VIA ELECTRONIC MAIL to rule-comments@sec.gov December 30, 2021

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

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

Re: Response to Request for Public Input on Climate Change Disclosure

Dear Chair Gensler and Secretary Countryman,

We welcome the S.E.C.'s invitation for public comment on climate change disclosure requirements. We are writing to urge the S.E.C. to develop strong rules requiring publicly traded oil, gas, and petrochemical companies to disclose their risks from climate change, specifically from accelerating sea level rise and increasing severity of storms. These companies' extraction and processing facilities are among the most expensive structures in the coastal zone, and yet little is known publicly about their climate risks, raising concerns about whether investors are adequately and transparently able to judge risks.

The scale of the energy industry that is located near sea level is massive. According to the U.S. Department of Energy, 7 of the nation's 10 largest oil refineries are located near sea level at the Gulf Coast, amounting to over 3,100,000 barrels of oil per day of refining capacity that is potentially prone to hurricane storm surge.[1] These facilities are especially vulnerable to climate change because relative sea level rise is higher in the northern and western Gulf Coast due to land subsidence, which adds 5-10 mm/year to sea level rise.[2] Of those 10 largest, another is located in Baton Rouge - and still prone to hurricane force winds and tropical weather, while another is located near sea level in Carson, California.

Indeed the list of facilities that are vulnerable to sea level rise and intense storms extends far beyond this list. It includes dozens more oil refineries, and a wealth of chemical and petrochemical plants that utilize energy and refined products from refineries. There are also extensive upstream resources in the coastal zone, including oil rigs, pipelines, and port facilities

[1] *See* U.S. Dep't of Energy, Energy Information Administration, Refining Crude Oil - Refinery Rankings - US Energy Information Administration (EIA) (June 25, 2021) (last visited December 29, 2021).
[2] *See* James Bradbury, Melissa Allen, and Rebecca Dell, U.S. Dep't of Energy, Office of Energy Policy and Systems Analysis, Climate Change and Energy Infrastructure Exposure to Storm Surge and Sea-Level Rise (July 2015), at 14.

that allow vessels to service offshore resources, or receive shipments from oil suppliers across the world.

The nation got a glimpse of the risk caused by climate change to the financial sector just this year. In late August, Philips-66 announced plans to sell the Alliance Refinery, which is capable of processing nearly 250,000 barrels of oil per day, and is located near the town of Belle Chasse Louisiana, about 30 miles south of New Orleans. Shortly after the public announcement, Hurricane Ida swept through the region, flooding the refinery with nearly 10 feet of water. According to news reports, the storm caused roughly $300 million of damage to the facility which previously had been valued at $500 million. As a result of this damage, Philips-66 decided to close rather than sell the facility, a loss for both the company, and the nearly 900 people who worked there.[3]

The Alliance refinery was hardly the only facility damaged during Ida, and previous storms to the region have impacted other oil, gas, and petrochemical facilities in places like Lake Charles, Louisiana and Houston, Texas.

The companies that own these resources include a broad spectrum of the energy-financial sectors and include some of the world's largest corporations with individual valuations in the hundreds of billions of dollars if not more, as well as medium and smaller sized companies. The potential risks to the financial system from this infrastructure are substantial, and we urge the S.E.C. to take action to require these companies to adequately account for these risks.

We also note that the federal government has a direct interest in understanding the climate risks to energy infrastructure, particularly along the Gulf Coast. The U.S. Department of Energy's Strategic Petroleum Reserve contains over 600 million barrels of crude oil, designed to keep the country's energy supply functioning in case of a war, or other national emergency.[4] This oil is stored in salt caverns along the Gulf Coast, and it is connected to 28 refineries along the Gulf Coast, many of which are at risk from sea level rise and climate change.

The S.E.C. should require companies to publicly acknowledge the value of their assets that are at risk from sea level rise and climate change. These risks disclosures of risks from individual events, including storm surges, heavy rain events, and intense winds, as well as the compound risks that might occur from multiple events taking place simultaneously. Risks should be described both in the present day, and in future years using projections of climate change adopted by leading international scientific authorities.

Thank you for reading.

Cara J. Spencer, PhD. J.D.
[redacted]

---

[3] Anthony McCauley, Phillips 66 to Shutter Alliance Refinery, Convert it to Fuel Terminal; 900 Jobs in Jeopardy, Nola.com, Nov. 8, 2021.
[4] U.S. Dep't of Energy, Office of Fossil Energy and Carbon Management, Strategic Petroleum Reserve | Department of Energy (last visited December 29, 2021).

[redacted]
[redacted]

Alexander S. Kolker, Ph.D.
[redacted]
[redacted]
[redacted]
[redacted]