June 17, 2022

Ms. Vanessa, Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

The impacts of climate change are increasingly evident in the United States and around the world. As with most complex issues, our economic and environmental future will be best served by facing the challenge of climate change directly rather than continuing along the current path of uncertainty and inaction. The U.S. Securities and Exchange Commission's proposed rule for mandatory climate disclosure can provide investors with clear and comparable information that allows investors to act in meaningful ways and lead us towards more competitive, efficient, and productive economies and an improved climate.

Our premise in providing these comments is that if investors are requiring information about Scope 1, 2, and 3 emissions and firms' voluntary actions to address these emissions, they should certainly require information about statutory carbon reduction requirements. The key point is that the SEC should require obligated firms to address and report on the effects of existing state statutes for renewable electricity and greenhouse gas emissions reductions as part of their climate disclosures.

Over thirty states have adopted statutory renewable portfolio standards or clean energy standards and over twenty states have committed to 100 percent clean electricity by 2050.[1] Additionally, over a dozen states have statutory sector or economy-wide greenhouse gas emissions reduction targets affecting obligated entities doing business within their borders.[2] Similar requirements exist around the world. These requirements represent long-term public policy to address climate risks to society and socialize the costs of risk mitigation and can be thought of as statutory targets for reducing Scope 1 and 2 emissions. These decisions are not irrelevant to the businesses within their jurisdictions and thus they are not irrelevant to investors. To ensure that investors have relevant and accurate information about firms' climate change exposure risk and regulatory cost risk, SEC's reporting requirements should make these statutory Scope 1 and 2 emissions reductions targets apparent in any required climate disclosures. Not heeding this advice could lead individual firms to inefficiently over-procure climate-related products as they effectuate their climate goals and

[1] Energy Information Administration, February 2022: https://www.eia.gov/todayinenergy/detail.php?id=51118#:~:text=As%20of%20the%20end%20of,clean%20energy%20standards%20(CES)

[2] Center for Climate and Energy Solutions, March 2021: https://www.c2es.org/document/greenhouse-gas-emissions-targets/

risk-reduction strategies and may decrease investors' ability to judge the value of tangible and intangible climate-related assets.

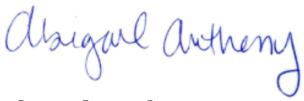
From an investor's point-of-view, it can be said that firms that have located their businesses in jurisdictions like ours, which have adopted aggressive renewable energy and emissions reductions mandates, have opted into a steadfast, socialized emissions reduction strategy. Businesses and business activity in these jurisdictions enjoy the risk-reducing benefits of socialized climate policies and programs. To support incremental carbon reduction and renewable energy use, states like ours socialize the cost of new carbon-free technologies like wind and solar generation in our retail markets. This means that firms in our jurisdictions do not need to develop and implement their own carbon reduction procurement strategies from the bottom up. Firms in our retail markets have access to larger, more reliable supplies of clean energy and low-carbon strategies because of our statutory mandates. This creates market efficiencies not accessible to firms located in other jurisdictions. Investors should have the ability through SEC disclosures to clearly judge this advantage our local businesses have. As such, the SEC's climate disclosures should guard against obscuring states' climate mandates – or worse, making it appear as though our climate mandates are a disadvantage.

Consider, for example, Rhode Island's Renewable Energy Standard (RES). Compliance with the RES is not the responsibility of individual businesses—our businesses need not enter into individual power purchase agreements with individual renewable generators to meet the RES. Rather, retail electricity suppliers are required to provide their customers with compliant renewable energy. Today, Rhode Island's RES stands at 19%--thus a Rhode Island firm only needs 81% incremental voluntary purchases to be 100% renewable by Rhode Island's legal standard. Meanwhile, a firm in a state without an analogous RES must procure 100% renewables from the market. It would not be transparent to investors if the Rhode Island firm only reports its 81% voluntary procurement without also reporting the 19% RES mandate, nor would it be efficient for the Rhode Island firm to voluntarily procure 100% renewable energy, which would render it 119% renewable. To facilitate comparable climate disclosures, it is imperative that the SEC require climate disclosures that call out both statutory and voluntary data and actions.

Finally, the SEC's rules should consider regulated utilities as a special case with respect to climate disclosures. In most, if not all, jurisdictions, the regulated utilities are required to comply with environmental regulations like the RES. Strict compliance with these laws is almost certainly found prudent by state regulators and cost recovery through utility rates is allowed. However, regulated utilities also have a duty to serve, and are not able to make the same business decisions unregulated firms can make regarding their products. A regulated gas utility may not be able to refuse gas service to a customer, but an unregulated firm could cease production and sale of carbon-intensive products. In this sense, regulated utilities may be limited in voluntary actions regarding climate risks. The SEC should explore this limitation and consider whether regulated utilities should be required to report their statutory requirements to serve as part of their climate disclosures.

Governments have and will continue to determine compliance with climate regulations, and many states like ours are strengthening state mandates for renewable energy and emissions reductions. The SEC's climate risk disclosure framework can assist investors' understanding of a company's exposure to climate-related costs by requiring reporting on whether the states in which the company operates has a renewable electricity standard or carbon reduction mandate, the requirements of those standards, and the compliance data related to those standards.

Sincerely,



Abigail Anthony, Commissioner
Rhode Island Public Utilities Commission

Anthony Z. Roisman, Chair
Vermont Public Utility Commission