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Via E-Mail (rule-comments@sec.gov)

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Vanessa A. Countryman, Esq.
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: The Enhancement and Standardization of Climate-Related Disclosures for Investors Release Nos. 33-11042; 34-94478; File No. S7-10-22

Dear Ms. Countryman,

On behalf of PPL Corporation ("PPL"), we appreciate the opportunity to provide comments to the Commission on its proposed rules on climate-related disclosures (the "Proposed Rule"). We generally support the Commission's commitment to enhance and standardize climate related disclosures of public companies for investors.

Headquartered in Allentown, Pennsylvania, PPL and its subsidiaries provide essential energy services to more than 2.5 million customers. PPL is the parent company to four regulated utility companies in Pennsylvania, Kentucky and Rhode Island. Through our regulated utility subsidiaries, we deliver electricity to approximately 1.4 million customers in eastern and central Pennsylvania, one million customers in Kentucky and Virginia and 500,000 in Rhode Island; and we operate more than 7,500 megawatts of generation in Kentucky. We also deliver natural gas to more than 300,000 customers in Kentucky and more than 250,000 customers in Rhode Island. In addition, PPL is the parent company to Safari Energy, LLC, a leading provider of solar power solutions for commercial customers in the U.S. We are one of the largest regulated utility companies in the U.S. and the electricity and natural gas we provide to our customers and communities is vital. Our companies are using technology to connect distributed energy resources, including renewable generation, to our energy grid. We are developing solar for customers across the U.S., and we are also taking steps to reduce our environmental footprint and advance a cleaner energy transition.

PPL is committed to good governance, transparency, and providing public information that is valuable to investors. We have articulated a clean energy strategy, including providing additional details at our recent Investor Day presentation, adopted carbon reduction goals and produced comprehensive climate disclosures consistent with the Task Force on Climate-Related Financial Disclosures. Additionally, we engage with our investors throughout the year to discuss key developments and respond to their specific questions.

As outlined by the Commission, we agree that climate-related disclosures are of importance to our investors and that there should be reporting to provide information that will assist investors in making informed decisions. However, we also believe it is imperative the Commission implement rules that allow for flexibility by registrants and that the information disclosed be limited to what would truly be valuable to investor decision making. We want to provide investors with information they need, not overload them with data requiring processing and effort on their part and not relevant to their investment decisions. As an engaged member of the Edison Electric Institute (EEI) and the American Gas Association (AGA), PPL firmly supports the following issues and recommendations regarding the Proposed Rule raised in the associations' joint comment letter submitted to the Commission:

- Recommended exclusion of Scope 3 reporting (or guidance as to boundaries and a delay in implementation and that such information be furnished and not filed) because of the unclear extent of the value chain, difficulty in quantifying or reliably estimating emissions, risk of double counting, likely lack of comparability of the information, inability to initially provide historical comparable data and, in the case of gas emissions, a lack of clear guidance on accounting for upstream gas emissions.
- Recommended exclusion of the proposed audited footnote because of the volume of information required, immaterial nature of much of the data, if measured traditionally, likely lack of comparability, dramatic impact on internal controls, and significant underestimation of costs involved. In addition, the Proposed Rule makes no allowance for wholly owned subsidiaries, which may lead to duplication and double counting.
- Recommended exclusion of the attestation requirements as they are unlikely to enhance accuracy and will increase costs, and there is a lack of expertise to support the Proposed Rule's requirements.
- Recommended limitation of the potential increase in liability in the Proposed Rule by providing all information required by the rule be furnished and not filed, and an expansion of safe harbor provisions.

In addition to PPL's support of the EEI and AGA letter, PPL requests the Commission consider the following points and recommendations.

The SEC's Proposed Rule requires an organization to report a significant amount of information and detail. While we are committed to ensuring transparency and ensuring we provide accurate, timely and consistent information, the Proposed Rule requires significant information that is currently disclosed in other reports and, if disclosed again in this context, would not serve any additional value to investors. This assertion is based on our firsthand experience and engagement with investors as a company and through broader industry meetings. An interest in transparency and disclosure of certain information must be balanced against the risk of disclosing duplicate, inaccurate or immaterial data, the exorbitant costs to registrants to comply, and the lack of value to investors. While we recognize the need for mandatory reporting to facilitate consistent and reliable information across issuer disclosures, following is an outline of the disclosures and items that we believe should not be included in the final rule and other areas of concern.

Scope 3 emissions information is subject to estimation and double counting and is of questionable value to investors and should therefore not be required to be disclosed in SEC filings.

Scope 3 emissions information should be limited to voluntary disclosures. While an assessment of value chain emissions provides some value for companies in understanding their broader climate footprint and in establishing low-carbon and clean energy programs, initiatives and practices, this class of emissions is two steps removed from the direct operations of a company and some components will be estimated. Furthermore, and more importantly, information on Scope 3 emissions will not provide investors with data that would be pertinent in their decision making. Our company voluntarily reports Category 3, Scope 3 emissions related to the distribution of purchased electricity and gas to end-use customers and more recently Categories 6 and 7, Scope 3 emissions related to employee commuting and business travel. While some investors have acknowledged this disclosure, we have had few requests for such data from our investors, nor have they told us that this information is relevant to their investment decisions. We are able to track the Scope 3 emissions associated with purchased power and gas as we know how much energy we deliver to customers. But even our purchased power emissions are subject to some estimation relative to the emissions factors provided with respect to power purchased from several suppliers within the PJM region. Moving further into our supply chain would be costly, both monetarily and from a time perspective, and the information could prove to be logistically impossible to ascertain and deliver in a reliable fashion. We have thousands of unique suppliers and are attempting to increase our number of suppliers, including suppliers with strong diversity, equity and inclusion programs. However, the Proposed Rule could hinder our ability to increase suppliers and create an additional burden to the company and suppliers.

We therefore believe that Scope 3 emissions should not be included in SEC required filings. If Scope 3 emissions were to be included, only such Scope 3 emissions that are linked directly to the registrant's core business operations should be included. Instead of requiring companies to report Scope 3 emissions that would be difficult to quantify and could be inaccurate, registrants should only be required to list major suppliers who would be, to the best of their knowledge, reporting these same emissions as Scope 1. This could eliminate concerns with respect to double counting. We suggest that further guidance with respect to including Scope 3 emissions discussions as a potential risk factor or in another area of the 10-K disclosure that does not require quantification, may be appropriate and may provide meaningful information without relying on potentially inaccurate or misleading estimated quantification.

Additional costs associated with Scope 2 emissions and related uncertainties of information are not captured by the Proposed Rule.

Separately, as an added burden to the utility industry, we note that customers seeking detailed usage data, may solicit this information from us directly. We have already had certain customers request that PPL assess their upstream emissions as an energy provider. Utilities can have any number of special contracts with customers in addition to standard service. Additionally, there are two particular instances where this situation is particularly burdensome for the utility and at best, frustrating and confusing for customers. First, in competitive supply states like Pennsylvania, customers can shop for electricity supply. We have approximately 190,000 commercial and industrial customers, with over 50% of those customers taking electric supply from competitive suppliers. This number can fluctuate within a reporting year depending upon contract terms. Second, in some cases, where the customer company rents certain portions of a building that is metered as a single entity, such data might not be determinable, other than as an estimate. In addition, the administrative cost to track this data threatens to be an exorbitant hidden cost not factored into the cost analysis of the Proposed Rule. If we are required to assist our customers in tracking and reporting their Scope 2 emissions, customer service departments would need to dedicate resources away from responding to existing customer service or hire additional personnel to address requests for emissions data, resulting in additional costs that will be ultimately passed on to consumers through higher rates. To minimize these costs, and to provide liability protection where such estimates must be used, we suggest that estimates be expressly permitted and that such estimates either be protected by safe harbor provisions, that the reported figures be furnished and not filed, or that any upstream provider which provides figures in good faith that are ultimately reported by a downstream reporting entity be expressly protected from liability when and if the downstream entity's reporting is challenged.

Attestation reports should not be required by registrants.

As a large-accelerated filer, PPL would be required to include an attestation report from an independent attestation service provider covering Scopes 1 and 2 emissions disclosures, with a phase-in over time, to ostensibly promote the reliability of GHG emissions disclosures for investors. There would also be a phase-in period for all companies, with the compliance date dependent on the company's filer status, and an additional phase-in period for Scope 3 emissions disclosure. While PPL strongly agrees that the phase-in of any such requirement is appropriate, we also believe that requiring attestation would be overly burdensome and of minimal incremental value to the Commission, investors or registrants. Currently, SEC filings require accuracy, with serious consequences for the filing of inaccurate information. Therefore, PPL does not believe there would be added value in or a need for independent attestation. Furthermore, there is no evidence that the information reported by registrants on emissions, much of which for Scope 1 is already provided to the EPA on a slightly different timetable, is materially inaccurate without attestation. The requirement for attestation only adds unnecessary, and potentially unintended, exorbitant costs for third party review and attestation, potentially spawning a cottage industry without providing additional guaranties of accuracy. Without a demonstrable benefit, we suggest that independent attestation reports not be required.

Inclusion of the Proposed disclosures would be overly burdensome and costly.

Requiring companies to provide climate-related financial statement metrics addressing the impact of various climate-related events, mitigation and transition expenditures, together with related estimates and assumptions, in a note to the company's financial statements addressing the impact in certain line items within companies' financial statements would be difficult and subject to substantial misapplication and be extremely costly. Such costs would ultimately be passed on to rate payers in the utility industry and to customers more broadly.

The Commission provided both direct and indirect implementation cost estimates in the Proposed Rule, noting both the absolute level of costs as well as incremental costs for companies already preparing climate reports. These estimates are significantly understated as the Proposed Rule will impact many areas of a company. The Commission believes that companies can be compliant with the addition of only one person, but in reality, multiple individuals if not whole departments will be created to implement these rules. Given the scope and complexity of the Proposed Rule, as well as the timing of the proposed disclosure as part of 10K and 10-Q filings, it is simply not work that can be absorbed by existing staff. This additional effort will be required when teams are already more than fully dedicated to preparing financial statements and related SEC filings, therefore the only solution will be to substantially expand existing financial reporting departments. The Commission must appreciate that the implementation of the Proposed Rule is more akin to the implementation of SOX with the complexity and thoroughness required to comply.

In addition to the significantly understated cost estimates:

- The proposed financial statement line-item threshold of 1% is an extraordinarily low threshold for disclosure, well under any other materiality limits used for financial reporting and it is below current audit thresholds for materiality. This level of disclosure is clearly not practical and, as this proposal requires, the tracking of these items to determine if the 1% threshold is reached adds a significant effort and cost, regardless of whether any information is required. By substituting an arbitrary approach to materiality vs. the traditional measure of materiality, the Proposed Rule would drastically inflate costs without a corresponding benefit of producing material information as traditionally defined.
- The Proposed Rule uses absolute values which are not used in any other measure of materiality and it does not permit offsets, thereby artificially increasing the achievement of the 1% threshold. Ironically, to the extent management has taken steps to mitigate consequences and render circumstances non-material, those very actions may be deemed to enhance materiality and require disclosure.

- The Commission requires the note to provide information for all periods presented in the audited financial statements; this would be extremely onerous and expensive for registrants in the first two years of effectiveness when disclosures would be required with respect to years prior to the adoption of the rule. It is unlikely that registrants would have tracked such information with sufficient rigor and controls in prior years to enable retroactive public disclosure. The proposed financial impact disclosures are weighty, complex and open to significant interpretation and misapplication. We suggest at a minimum that if these requirements are implemented, they apply only to prospective periods with historical comparisons effectively phasing in over the following years.
- The Proposed Rule does not provide carve-outs for wholly owned subsidiaries. If investors are the beneficiaries of this information, it should be at the public company parent level, on a consolidated basis, at which the materiality is determined.

For all these reasons, the enhanced financial disclosure discussed above, including as proposed to be included in the notes to the financial statements, should not be required.

Information sought by the Commission should be furnished rather than filed and private rights of action should not be permitted.

Finally, registrants should be required to furnish rather than file all the information sought by the Commission in the Proposed Rule. While this has been suggested above in various specific areas, the concerns apply to all the information required by the Proposed Rule. Registrants are currently required to report substantial data in the areas identified in the Proposed Rule. As noted above, much of the additional data the Proposed Rule contemplates requiring, such as Scope 3 emissions, will inevitably involve estimates and approximations. A safe harbor in limited circumstances for good faith efforts may not be sufficient protection from liability with respect to complex rules subject to interpretation. Additionally, companies may be more forthcoming with information and data with stronger protections. To prevent possible strike suits, providing that the material called for by the Proposed Rule is furnished and not filed and eliminating private rights of action, would allow time for a new reporting regime to develop without the burden of potential litigation as an overhanging threat.

In closing, PPL praises the Commission for its commitment to enhance climate related reporting and appreciates the opportunity to comment on its Proposed Rule. PPL believes, however, that the information required by the Proposed Rule is in many respects unduly broad, contrary to established materiality precedent, likely to be inaccurate and lack the comparability that the Commission is seeking. The risks of double counting are high. In many cases the information required does not appear to be information that investors have sought or would rely on in making investment decisions. Furthermore, the costs to implement the requirements would be significantly more burdensome and costly to registrants than currently estimated. Because of the increased staff necessary to comply with the Proposed Rule and the added costs in auditing and attestation fees, we estimate that the costs would be at least four to five times the estimates provided in the Proposed Rule. Ultimately, those costs would be passed on to ratepayers, without providing a corresponding benefit to investors. PPL agrees that some incremental disclosure is appropriate. However, for the reasons discussed above, we recommend that Scope 3 emission data, independent attestation reports and the proposed financial statement footnote not be included in the final rule. In addition, we suggest that enhanced liability protections for registrants, including expanded safe harbors, prohibition of private rights of action and requiring that information be furnished and not filed under the Proposed Rule would allow best practices regarding enhanced disclosure to evolve based on the Proposed Rule without undue consequences. Registrants would thereby be encouraged to continue to engage in developing these expanded standards.

Respectfully,

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Executive Vice President and Chief Financial Officer