](#). [Global Infrastructure Partners Fund V](#) is an investor in the proposed [Rio Grande LNG](#) through Global Infrastructure Partner's \$3.5 billion investment, making the firm the largest investor with a [minimum 46% ownership stake](#) in the project. This comes after French bank Société Générale [pulled](#) support for the project in 2022. GIP's Rio Grande LNG project is among several proposed LNG terminals that have been "repeatedly delayed due to rising construction, labor and borrowing costs" and volatile gas prices, [according to Reuters](#).

There has been significant community and legal opposition to this project for the last eight years. If built, the Rio Grande LNG terminal is estimated to emit the equivalent [emissions of 44 coal power plants every year](#), about 163 million tons of carbon dioxide equivalent.

The [Rio Grande LNG terminal would be built on](#) the sacred land of the Carrizo Comecrudo Tribe of Texas. Additionally, [the facilities would significantly degrade](#) local fishing, shrimping and natural tourism industries putting communities' livelihoods at risk.

LNG is often lauded as a cleaner alternative to coal or other fossil fuels, but according to a [study recently submitted to a](#) peer-reviewed journal by a professor at Cornell University, LNG fuels may in fact be worse for the environment and emit more greenhouse gasses than coal due to leakage during the transportation process.

Due to these risks, communities across South Texas have opposed Rio Grande LNG. The city of [Port Isabel filed a lawsuit](#) against the Federal Energy Regulatory Agency (FERC), alleging the agency had not conducted a sufficient environmental review. The [Laguna Vista Town Council, the South Padre Island City Council](#), and Long Island Village unanimously adopted resolutions opposing the Rio Grande LNG terminal. The Point Isabel School District that represents these communities [rejected a tax abatement offer](#) from Rio Grande LNG. Communities across South Texas are building momentum in their fight against the Rio Grande LNG terminal and will only continue to fight.

PRIVATE EQUITY
STAKEHOLDER
PROJECT

LNG may not be in alignment with the 1.5 degree warming targets of the Paris Agreement and thus poses a financial risk to institutional investors such as the OIC. Recent [studies](#) expect global equity returns to decline by 50% by 2060 if financial funds do not align with Paris Agreement goals.

Future global demand for LNG is also highly uncertain. The IEA forecast that demand for gas, oil and coal will all peak before 2030, and has noted that demand for gas growth has slowed considerably, leading to concerns about a [“glut of LNG.”](#) Sinking millions of dollars into massive gas infrastructure exposes OIC to [financial and environmental risks](#).

To address the financial, social, and ecological risks of the Rio Grande LNG terminal, we urge the OIC to join our calls to halt the construction of the Rio Grande LNG terminal in Brownsville Texas.

Thank you,

Private Equity Stakeholder Project
Juan Mancias, Tribal Chairman of the Carrizo/Comecrudo Tribe of Texas
Patricia Rubio, Another Gulf Is Possible Collaborative
Christopher Basaldú, PhD, South Texas Environmental Justice Network
Rebekah Hinojosa, South Texas Environmental Justice Network