17 June 2022

VIA SEC.GOV COMMENT PORTAL
The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

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

Dear Chair Gensler:

C-Quest Capital LLC ("***CQC***") appreciates the opportunity to provide comments on the Securities and Exchange Commission's ("***SEC***") proposed rule entitled "The Enhancement and Standardization of Climate-Related Disclosures for Investors," published on 21 March 2022 (the "***Proposed Rule***").

CQC is a social impact project developer whose mission is to transform the lives of women and children in poor communities around the world by providing access to sustainable energy services and clean energy technologies that reduce greenhouse gas emissions, combat global climate change, and improve the health and lives of those in need. CQC was founded in 2008 and is headquartered in Washington D.C., with subsidiaries in India, Australia, Southeast Asia, and Sub-Saharan Africa.[1]

As an established greenhouse gas emissions reduction project developer and carbon market participant, CQC is well placed to comment on the role of carbon offsets in the Proposed Rule. Please find our comments below:

SEC Question: 101. Should we require a registrant to exclude any use of purchased or generated offsets when disclosing its Scope 1, Scope 2, and Scope 3 emissions, as proposed? Should we require a registrant to disclose both a total amount with, and a total amount without, the use of offsets for each scope of emissions?

CQC Response: The SEC should allow registrants to present a net calculation of GHG emissions that accounts for both gross emissions and carbon offsets generated or purchased by the registrant. Ownership of a carbon offset is a right to claim that unit of emissions avoidance or removal. Offsets represent units of "negative" emissions for accounting purposes and are reflected as such in various GHG emissions frameworks such as the EU Emissions Trading Scheme (EU ETS), California Cap and Trade Program, and Korea's Emissions Trading Scheme (KETS). An accurate disclosure of a registrant's GHG emissions must therefore account for any negative emissions generated or purchased by the registrant in the form of carbon offsets.

[1] https://www.cquestcapital.com/

SEC Definitions: Carbon Offsets

Furthermore, CQC has several concerns with the definition provided of "Carbon Offsets" set forth at § 229.1500(a). As currently drafted, the definition of Carbon Offsets is as follows:

> (a) *Carbon offsets* represents an emissions reduction or removal of greenhouse gases ("GHG") in a manner calculated and traced for the purpose of offsetting an entity's GHG emissions.

We believe this definition may create much uncertainty as to what qualifies as a carbon offset under the Proposed Rule. The SEC should state unambiguously that both avoidance and removals projects are acceptable forms of emissions reduction projects, as would align with the common understanding amongst carbon market participants. In addition, we believe there is significant ambiguity in the language "in a manner calculated and traced for the purpose of offsetting an entity's GHG emissions". We believe the following definition provides greater clarity and aligns with the current understanding amongst carbon market participants.

> ***Carbon offsets* are greenhouse gas emissions reductions that are measured and verified by accredited third-party auditors from projects that reduce, remove, or avoid greenhouse gas emissions and which are issued by recognized carbon offset standards.**

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Thank you for the opportunity to provide comments on this important rulemaking. We look forward to assisting the SEC in any ways necessary to support this critical work.

Sincerely,

Richard W. Cobbs, Jr.
Chief Financial Officer