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

RE: Enhancement and Standardization of Climate-Related Disclosures for Investors (S7-10-22)

In an earlier comment, during which I also commended the SEC for their efforts recognizing climate as a material risk in need of regulated and standardized disclosure, I recommended the SEC adopt the International Organization for Standardization (ISO) 14000 family of standards as an approved GHG reporting methodology under SEC proposed rule S7-10-22. That comment is publicly available on the SEC site: https://www.sec.gov/comments/s7-10-22/s71022-20127842-289036.pdf and as an Editorial in the Journal of Sustainable Real Estate:
https://www.tandfonline.com/doi/full/10.1080/19498276.2022.2065797

This comment makes a specific recommendation, based on peer reviewed literature co-authored by me and George Sullivan, CEO Net Zero Analysis & Design, for the treatment of Renewable Energy Certificates' (RECs) eligibility to contribute toward Scope 2 reductions. The full peer reviewed article, Proposed guidelines for U.S. Scope 2 GHG reduction claims with renewable energy certificates, in The Electricity Journal, is available: https://doi.org/10.1016/j.tej.2022.107160 The article was also third party reviewed by a technical advisor to related ISO committees and the chair of the United Nations Framework Convention on Climate Change (UNFCCC) Climate Neutral Now Initiative.

As summarized in the abstract:
In the United States and Canada, individual states and provinces control their consumer energy markets. Under the International Organization for Standardization (ISO) definitions the "market" for market-based GHG reporting is typically defined as the state or province that maintains regulatory control or the interconnected grid where consumption occurs. Under current guidance, many systems suggest the U.S. may be considered a single grid since it is a single country. However, consumers in different regions are physically unable to consume energy generated in some other regions. This paper argues that in the U.S. and Canada, the interconnected grid where consumption occurs could initially be considered the FERC grid, and optimally the localized eGRID defined by the U.S. EPA in the U.S. These definitions are important given the requirement in the Securities and Exchange Commission's (SEC) proposed climate rule to disclose Renewable Energy Certificates (RECs) impact on carbon reporting. This paper outlines the justification for the proposed interpretation and serves as a public reference for market-based GHG market boundary definitions.

Simply, for RECs to meaningfully contribute towards GHG consumption, there needs to be at least the possibility the energy is consumed. Although current ISO 14064 and Corporate GHG guidance treats the U.S. as one energy grid for REC trading, this is factually incorrect.

Although the optimal geography, consistent with United Nations guidance, is at the State or U.S. Environmental Protection Agency (US EPA) eGRID level, the transition for firms might be too sudden. The article recommends an initial interpretation at the FERC/NERC grid level, where at least some possibility of firm consumption exists, ultimately tightening to eGRID or State.

The full article provides in depth justification for this recommendation.

I am available to discuss if any SEC representative should wish.

Thank you,

Dr. Spenser J. Robinson