

United States Senate

WASHINGTON, DC 20510

September 29, 2023

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

Dear Chairman Gensler:

I write to you regarding the Securities and Exchange Commission's (SEC) proposed rule on "The Enhancement and Standardization of Climate-Related Disclosures for Investors" (proposed rule). As the Commission considers changes to finalize the proposed rule, **I urge the SEC to make an important clarification expressly permitting covered companies to use lifecycle accounting models, including the Department of Energy's Argonne GREET model, for reporting supplier specific emissions factors for purchased renewable natural gas (RNG) delivered via market-based mechanisms.** This clarification is consistent with the rule's clear intent to provide flexibility for how companies calculate their Greenhouse Gas (GHG) emissions, and it will remove a barrier to private funding for RNG projects that are proven to reduce methane emissions.

Companies that have issued climate commitments – particularly those in hard to electrify industrial sectors - are actively seeking decarbonization solutions. RNG is a low carbon intensity fuel because it is made by capturing methane that would otherwise be vented into the atmosphere. Methane is a powerful greenhouse gas (GHG) that is 84x more harmful than CO₂. Preventing those methane emissions and converting the methane to RNG creates a drop-in replacement for fossil natural gas that can reduce carbon emissions by over 600%¹.

However, companies covered by SEC's proposed rule are uncertain whether they can report the emissions reductions from purchasing RNG. The GHG reporting landscape is developing rapidly, but the evolution is creating uncertainty. Reporting companies and RNG developers would like to use the same widely accepted and accredited emissions models and delivery mechanisms that are currently standards for the renewable fuels industry, such as the Argonne National Laboratories GREET model and market-based delivery mechanisms, respectively, to account for the emissions they prevent by purchasing renewable fuels. Lack of confidence in their ability to do this is preventing companies from entering long term contracts to purchase fuels such as RNG and use it to decarbonize their operations.


Resolving this uncertainty would catalyze immediate progress toward methane abatement and decarbonization goals. Construction and operation of these projects will stimulate economic growth in rural economies and reduce methane emissions at agricultural, industrial and landfill facilities by millions of tons per year.

¹ Assumes a carbon intensity of dairy RNG at -292 gCO₂e/MJ compared to +56 gCO₂e/MJ for fossil natural gas.

The SEC could resolve this issue and unlock significant opportunity by explicitly affirming in its final rule that the Department of Energy’s Argonne National Labs GREET model is an acceptable tool for modeling and reporting supplier-specific emissions factors and that market-based methods are acceptable for use in reporting upstream emissions for purchased RNG. Providing this clarity would be consistent with the proposed rule’s intent to offer “some flexibility in the choice of GHG emissions methodologies”² and it would be consistent with GHG accounting standards that already exist for RNG in the Inflation Reduction Act, the Renewable Fuel Standard and several state programs that already utilize the GREET model as their basis for LCA accounting including California’s Low Carbon Fuel Standard (LCFS). Finally, this clarification would help the Biden Administration reach its stated goal to “reduce methane emissions from agriculture, including by increasing biogas capture and utilization from manure management systems.”³

I appreciate your consideration in making these changes. If you have any additional questions on the matter, please feel free to contact Lizzy Olsen, Counsel at Senator Duckworth’s Office at Lizzy_Olsen@duckworth.senate.gov.

Sincerely,



Tammy Duckworth
United States Senator

² The Enhancement and Standardization of Climate-Related Disclosures for Investors, 87 FR 21334, (Proposed April 11, 2022), Page 159.

³ Bold Goals for U.S. Biotechnology and Biomanufacturing: Harnessing Research and Development to Further Societal Goals, The White House Office of Science and Technology Policy, Page 5; March 2023.