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

File Number S7-10-22

Eversource Energy (Eversource) appreciates the opportunity to comment on the Securities and Exchange Commission's (SEC's) proposed rule, "The Enhancement and Standardization of Climate Related Disclosures for Investors."

As New England's largest energy delivery company, Eversource provides energy delivery and water service to approximately 4.4 million electric, natural gas and water customers through 10 regulated utilities in Connecticut, Massachusetts, and New Hampshire.

Eversource is deeply committed to leading our industry in sustainability, including addressing climate change and working to help the states we serve achieve their decarbonization goals. We were first among our investor-owned utility peers to set a goal to be carbon neutral by 2030, focused on our Scope 1 and Scope 2 emissions, and we are actively analyzing our Scope 3 impacts. To support our goal, we have a dedicated governance structure comprised of cross-functional leaders across our company who are striving to reduce emissions to as close to zero as possible and preparing to procure credible offsets for emissions that cannot be avoided. Eversource's carbon neutrality goal provides strong support for our states' aggressive targets for 2050, including net-zero emissions in Massachusetts and 80% reduction in Connecticut. A standing committee of our Board has direct oversight over our ESG programs. Our ESG profile is one of the best among our utility peers, and we have received top ratings from MSCI and Sustainalytics, with a portion of our senior executive compensation tied to these ratings. Eversource is recognized among Newsweek's "Most Responsible Companies" and CNBC/Just Capital's 100 most responsible publicly traded companies.

We commend the SEC in its efforts to enhance and standardize climate related disclosures as industries move toward a decarbonized economy. We appreciate the value these disclosures provide to investors who are evaluating the intrinsic risks and opportunities associated with climate change as part of their decision-making process. We have been leaders among our Edison Electric Institute (EEI) utility peers in working with investors to develop a sustainability reporting template that is consistent between companies, easily located by and transparent to investors, and dynamic in response to investor feedback. We support EEI's comments expressed in their separate comment letter and offer our own comments below addressing matters of the placement and timing of disclosures, level of detail, and level of outside review.

Placement of disclosures

We recommend that all emissions and climate change disclosures be presented in one location, outside of the footnotes.

By working with investors and other EEI companies, we have learned that investors expect to be able to find all climate change information in one consistent location. We recommend that, for ease of reference, the Scope 3 disclosures be included with Scopes 1 and 2 disclosures and the disclosures proposed to be in the footnotes instead be included with the Scope 1 to 3 information. We believe that the proposed judgmental, analytical information proposed for the footnotes, which involves making and describing estimates and assumptions, is more appropriately included in a location outside of the primary financial statements and together with other emissions disclosures.

As explained below, we do not believe the 10-K is the best place for the proposed disclosures, and request that the SEC consider an alternative report best suited to furnishing these disclosures to the SEC.

Timing

We recommend that the annual deadline for providing climate change disclosures be extended to allow complete and accurate information to be compiled.

We recommend that climate change disclosures be furnished in a document separate from the Form 10-K to provide companies with adequate time to consolidate accurate calendar year actual data and complete associated calculations and verifications. The proposed 10-K deadline would require duplication of efforts and result in two sets of conflicting data, leading to confusion for investors and other stakeholders.

Information utilized to create our greenhouse gas (GHG) disclosures for Scopes 1, 2, and ultimately Scope 3 is not available to meet the filing requirements of an Annual Report on Form 10-K. Year-end reporting of the proposed requirements is simply not practical and would require the use of fourth quarter estimates which would be different from the reports ultimately filed with state and Federal reporting agencies. Our investors are accustomed to the information we present on our website, which is based on our full year actual emissions data that have undergone external third party validation. The information that is used to derive our current Scope 1 and Scope 2 emissions data filed with the EPA and others is not available until late March to mid-April. For example, line loss information, which represents the majority of our Scope 1 and 2 emissions, is not available until the FERC Form 1 is completed in mid-April.

Timing becomes a larger issue with the preparation of disclosures of Scope 3 emissions, as information from upstream and downstream sources is not necessarily available until our vendors complete their financial closing processes and internal GHG accounting, and the timing of the information received can vary. We would certainly not have this information to meet our annual reporting deadlines, as smaller companies and private companies generally do not complete their closing and financial reporting processes in this timeframe.

We recommend that the implementation dates be delayed.

Given the complexities of creating and verifying the required disclosures, which are more extensive than the voluntary disclosures that we currently provide, we believe the 2024 deadline to start reporting under the revised regulations should be extended. Identifying and securing resources with competencies in both the environmental and accounting aspects of the disclosures will be challenging, and additional time will be needed to staff and train appropriate individuals, both internal and external. Registrants will need more time to identify and train internal resources, in some cases diverting these same resources from emissions reduction goals. Under the currently proposed deadlines, registrants will likely also be faced with the engagement of external consultants.

Accelerated Filers will be forced to require vendors and customers to provide Scope 3 information to which they themselves are not yet subjected. Under the currently proposed rules, Accelerated and Non-Accelerated Filers are on a delayed reporting schedule, not subject to Scope 1 and 2 disclosures in 2024, so that vendors in those categories would need to provide data on their emissions to Large Accelerated Filers prematurely.

We also recommend that to ease the transition into full emissions reporting, the disclosure requirements be annual (rather than quarterly) unless there are unusual developments. We further believe that disclosures should be prospective beginning with the implementation date, as registrants would not have the framework in place to provide historical comparative data until processes are in place to capture all the data.

Level of detail

Disclosure requirements should be at the consolidated entity level or at the level at which senior management monitors progress towards climate goals.

We believe that information should not be required for each subsidiary registrant of a reporting entity, but rather should be reported at the level at which a company's senior management sets and monitors emissions goals. We would encourage the SEC to require disclosures at only the consolidated level unless a disaggregated level is more appropriate because it reflects how emissions are monitored by senior management. For example, a registrant with a large volume of generation may manage and need to disclose their emissions from generation separately from their emissions from distribution because that is how senior management measures progress.

Eversource manages emissions and related reporting at the consolidated level. We prepare our GHG inventory at this level, which aligns with our carbon neutrality goal. However, under the proposal we would need to prepare this for our subsidiary registrants that have public debt, even though they all have essentially the same business model, each with no emitting generation. It would be a significant resource challenge to overhaul the data collection approach currently in place to satisfy this separate reporting requirement for our regulated electric subsidiaries that have no publicly issued equity securities. We request that the SEC not require this level of reporting, considering the additional cost involved and the limited usefulness of disaggregated information. Eversource shares are held in more than 200 domestic and international ESG funds and virtually none has requested such disaggregated data, even though we have been providing it on a consolidated basis for many years. This is likely due to the fact that our regulated electric companies are so similar. Providing a high volume of subsidiary or segment data will, in our view, be costly without providing corresponding benefits to stakeholders.

We also believe it is impractical and may be unnecessary to apply the proposed requirements to unconsolidated equity method investments. Many are not SEC reporting companies and may not have the information available or be willing to incur the expenses associated with complying with these requests. Even if these entities are able to provide information on their emissions, registrants would not have access to their proprietary data in order to independently validate it. This is also a challenge for any party attempting to provide verification of information received from external sources.

We request that the SEC provide boundaries and flexibility for Scope 3 disclosures in consideration of differences among industries and to allow registrants to provide tailored and meaningful data to their investors.

We agree with the importance of providing Scope 3 emissions disclosures to investors, but are concerned about the level of complexity and impracticality of verifying Scope 3 disclosure requirements, along with the potential lack of consistency and comparability between registrants' disclosures that may result.

We believe that in some cases qualitative rather than quantitative information on value chain emissions and associated management may prove to be more practical and possibly more valuable to investors than some of the proposed quantitative disclosures. Considering the various categories of Scope 3 emission sources and the importance of setting appropriate boundaries when quantifying these emissions, we suggest that the final rules offer flexibility to companies to determine which Scope 3 emissions are most relevant and material to their operations and to their industry, and which emissions can effectively be addressed in a qualitative manner.

As regulated distribution companies, Eversource's ability to quantify, manage, and reduce some types of Scope 3 emissions is challenging. The majority (approximately 63%) of the electricity, and nearly one third of the natural gas, our customers procure annually is contracted through third parties, where Eversource is not involved in the transaction other than providing delivery service. For the remainder, where we are involved in providing default energy service, we follow energy procurement requirements with respect to renewable portfolio standards under state law. In Connecticut, the total renewable portfolio standard (RPS) obligation was 30.5% in 2021 and will ultimately reach 48.0% in 2030; in Massachusetts, the total combined RPS and clean energy standard requirements were 49.26% in 2021 and will reach 57.30% in 2025; and in New Hampshire, the total RPS obligation was 21.6% in 2021, increasing to 25.2% in 2025. We are enabling further regional emissions reductions through the implementation of clean energy technology and energy efficiency programs.

We suggest that financial statement metric disclosure requirements be limited to physical events or severe weather activities and not include the breakout of the financial statement impacts of transitional activities and climate related risk.

We support the suggestion in Question 61 that requirements should cover disclosures of the impacts of severe weather events and other natural conditions rather than the impacts of identified climate-related risks and transition activities. This will clarify reporting and expenditure tracking requirements and will result in more understandable and comparable disclosures. We suggest limiting any financial disclosure to specific events that an entity can identify as related to climate change.

We believe that the disclosures quantifying the impact on our financial statements should be limited to physical events or severe weather activities that individually meet a materiality threshold. The proposal requires disclosure by line item of physical events, severe weather events, transitional activities, and climate change risks that in the aggregate exceed the one percent materiality threshold by line item. These items are judgmental,

and difficult to identify and quantify. There are many types of purchases that an entity can make that may relate partially to climate change (and therefore are transitional) and partially to typical operating expenses or plant investment. Our source systems would need to be changed to capture the incremental costs to achieve reduced emissions, such as those associated with electric vehicles and enhanced technologies that reduce emissions.

We would appreciate additional guidance on identifying climate related financial statement impacts.

The proposed rules will require disclosures by financial statement line item of climate related financial impacts at a disaggregated level. Entities will be required to make significant judgments as to which events and transactions are caused by climate change. There is some degree of overlap between financial statement impacts related to climate change and regular operating activities, and additional clarification is needed to provide meaningful information on costs that are partially climate-related.

This issue is prevalent throughout our financial statements. Utilities have robust capital programs, and judgment is required to quantify how these capital programs should be allocated between distribution system hardening activity to protect against stronger storms and necessary system upgrades to meet customer demand and improved safety and reliability. The split into components will require significant estimates and assumptions that, even with best efforts, are likely to result in lack of comparability between companies in the same industry.

We request permission for registrants to define and disclose what they believe is a climate event for the geographical area in which they operate.

Utilities track storm costs by weather event, but it is unclear how or if it is even possible to determine which storm costs or events relate specifically to climate change and which are a part of normal weather patterns. Some degree of storm costs are expected each year absent climate change, and additional guidance would provide a consistent basis for quantifying these types of costs among companies and within industries.

We recommend that if a materiality threshold for the proposed footnote disclosures is needed, then it should be increased to 5%.

We recommend that the proposed level of materiality or the base for this materiality (1% of an aggregated amount based on the absolute value of individual events and the impact on individual financial statement line items) be adjusted so that only material and comparable amounts are reported by registrants. We believe that 5% of income statement line items would be a more reasonable materiality threshold. This percentage would be consistent with several Regulation S-X balance sheet line item disclosure requirements and, although not a hard and fast rule, is commonly used by companies and their auditors in making their assessments of the significance of individual items to the financial statements. Alternatively, a smaller percentage of total operating expenses (rather than income statement line items, which may be subsets of operating expenses) may be practical.

The currently proposed 1% threshold will result in a potentially confusing volume of disclosures. It would be beneficial if entities were allowed to use judgment as to which financial statement metrics are disclosed. As an example, one storm impacts multiple income statement, balance sheet and cash flow line items. If a registrant were to include these details by line item, the information would be voluminous and could be difficult for readers to understand.

Level of Outside Review

The requirement for attestation to GHG emissions should be reconsidered, and all proposed disclosures should be permitted to be unaudited.

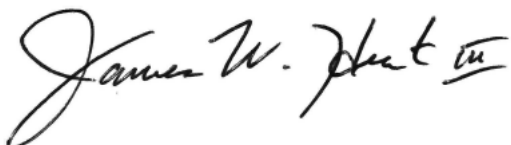
We believe all emissions disclosures should be subject to the same level of scrutiny and review, outside of the financial statements and without attestation requirements.

The requirement for attestation may be unnecessary considering the incentives for accuracy that already exist in all information furnished to the SEC by registrants. SEC reporting by its nature is performed with a high level of diligence and accuracy. It is our view that the attestation requirement would significantly increase cost without providing corresponding value to investors and stakeholders. There are limited resources with the expertise to prepare and review emissions data and requiring attestation will add what may be an unnecessary additional burden without corresponding benefit.

We also believe that emissions disclosures should be consistently required of all registrants, regardless of a registrant's emissions targets, out of concern that some companies may not be sufficiently incentivized to adopt or maintain GHG reduction goals due to the strict disclosure and audit requirements.

Thank you for the opportunity to express our views on this important topic. Should you wish to discuss any of our comments, please feel free to contact me.

Respectfully,

A handwritten signature in black ink that reads "James W. Hunt III". The signature is written in a cursive, flowing style with a distinct flourish at the end.

James W. Hunt III