NORTH DAKOTA
PETROLEUM
COUNCIL

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June 17, 2022

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

ATTN: Vanessa A. Countryman

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

Dear Chairman Gensler:

The North Dakota Petroleum Council (NDPC) appreciates the opportunity to submit comments as your agency considers a proposal to require registrants to provide certain climate-related information in their registration statements and annual reports.

Established in 1952, the NDPC is a trade association that represents more than 600 companies involved in all aspects of the oil and gas industry, including oil and gas production, refining, pipeline, transportation, mineral leasing, consulting, legal work, and oil field service activities in North Dakota, South Dakota, and the Rocky Mountain Region.

NDPC members have a vested interest in the Securities and Exchange Commission (SEC) efforts to require additional disclosure on certain emissions and potential risks, and we appreciate the opportunity to comment on this proposal. However, NDPC does not support the SEC proposal as written.

The NDPC does not believe that this proposed rule will achieve the SEC's goals, and it will likely create more risk for the investor by introducing more uncertainty. Climate risk protocols and disclosure standards are still very dynamic, and we anticipate many changes in the years to come. Regulations will not be as nimble and will impact progress.

The SEC could help companies drive consistency around climate impact disclosures by providing clear guidance to help companies and investors understand and use the currently available standards (i.e., GRI, SASB, etc.).

NDPC specifically endorses the comments submitted on the proposal by the American Exploration and Production Council (AXPC) and the Western Energy Alliance (WEA). NDPC also generally endorses comments submitted by the American Petroleum Institute (API), as follows:

- The SEC has gone beyond the authority granted to it by Congress, which raises significant concerns about the legality of this proposal.

- The SEC should abide the long-standing, judicially accepted understanding of "materiality," which limits registrants' reporting obligations to information material to a reasonable investor's investment decision, taking into account the "total mix" of information available to investors.

- The SEC should recognize the inherent difficulties with accurately reporting Scope 3 emissions and therefore should forego Scope 3 reporting.

- The SEC assessment and evaluation of cost and benefits and comparison to reasonable alternatives are woefully inadequate.

We appreciate your serious consideration of these comments and appreciate you moving forward in a measured and thoughtful manner within the bounds of the authority vested in the SEC by Congress.

Sincerely,

Ron Ness

Ron Ness
President, North Dakota Petroleum Council