THE PETROLEUM ALLIANCE OF OKLAHOMA

June 16, 2022

Submitted electronically via:
https://www.sec.gov/rules/submitcomments.htm
rule-comments@sec.gov

The Honorable Gary Gensler, Chair
Securities and Exchange Commission
100 F Street NE, Washington, DC 20549-1090

Subject: File Number S7-10-22, Securities and Exchange Commission's Proposed Rule - The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Mr. Gensler:

The Petroleum Alliance of Oklahoma (The Alliance) appreciates the opportunity to submit comments to the Securities and Exchange Commission (SEC) regarding, The Enhancement and Standardization of Climate-Related Disclosures for Investors, File Number S7-10-22 (Proposed Rule).

The Petroleum Alliance of Oklahoma represents more than 1,300 individuals and member companies and their tens of thousands of employees in the upstream, midstream, and downstream sectors and ventures ranging from small, family-owned businesses to large, publicly traded corporations. Our members produce, transport, process and refine the bulk of Oklahoma's crude oil and natural gas.

The Alliance's members will be directly and indirectly impacted by SEC's Proposed Rule. We have significant concerns the Proposed Rule will target and burden public and private, large and small, oil and natural gas companies unnecessarily, and we are not alone in this concern.[1] In addition, we have concerns with the use of disclosure frameworks outside the SEC's control, the level of detail being requested, the complexity and uncertainty of information being required, the effective dates and compliance time frames, the potential for increased liability and litigation, and a host of other issues discussed below. If the SEC proceeds with the rule despite such concerns, we provide the following comments and recommendations for your consideration.

1. SEC must clarify "material" investors requesting climate-related disclosures.

SEC states the Proposed Rule is a result of investor demand and the need to protect and better inform investors. We are concerned the investors referenced in the Proposed Rule are not average American investors (e.g., working families and retirees) but are entities with a bias against oil and gas companies that are using SEC to advance their climate agenda. In addition, there is significant

[1] Senator Joe Manchin III, letter to Chairman Gary Gensler, April 4, 2022; Joint Governor's Comments on SEC Release Nos. 3311042 & 34-94478, May 31, 2022.

concern with large financial investing firms and their policies against oil and gas companies as well.[2] According to Global Fossil Fuel Divestment Commitments Database, investments in energy firms have been denied $40.4 trillion dollars worldwide.[3] This is not an insignificant issue. It is SEC's responsibility to develop the rule in a fair and balanced approach and in a transparent manner. We request SEC provide detailed information on these "material" investors requesting climate-related disclosure, who they represent, any conflicts of interest they may have, whether they are domestic or foreign, and any other pertinent information.

2. SEC must better clarify its authority for the Proposed Rule.

SEC states it has broad authority to promulgate disclosure requirements that are "necessary or appropriate in the public interest or for the protection of investors; however, SEC's Proposed Rule does not originate from any authority provided by Congress to address Environmental, Social and Governance (ESG) issues, greenhouse gas (GHG) emissions nor pursue the Proposed Rule on climate-related disclosures.[4] Many members of Congress have stated that the Proposed Rule far exceeds SEC's authority (see the letters from Senator Manchin, various Senators, and House members). Scholars with the Mercatus Center at George Mason University have expressed significant legal concerns with SEC's authority.[5] It is unclear to our members what authority SEC is relying on. As such, we request SEC provide additional detailed information on where it obtains its authority for the Proposed Rule.

3. SEC should consider, at a minimum, deferring its Proposed Rule considering current economic conditions.

The timing of SEC's Proposed Rule is inappropriate considering the current challenges the U.S. is facing. For example, economy-wide inflation is the highest (8.6 percent[6]) in over 40 years and there is significant volatility in the stock market that impacts investors. The S&P 500 is down nearly 19 percent from an all-time high in early January—but when intraday prices are considered, the index slumped almost 21 percent.[7] It fell nearly 4 percent on June 13 alone. Meanwhile, the Dow Jones Industrial Average is in its longest downdraft in nearly a century.[8] In addition, energy is a critical component of every business and service provided in our economy as well as foundational to every American's quality of life.[9] As energy costs rise, its impact is felt throughout society.[10] Our members, like many businesses, are experiencing continued supply chain and workforce issues. As businesses experience increased costs, these increases must often be passed onto consumers, while many Americans are forced to decide between various necessities of life,

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[2] Politico, Wall Street firms face W.Va. boycott over alleged fossil fuel bias, website, June 14, 2022.
[3] Global Fossil Fuel Divestment Commitments Database, website, June 15, 2022.
[4] U.S. Senate Letter to Gary Gensler, Chair, Securities and Exchange Commission, April 5, 2022.
[5] Mercatus Center at George Mason University, Policy Brief, Does the SEC Have Legal Authority to Adopt Climate-Change Disclosure Rules?, Andrew N. Vollmer, August 2021.
[6] U.S. Bureau of Labor Statistics, Economic News Release, Consumer Price Index Summary, website, June 10, 2022.
[7] Forbes Advisor, June Stock Market Outlook, website, June 6,2022.
[8] Id.
[9] SFOF letter to President Biden, April 5, 2022.
[10] Id.

simply to keep the lights on and their vehicles powered.[11] Many states have made a request to President Biden to cease federal efforts to impose excessive regulations that increase American's energy costs.[12] We think additional, complex regulation at this time will impose unnecessary financial burdens on our members (both public and private companies), would needlessly push capital away from domestic oil and natural gas producers at a time when energy prices and everyday services for consumers are skyrocketing, and will only heighten the ongoing challenges average Americans are experiencing.[13] We request the SEC defer its Proposed Rule.

4. SEC should consider other approaches for material climate-related disclosures.

We understand that certain disclosure requirements are material and are within SEC's purview, and existing securities regulations already require companies to disclose material risks **irrespective** of the source of the risk, through annual and periodic reporting[14]; however, the Proposed Rule far exceeds the boundaries of what is necessary or appropriate for reporting and needed by the investors. There is no reasonable correlation between what SEC has previously defined as material, requiring disclosure, and the excessive requirements in the Proposed Rule that dictate to companies what is material.[15] For example, the Proposed Rule:

- Requires mandatory filing of information that is based on subjective predictions, assumptions, and judgements in the short-, medium-, and long-term (instead of objective data) leading a company, board of directors, and management to question what is adequate. This may subject companies to unlimited and unnecessary liability and litigation.
- Requires disclosure of the companies most recently completed fiscal year and for the corresponding historical fiscal years included in the registrant's consolidated financial statement filings. The Proposed Rule requires complex and detailed information and associated line-item financial information that many companies have not tracked or tracked to the specificity of SEC's Proposed Rule. It will be challenging enough for companies to gather the required information going forward, but it will be significantly burdensome to collect historical information that was not tracked and that will provide only minimal benefits to the investors going forward.
- Requires Scope 1 and 2 emission attestations/audits and phase-in/transition periods that are not reasonable or appropriate to allow a company enough time to plan and budget for such efforts, obtain the specificity of information required, install or upgrade emissions monitoring equipment/systems, data management systems or to find available service providers to conduct audits. The infrastructure for compliance as envisioned in the Proposed Rule does not currently exist and will be costly and time consuming to create.
- Requires Scope 3 emissions from third parties that may be private companies, not owned nor controlled by the public company, which will be difficult, if not impossible, to obtain accurate, defensible or consistent information, especially if the third party is a foreign-based company.

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[11] Id.
[12] The State of Montana, et. al, letter to President Biden, April 18, 2022.
[13] SFOF letter, April 5, 2022.
[14] U.S. Senate Letter, April 5, 2022
[15] SEC, Fact Sheet, Enhancement and Standardization of Climate-Related Disclosures, website information, March 21, 2022.

- Would require, in some instances, a company to include a description of the physical risks and the location of the property, process or operation subject to those physical risks – possibly down to the ZIP code of the location. The Alliance's members are investors as well, and they question the need for such granular information and whether it is useful to the investors or just activist investors for purposes not within the purview of the SEC.
- Would raise public companies cost to comply from $3.9 billion to $10.2 billion dollars – taking funds away from a company's priorities and operations as well as voluntary climate-related efforts. Additionally, it does not address the cost impacts to private companies that will be indirectly impacted. This will negatively impact investors.

We urge the SEC to rethink its Proposed Rule and consider a different approach to obtain the material climate-related information needed to better inform investors. For example:

- SEC's climate-related disclosure efforts should begin with the use of the same emission information a company reports to the Environmental Protection Agency's (EPA's) Greenhouse Gas Reporting Program (GHGRP) (discussed in more detail below), and SEC should consider a disclosure schedule similar to EPA's GHGRP.
- SEC should allow companies to furnish (not file) the information being requested as the data under the Proposed Rule requires assumptions and speculation (not objective data) regarding climate-related risks over the short-, medium-, and long-term. In addition, the methodologies and technologies used to estimate, monitor and measure GHG emissions are being refined and are evolving.
- SEC should consider phasing in the types and specificity of information needed over a reasonable time frame (e.g., 5-7 years) allowing companies to budget and plan to obtain new or upgrade existing methane emission data collection equipment and/or systems, to upgrade or obtain new electronic systems to comprehensively manage emission data and information throughout the company, hire knowledgeable personnel, etc. A graduated phase-in time frame would also allow SEC to develop its own internal program, evaluate how each phase of implementation is working, and refine or change the process as needed.
- SEC should consider a reporting format (preferably a one-pager) that is simple and easy to understand by an investor of any knowledge level that will provide consistent information without unnecessarily burdening companies with the collection of new or different types of information. This would benefit all investors, public companies, and SEC. It would avoid significant financial burdens and efforts on companies, avoid overwhelming investors with unnecessary or useless granular information, and help SEC manage the program.
- The Proposed Rule is estimated to increase costs on public companies from $3.9 billion to $10.2 billion dollars. We request SEC better clarify how the Proposed Rule is cost effective and we request SEC address the cost impacts to private companies.
- Finally, if SEC proceeds with its Proposed Rule, we request SEC explain its departure from how it has historically interpreted and implemented its definition of materiality in comparison with how it is directing disclosure in the Proposed Rule, and how Scope 3 emissions are material to investors.

5. SEC should revise its Proposed Rule to incentivize and/or maximize the oil and gas industry's ability to advance technology and innovative solutions to address climate-related issues.

The oil and gas industry has a long history of developing technologies and employing innovative solutions. For example, the use of horizontal drilling and hydraulic fracturing in unconventional formations created an energy renaissance significantly increasing oil and natural gas production. This allowed the U.S. to become a net energy exporter in 2019 for the first time since 1952.[16] Our members have and will continue to play a role in delivering meaningful GHG emission reductions and improving efficiencies through innovative solutions and breakthrough technologies while meeting the energy demands of today and the future. Our members are voluntarily spending billions of dollars on renewables, carbon capture and sequestration and other similar climate-related projects. The U.S. has become a global leader in GHG reductions with the use of natural gas in reducing the power sector's emissions.[17] We encourage the SEC to re-think its Proposed Rule and consider ways to incentivize, advance and/or maximize the use of the oil and natural gas industry's technology and innovative abilities to address climate-related issues instead of implementing onerous and financially burdensome disclosure requirements that would remove billions of dollars from companies' beneficial climate-related efforts.

6. SEC should convene a Small Business Advocacy Review Panel.

SEC requests comments on whether the Proposed Rule would be a "major rule" for purposes of the Small Business Regulatory Enforcement Fairness Act (SBREFA). The unintended consequences of SEC's Proposed Rule will place undue financial hardships on thousands of small private companies that provide services, equipment, and supplies to public companies that SEC's Proposed Rule targets.[18] Additionally, the Proposed Rule does not address the financial hardships on private oil and gas companies operating wells/facilities where public oil and gas companies own a fractional interest.[19] Small private companies don't track the information that public companies will be requesting regarding Scope 3 emissions. Furthermore, small businesses that don't provide the public company the requested information are concerned they may not be considered for future work. Small businesses are being disproportionately impacted by current events (e.g., labor shortages and supply chain issues)[20], and the cost impacts of any additional regulatory requirement (direct or indirect) to small private companies will be significant. The Proposed Rule requires a SBREFA review, and SEC should notify OMB of this issue. We request SEC consult with the Small Business Administration's Office of Advocacy and convene a Small Business Advocacy Review Panel to analyze the impacts of the Proposed Rule on small private companies.

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[16] U.S. Energy Information Administration (EIA), U.S. Energy Facts Explained, website, June 3, 2022.

[17] EIA, U.S. Energy Related Carbon Dioxide Emission, 2019, September 30, 2020.

[18] U.S. Small Business Administration Office of Advocacy (SBA), 2021 Small Business Profile, Oklahoma, website, August 30, 2021.

[19] Private oil and gas companies operate a significant number of marginal oil and natural gas wells that are on the edge of economic viability. The cost impacts of any additional regulatory requirement (direct or indirect) to small private companies operating these types of wells must be considered. For more information on marginal wells, see the Interstate Oil and Gas Compact Commission's website.

[20] SBA, COVID-19 impacts on small businesses, website, June 14, 2022.

7. **SEC should revise the Proposed Rule to require objective material data that will meet the goal of providing consistent, comparable, and reliable information for investors.**

SEC states that the disclosure of climate-related information will provide consistent, comparable, and reliable information that will enable investors to make informed judgments about the impact of climate-related risks on current and potential investments. However, the Proposed Rule requires businesses to make numerous assumptions, predictions, and judgements regarding climate-related impacts on their business and operations in the short-, medium-, and long-term, e.g., financial estimates and assumptions regarding impacts of severe weather events and other natural conditions, and financial estimates and assumptions regarding transition activities. Businesses, even in the same industrial sector, have diverse business models and will have equally diverse assumptions and predictions on the climate-related impacts and the risks they face. An assumption or prediction can rapidly change with new science and data. It is unclear how SEC's Proposed Rule will provide any consistency or comparability of information based on subjective judgements. We request SEC reconsider its Proposed Rule and remove subjective information that will provide no benefit to investors.

8. **SEC must explain how it will implement the Proposed Rule effectively and efficiently in a transparent, consistent, and unbiased manner.**

The SEC has proposed an extremely complex disclosure rule. Equally important to the investors and companies is SEC's management of the Proposed Rule once finalized. It is unclear if SEC has the financial resources and staff to manage the Proposed Rule effectively and efficiently in addition to all its current programs and efforts. Also, it is unclear how SEC will manage the Proposed rule in a transparent, consistent, and unbiased manner. We request SEC explain in detail how it plans to accomplish this task.

9. **SEC must revise the Proposed Rule to provide investors an accurate view of oil and natural gas companies.**

The Proposed Rule requires a complex set of information and data that will provide investors a distorted view of oil and natural gas companies. It does not include the many benefits that crude oil and natural gas companies provide, and as such, may bias investors' decisions, undervalue companies and/or divert capital away from the oil and natural gas companies. The Proposed Rule must ensure that the many benefits of the oil and natural gas industry are made available to all investors. For example, such information may include:

- Oil and natural gas companies play an indispensable role in providing products that improve human health and welfare, power the global economy, make modern life possible and provide energy security,[21]
- Oil and natural gas companies play a significant role in state economies[22], contribute to state and local taxes, and royalties that pay for schools, universities, roads, and various

[21] American Fuels and Petrochemical Manufacturers, website information on May 5, 2022, and U.S. Department of Energy, Office of Oil & Natural Gas, U.S. Oil and Natural Gas: Providing Energy Security and Supporting our Quality of Life, September 2020.
[22] State of West Virginia et. al. letter to the U.S. Banking Industry, November 22, 2021.

essential services, provide good paying direct and indirect jobs, and improve the communities they work and reside in,[23]

- The use of clean-burning natural gas for electric power generation has enabled the U.S. to become the global leader in greenhouse gas emissions reductions and,[24]
- Oil and natural gas companies developing U.S. resources have and will continue to provide our allies and the world affordable, reliable natural gas and crude oil an environmentally responsible manner.[25]

10. SEC should not base its Proposed Rule on disclosure frameworks that are not developed in accordance with U.S. laws or managed by U.S. regulatory agencies.

The Proposed Rule is based on The Task Force on Climate-Related Financial Disclosures (TCFD) and the GHG Protocol – both not developed or managed by U.S. regulatory agencies nor do they have to comply with any U.S. Federal Government laws such as the Administrative Procedures Act.[26] There is no regulatory process that provides for notice and input on potential changes to these frameworks. ESG frameworks, including the TCFD and GHG Protocol frameworks, are rapidly evolving and those frameworks will continue to change. In addition, both the TCFD and GHG Protocol frameworks don't incorporate the benefits of oil and gas industry and therefore don't accurately reflect or depict a comprehensive view of what investors need to know about oil and gas companies when making investment decisions. SEC must explain in its Proposed Rule how it plans to manage these everchanging frameworks and requirements that will impact the information being gathered and reported by companies and provided to investors.

11. SEC should seek ways to minimize impacts to companies by aligning its Proposed Rule with the EPA's GHGRP Rule.

EPA's Congressional authority for the GHGRP comes from the Clean Air Act and the Congress.[27] As previously stated, SEC has no such authority from Congress on ESG issues, GHG emissions or to require the reporting of GHG emission data. EPA's GHGRP requires reporting of GHG data from certain large emission sources and suppliers across a range of industry sectors on an annual basis. The GHGRP collects GHG data from 41 source categories covering more than 8,000 direct emitters and suppliers of GHGs and has published eleven years of data from most source categories. In addition, EPA has an established electronic reporting system where information can be uploaded and updated. According to EPA, 85%-90% of annual man-made U.S. GHG emissions have been reported under the program.[28] EPA has the expertise and is better suited to address GHG emissions. SEC should not complicate or confuse the issue with its own reporting

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[23] Oklahoma Energy Resources Board, Oklahoma's Oil and Gas Economy, January 2022; Texas Oil & Gas Association, Texas Oil and Natural Gas Industry, Annual Energy & Economic Impact Report 2021, January 11, 2022, American Petroleum Institute, Impacts of the Oil and Natural Gas Industry on the US Economy in 2019, July 2021.

[24] IEA, Global CO2 Emissions in 2019, February 2020; U.S. Energy-Related Carbon Dioxide Emissions, 2019, U.S. Energy Information Administration (EIA), September 2020.

[25] Bloomberg, U.S. Monthly Oil Shipments to Europe Climb to Highest Since 2016, website as of June 2, 2022.

[26] The Enhancement and Standardization of Climate-Related Disclosures for Investors, 87 Fed. Reg., April 2022.

[27] Consolidated Appropriations Act, 2008, Public Law 110–161, 121 Stat. 1844, 2128.

[28] Congressional Research Service, EPA's Greenhouse Gas Reporting Program, updated November 16,2021.

information that will not align with EPA's information. As previously stated, SEC's Proposed Rule aligns its climate-related disclosure reporting requirements with third party, non-U.S. Government organizations and their ESG frameworks that are not required to follow U.S. laws (e.g., the Administrative Procedures Act). Requiring competing information that is not aligned with EPA's data will only make it more complex for investors to understand and reconcile with EPA's GHGRP emissions data. SEC's Proposed Rule will unnecessarily financially burden companies to deploy, maintain and report competing information to EPA and SEC. We urge SEC defer to EPA or utilize EPA's GHGRP data to avoid placing additional financial burdens and requirements on companies and it will avoid creating conflicts and confusion for the investors.

12. SEC should better clarify its disclosure threshold.

SEC's Proposed Rule includes a disclosure threshold of 1 percent (i.e., reporting is required if the sum of the absolute values of all the impacts on the line item is one percent or more of the total line item for the relevant fiscal year). SEC references the use of the 1 percent threshold in other areas of disclosure but does not relate how this would be appropriate or material for climate-related disclosures. We request SEC remove this requirement or it must explain in detail why it is appropriate and material for the Proposed Rule. As an alternative, SEC should consider disclosures from public companies subject to EPA's GHGRP.

13. The Proposed Rule must consider future energy needs.

The U.S. Energy Information Administration (EIA) collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment. EIA's role is unique — by providing an unbiased view of energy markets, EIA increases transparency and promotes public understanding of important energy issues. The most recent Annual Energy Outlook 2022 shows that crude oil and natural gas will remain the most-consumed sources of energy in the U.S. through 2050 (Annual Energy Outlook 2022)[29]. Energy consumption increases through 2050 as population and economic growth outweighs efficiency gains, and U.S. production of natural gas, petroleum and other liquids rises amid growing demand for exports and industrial uses elsewhere in the world.[30] Regardless of SEC's rule, energy demand will continue to be a significant issue in the U.S. and around the world, and crude oil and natural gas will be produced somewhere in the world to meet this demand. In light of this information, the SEC must explain how the Proposed Rule will avoid negatively impacting the U.S. economy, the average American citizen, investor options, and how it will not place U.S. oil and natural gas companies at a competitive disadvantage to foreign oil and gas businesses or state-owned oil and gas companies which may produce oil and natural gas in a much less environmentally responsible manner than the highly regulated U.S. industry.

14. SEC must consider the unintended consequences of the Proposed Rule.

a. **The Proposed Rule may negatively impact Environmental Justice (EJ) communities.** As previously stated, as energy costs rise, the impact is felt throughout

[29] EIA, Annual Energy Outlook 2022, March 3, 2022.
[30] Id.

society.[31] Businesses experience increased costs, which must often be passed onto consumers, while many Americans are forced to decide between various necessities of life, simply to keep the lights on and their vehicles powered.[32] This impacts the most vulnerable among us. As previously stated, the EIA information shows that crude oil and natural gas will remain the most-consumed sources of energy in the U.S. through 2050. Forcing markets to restructure at a pace faster than that of technological innovation drives up the cost of commodities like energy and, by extension, other goods including food and services, hurting the poorest Americans most.[33] In addition, small EJ community businesses[34] providing direct and indirect services and supplies to oil and gas companies may be significantly impacted. The Proposed Rule is in direct conflict with the Administration's EJ goals. We request SEC provide a detailed analysis of how its Proposed Rule will avoid negatively impacting EJ communities.

b. **The Proposed Rule may prevent private companies from going public.** There are many reasons that a private company will remain private, or a public company may choose to go private. However, increased regulation is a key consideration, and chief among these are increasingly stringent regulations by the SEC.[35] SEC's Proposed Rule is complex and will require significant resources and financial commitments to comply and it may divert significant focus and capital away from a business' operation. As a result, a company considering going public may reconsider that position. Additionally, the Proposed Rule may directly conflict with SEC's mission to facilitate capital formation. We request SEC re-analyze its Proposed Rule and balance the needs of investors with the impacts to companies, and ensure it is aligned with SEC's mission.

c. **The Proposed Rule may require a company to disclose confidential business information (CBI).** The Proposed Rule requires detailed climate-related disclosures of information. For example, it requests business strategies, financial planning and capital allocation, mitigation, transition activities, etc. This type of information may require a company to disclose confidential business information that may expose competitive activities and plans, policies, production decision or strategies. We request SEC provide in its Proposed Rule how it will address CBI and allow companies to keep such information confidential.

d. **The Proposed Rule may have a chilling effect on voluntary climate-related activities.** The Proposed Rule requires companies to disclose information if it has set any targets or goals related to the reduction of GHG emissions, or any other climate-related target or goal (e.g., regarding energy usage, water usage, conservation or ecosystem restoration, or revenues from low-carbon products) such as actual or anticipated regulatory requirements, market constraints, or other goals established by a climate-related treaty, law, regulation, policy, or organization. Again, the Proposed Rule requires detailed information on such information, and as such, may have a chilling effect on those companies that were voluntarily considering such targets or goals. We request SEC remove this requirement.

[31] SFOF, April 5, 2022.
[32] Id.
[33] Id.
[34] SBA, 2021 Small Business Profile, Oklahoma, website, August 30, 2021.
[35] Forbes, Why More Businesses Are Choosing To Stay Private, website article on February, 26, 2020.

15. SEC must consider the impacts of the Proposed Rule on national security.

The importance of U.S. oil and natural gas are now more evident than ever as we watch the current crisis in Ukraine and Europe.[36] Oil, gas, coal, and nuclear are currently the most reliable and plentiful baseload power sources for America and much of the rest of the world. Striving to change this fact ahead of the free market's ability to adapt and during a time of international unrest threatens our national security.[37] In General H.R. McMaster's written testimony on April 6 to the U.S. House Committee on Energy and Commerce, Oversight and Investigations Subcommittee, he clearly and succinctly points out that it is time to recognize the interconnected nature of our economic and security challenges, and the intersection of energy security and national security. He states it is past time for this Administration to abandon its bias against fossil energy development, production, and use, integrate energy security and climate policies and remove bureaucratic and regulatory obstacles to progress.[38] We request SEC explain how its Proposed Rule will avoid negatively impacting national security in the short-, medium-, and long-term.

16. SEC should extend the comment period for the Proposed Rule.

SEC published its Proposed Rule in the Federal Register on April 11 that covered 140 pages in length, included over one thousand references, numerous questions, and numerous documents to review including the TCFD and the GHG Protocol, but overall, it encompasses thousands of pages of information to review and analyze. Under SEC's own analysis, this is a significant regulatory action under Executive Order 12866 that will increase compliance costs from $3.9 billion to $10.2 billion dollars. It does not consider the cost impacts to private companies and small businesses that provide services, supplies or equipment to public companies. Numerous organizations requested extensions to the comment period. We specifically submitted a request on April 21 to extend the comment period by a minimum of an additional 60-working-days. On May 9, the SEC announced it would extend the comment period until June 17. We appreciate the additional time; however, The Alliance and its members do not think the comment period extension to June 17 provides adequate opportunity to review and evaluate the information and rationale for the Proposed Rule and provide meaningful, thoughtful, and fully informed comments given the breadth and complexity of the issue. Again, we reiterate our request for at least an additional 60-working-days.

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[36] Governor J. Kevin Stitt's letter to President Joe Biden, Jr., March 1, 2022.
[37] SFOF, April 5, 2022.
[38] Testimony of Lt. General H.R. McMaster, Before the U.S. House Committee on Energy and Commerce, Oversight and Investigations Subcommittee, Hearing on "Gouged at the Gas Station: Big Oil and America's Pain at the Pump", April 6, 2022.

Conclusion.

The Alliance appreciates the opportunity to provide the SEC comments regarding the Proposed Rule. If you have questions, please contact me at [redacted] or [redacted].

Sincerely,

Angie Burckhalter

Angie Burckhalter
Sr. V.P. of Regulatory and Environmental Affairs