Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

Re: File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

Metrus Energy ("Metrus") welcomes the opportunity to respond on File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors ("Proposed Rule"). We have a once-in-a-century opportunity to fully integrate climate-aligned structural change in the global economy. In the same way that GAAP aims to improve the clarity, consistency and comparability of financial information of businesses, the SEC’s Proposed Rule will transform environmental tracking and reporting into a much needed standardized, legally approved general accounting climate principles.

Metrus is a climate-positive investor and an established leader in the Energy as a Service ("EaaS") market. We develop and finance energy efficiency and clean energy projects and remove the financial barriers to large-scale projects with a pay-for-performance structure that enables our clients to upgrade their facilities with zero upfront costs. Currently, there is still a critical lag in the commitment to track, report and embed environmental performance in climate-related investments.

In the EaaS industry, there is no single, standardized framework that tracks and reports the environmental and financial performance of investments and that must be addressed. Integrating the reporting of environmental performance (carbon reduction) with financial performance helps businesses, municipalities, schools, and hospitals decarbonize their operations and track and report the true performance of their projects. While there will be a cost for compliance with SEC climate disclosure rules, it is important to remember that many
climate-related investments (energy efficiency, notably) carry significant, upfront economic benefits in the form of lower energy bills and reduced demand on the nation’s energy grids. In addition, this cost is far less than the cost of climate inaction or even the current compliance costs of piecemeal and ad hoc disclosures and reporting. There will also be a beneficial, indirect effect of the Proposed Rule: standardized climate-related financial reporting for publicly traded companies will raise (and standardize) the reporting bar for private companies as well.

In particular, Metrus supports the standardization of companies reporting on GHG reductions that includes a listing of direct and indirect emissions of greenhouse gases in metric tons of carbon dioxide (Scope 1 and Scope 2). This will provide much needed transparency on reporting assumptions and methodologies. We also believe it’s critical that company reporting is based on the Greenhouse Gas Protocol. The Greenhouse Gas Protocol is recognized internationally as the leading methodology for the calculation of GHG reduction metrics. This reporting methodology also aligns well with other key global GHG reduction efforts that are being led by the International Sustainability Standards Board (ISSB) and the Task Force on Climate-Related Financial Disclosure (TCFD). This will provide harmony with the SEC’s requirements and those utilized globally.

We also support the SEC rules whereby a company that has set a net zero (or related GHG reduction) target will have to show how it intends to meet it. These proposed rules will establish climate accountability by requiring companies that have issued emissions targets and climate plans to outline how they intend to reach those targets, and a timeframe that defines what is meant by short, medium and long-term.

Further, it will increase transparency where corporate GHG reduction work is needed which will guide our business - and the EaaS industry - by helping us understand where our investments can make the most impact. We view the SEC’s Proposed Rule as a necessary change in the quality and comparability of climate-related disclosures that is essential to driving an efficient market response to climate change and ESG-related risks.

In conclusion, Metrus supports the SEC’s Proposed Rule requiring all public companies to file climate-related financial information with the Commission, to have this information appear alongside currently required financial information,
and to present the applicable narrative and quantitative information. This will make climate-related financial information more useful to investors that are seeking to understand the risks and opportunities presented by climate change. It also strikes the right balance between investors’ needs for climate-related information and issuers ability to collect and report this information. We applaud the SEC’s leadership in standardizing a complex environmental and financial system which will help companies prepare and plan for the transition to a low-carbon economy while protecting investors and US competitiveness in the economies of the future.

Sincerely,

Robert Hinkle
President and CEO