

Subject Line: I support climate risk disclosures (S7-10-22)

I'm writing today to express my strong support for the Securities and Exchange Commission's (SEC) proposed rule to require publicly-traded companies to disclose climate-related financial risk information (S7-10-22). This new rule will give investors the information that they have been requesting for years to enable them to make better informed decisions. The SEC proposed requirements in S7-10-22 Enhancement and Standardization of Climate-Related Disclosures should provide comparable investor grade data to decision makers, which has been lacking since SEC issued the Interpretive Guidance on Disclosure Related to Business or Legal Developments Regarding Climate Change in 2010.

I am also in support of the position that the SEC took that "would require a registrant to set the organizational boundaries for its GHG emissions disclosure using the same scope of entities, operations, assets, and other holdings within its business organization as those included in, and based upon the same set of accounting principles applicable to, its consolidated financial statements" (page 196). Using the same organizational boundaries for GHG emissions as the consolidated financial statements is imperative so the investor can rest assured that they are looking at the emissions that match the entity's consolidated financial statements.

My belief that the organizational boundaries for the GHG emissions disclosure should be the same as its consolidated financial statements, is based on research I did for my master's thesis "Analysis of Carbon Disclosure Data for U.S. Equities within the Electricity Generation Sector". Analysis showed that the GHG emissions of the large electrical generating entities varied greatly depending on what type of organizational boundary was used in calculating the GHG emissions. (This result was not disclosed in the thesis.) The large variability in GHG emissions calculation and disclosure is due to the possibility that large generating facilities can be owned by several different companies. Requiring the same organizational boundary for GHG emissions disclosure as the consolidated financial statements will also be necessary for integrated reporting. I believe that these disclosures should be subject to the same level of rigor as other types of SEC disclosures.

Investors need transparent information about investment risks. Thank you for proposing this rule, and I urge the SEC to finalize it as quickly as possible.

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