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

Dear Chairman Gensler:

The Energy Council is a non-partisan legislative organization comprised of 14 energy-producing states and two Canadian provinces. Formed in 1975, the Council serves as a forum for energy and related environmental policy dialogue.

At the Energy Council's recent Annual Meeting, the Council adopted a policy statement "Regarding Financing for the Fossil Fuel Industry and Dispatchable Generation." The Statement "urges federal policymakers to ensure that the SEC withdraws [recent] amendments" dealing with climate related information. As Chairman of the Energy Council, it is my pleasure to convey a copy of this policy statement to you.

Your consideration and support of this position would be appreciated. Thank you for your service to our country and please do not hesitate to contact me if I may answer any questions regarding this policy statement or be of further assistance to you.

Sincerely,

Joel Carter  
Mississippi Senate and  
Chairman, The Energy Council

**Policy Statement of  
The Energy Council Regarding  
Financing for the Fossil Fuel Industry and Dispatchable Generation**

**Background**

On March 21, 2022, the Securities and Exchange Commission (SEC) proposed amendments to its rules that would require registrants to provide certain climate-related information in their registration statements and annual reports. This information includes “climate-related risks and their actual or likely material impacts on the registrant’s business, strategy, and outlook; [t]he registrant’s governance of climate-related risks and relevant risk management processes; [t]he registrant’s greenhouse gas emissions . . . ; [c]ertain climate-related financial statement metrics and related disclosures in a note to its audited financial statements; and [i]nformation about climate-related targets and goals, and transition plan, if any.”

According to the American Petroleum Institute, this proposal “presents too many undue costs and impositions on registrants that undermine established concepts of materiality or overwhelm the potential benefits normally associated with filed disclosures that provide clear decision-useful information to investors in a reasonable manner” and this and other “issues make the Commission’s expansive and costly proposed changes . . . unworkable and contrary to the SEC’s goal of more consistent, comparable, and reliable information for investors.” The U.S. Small Business Administration Office of Advocacy has said that the rules “impose fixed costs that will fall disproportionately on small entities.”

Also in response to the proposal, Kentucky, Oklahoma, Tennessee, Texas and West Virginia have passed laws prohibiting those states from doing business with financial institutions that discriminate against fossil fuels. Additionally, the Attorneys General from West Virginia, Arizona, Alabama, Alaska, Arkansas, Florida, Georgia, Idaho, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Utah, Virginia, and Wyoming believe the SEC does not have the authority to make this rule in light of the U.S. Supreme Court’s ruling in *West Virginia v. Environmental Protection Agency*.

**Recommendation**

The Energy Council urges federal policymakers to ensure that the SEC withdraws these amendments.

**Disposition**

This policy statement, passed unanimously at the Energy Council meeting on September 18, 2022, shall be distributed to the President of the United States of America, the Chairman of the Securities and Exchange Commission and the Energy Council member states’ Congressional delegations; as well as the energy ministers of the Council’s member Canadian provinces.



Tara Shaw  
Secretary