

MEMORANDUM

To: Comment File (S7-10-22) – The Enhancement and Standardization of Climate-Related Disclosures for Investors

From: The Office of the Chair, U.S. Securities and Exchange Commission

Date: March 27, 2023

Re: Meeting with Amp America

On March 27, staff from the Office of the Chair met with representatives from Amp America and FGS Global about the SEC’s proposal for the enhancement and standardization of climate-related disclosures for investors. During the meeting, participants discussed Amp America’s business model and its feedback on the proposed rule. Following the meeting, Amp America’s representatives sent a written memo summarizing their views (attached).

Attendees:

- Mika Morse, Office of the Chair, SEC
- Grant Zimmerman, Amp America
- Cassandra Farrant, Amp America
- Ethan Hendricks, Amp America
- Mike Iger, FGS Global
- Anthony Reed, FGS Global



To: Mika Morse, Climate Counsel, Securities and Exchange Commission

From: Amp Americas

Date: April 10, 2023

Re: Carbon Accounting in the SEC's "The Enhancement and Standardization of Climate-Related Disclosures for Investors", Proposed Rule (File Number S7-10-22)

Amp Americas

Founded in 2011, Amp Americas (Amp) is a US-owned developer that builds, owns, and operates a portfolio of renewable natural gas (RNG) production facilities that produce 100% renewable, carbon-negative fuels and feedstocks from waste at dairy farms.

Background on RNG and its Benefits

Methane is a powerful greenhouse gas (GHG) which is 84x more harmful than CO₂. Dairy RNG is a carbon negative fuel because it is made by capturing methane from dairy farms that would otherwise enter the atmosphere. Consequently, preventing those emissions and using the methane as a drop-in replacement for fossil natural gas reduces carbon emissions by over 600%¹.

Public companies that have issued climate commitments are actively seeking decarbonization solutions – particularly hard-to-electrify industrial sector users which are heavily reliant on natural gas. Dairy RNG presents a highly efficient, attractive solution for decarbonizing these industrial users - many of whom have expressed enthusiasm to purchase dairy RNG to achieve their GHG reduction goals. In order to properly and accurately account for RNG's GHG impact, we utilize widely accepted and accredited lifecycle analysis (LCA) models, such as the Department of Energy's Argonne National Labs GREET model, that recognize the impact of our projects' avoided methane and allow us to deliver our impact to downstream customers utilizing "book-and-claim" delivery.

Several federal and state programs already utilize the GREET model as their basis for LCA accounting, including the federal Renewable Fuel Standard (RFS) and California's Low Carbon Fuel Standard (LCFS). In addition, the GREET model is statutorily required to be used to determine emissions reductions for several clean energy tax incentives under the Inflation Reduction Act.

Challenge with the Proposed Climate Disclosure Rule

Customers covered by SEC's proposed rule have recently shared with Amp that they are uncertain whether the rule's emissions reporting framework will permit companies to utilize the widely accepted and accredited emissions calculation models that are standards for the RNG industry, such as the GREET model, to account for the emissions avoided with purchased RNG delivered via book-and-claim. As a result, companies are already delaying investments in proven carbon-emission reductions projects and without additional clarity in a final rule, billions of dollars of investments in long-term, carbon-reducing, domestic renewable energy projects will be lost.

The SEC could resolve this issue, which is creating significant uncertainty in the marketplace, by explicitly affirming that companies can utilize the GREET model to measure and report the impact of avoided methane emissions when they report their Scope 1 and Scope 3 emissions. Providing this clarity would be consistent with the proposed rule's intent to offer "some flexibility in the choice of GHG

¹ Weighted average carbon intensity of RNG produced at Amp's operations between Jan-Sept. 2022 was -292 gCO₂e/MJ compared to +56 gCO₂e/MJ for fossil natural gas.



emissions methodologies”². This simple bit of clarity will unlock billions of dollars in private commercial transactions and enable the development of projects resulting in significant and immediate carbon reductions. It would also help the Administration reach its stated goal to “reduce methane emissions from agriculture, including by increasing biogas capture and utilization from manure management systems.”³

Policy Recommendation

Amp recommends that the SEC state 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, including book-and-claim delivery, are acceptable for use in reporting upstream emissions for purchased RNG. These statements would be consistent with GHG accounting standards that already exist for RNG in the Inflation Reduction Act and the Renewable Fuel Standard and that already exist for electricity in SEC’s proposed rule. This very simple clarification would unlock massive investment and climate benefits.

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.