

AMENDMENT TO THE RULES COMMITTEE PRINT

118-33

OFFERED BY MR. HUFFMAN OF CALIFORNIA

Add at the end the following:

1 **SEC. 609. CLIMATE-RELATED RISK DISCLOSURES.**

2 (a) RULEMAKING REQUIRED.—

3 (1) PROPOSED REGULATION.—The Securities
4 and Exchange Commission, in consultation with the
5 appropriate climate principals, shall, not later than
6 2 years after the date of the enactment of this sec-
7 tion, issue rules with the respect to the information
8 that a qualifying digital mining operations is re-
9 quired to disclose pursuant to this section and such
10 rules shall—

11 (A) establish climate-related risk disclosure
12 rules, which shall—

13 (i) include appropriate calculation
14 methodologies, reporting guidelines, and
15 monitoring operations of, with respect to
16 qualifying digital asset mining operations,
17 direct and indirect greenhouse gas emis-
18 sions; and

1 (ii) include reporting standards for es-
2 timating and disclosing direct and indirect
3 greenhouse gas emissions by a qualifying
4 digital asset mining operation, and any af-
5 filiates of the qualifying digital asset min-
6 ing operation, which shall—

7 (I) disaggregate, to the extent
8 practicable, total emissions of each
9 specified greenhouse gas by the quali-
10 fying digital asset mining operation;
11 and

12 (II) include greenhouse gas emis-
13 sions by the qualifying digital asset
14 mining operation during the period
15 covered by the disclosure;

16 (B) include in such disclosure any other in-
17 formation, or use any climate-related or green-
18 house gas emissions metric, that the Securities
19 and Exchange Commission, in consultation with
20 the appropriate climate principals, determines
21 is—

22 (i) necessary;

23 (ii) appropriate to safeguard the pub-
24 lic interest; or

1 (iii) for the protection of investors,
2 customers, and users of digital assets; and
3 (C) with respect to a disclosure required
4 under section 13(s) of the Securities Exchange
5 Act of 1934, establish how and where the re-
6 quired disclosures shall be addressed in the
7 qualifying digital asset mining operation's an-
8 nual financial filing.

9 (2) **FORMATTING.**—The Securities and Ex-
10 change Commission shall require issuers to disclose
11 information in an interactive data format and shall
12 develop standards for such format, which shall in-
13 clude electronic tags for information that the Securi-
14 ties and Exchange Commission determines is—

15 (A) necessary;

16 (B) appropriate to safeguard the public in-
17 terest; or

18 (C) for the protection of investors, cus-
19 tomers, and users of digital assets.

20 (3) **PERIODIC UPDATE OF RULES.**—The Securi-
21 ties and Exchange Commission shall periodically up-
22 date the rules issued under this section.

23 (4) **COMPILATION OF INFORMATION DIS-**
24 **CLOSED.**—The Securities and Exchange Commission
25 shall, to the maximum extent practicable, make a

1 compilation of the information disclosed by issuers
2 under this section publicly available on the website
3 of the Commission and update such compilation at
4 least once each year.

5 (5) REPORT TO CONGRESS.—The Securities
6 and Exchange Commission shall—

7 (A) conduct an annual assessment regard-
8 ing the compliance of qualifying digital asset
9 mining operations with the requirements of this
10 section;

11 (B) submit to Congress a report that con-
12 tains the results of each assessment conducted
13 under subparagraph (A); and

14 (C) make each report submitted under
15 subparagraph (B) accessible to the public.

16 (b) DEFINITIONS.—In this section:

17 (1) APPROPRIATE CLIMATE PRINCIPALS.—The
18 term “appropriate climate principals” means—

19 (A) the Administrator of the Environ-
20 mental Protection Agency;

21 (B) the Administrator of the National Oce-
22 anic and Atmospheric Administration;

23 (C) the Director of the Office of Manage-
24 ment and Budget;

25 (D) the Secretary of the Interior;

1 (E) the Secretary of Energy; and

2 (F) the head of any other Federal agency,
3 as determined appropriate by the Commission.

4 (2) DIGITAL ASSET MINING.—The term “digital
5 asset mining” means the process of performing com-
6 putations to generate a digital asset or digital com-
7 modity, such as mining, validating, staking, or other
8 activity tied to generating or mining a digital asset
9 or digital commodity.

10 (3) DIRECT AND INDIRECT GREENHOUSE GAS
11 EMISSIONS.—The term “direct and indirect green-
12 house gas emissions” includes, with respect to a
13 qualifying digital asset mining operation—

14 (A) all direct greenhouse gas emissions re-
15 leased directly from sources that are operated,
16 controlled, or owned by an individual or entity
17 performing a qualifying digital asset mining op-
18 eration.

19 (B) all indirect greenhouse gas emissions
20 associated with the purchase of electricity,
21 steam, heat, or cooling by an individual or enti-
22 ty performing a qualifying digital asset mining
23 operation.

24 (C) significant indirect emissions, other
25 than the emissions described in subparagraph

1 (B), emitted in the value chain of the qualifying
2 digital asset mining operation; and

3 (D) all indirect greenhouse gas emissions
4 that are attributable to assets owned or man-
5 aged, including assets that are partially owned
6 or managed, by the qualifying digital asset min-
7 ing operation.

8 (4) GREENHOUSE GAS.—The term “greenhouse
9 gas”—

10 (A) means carbon dioxide,
11 hydrofluorocarbons, methane, nitrous oxide,
12 perfluorocarbons, sulfur hexafluoride, nitrogen
13 trifluoride, and chlorofluorocarbons;

14 (B) includes any other anthropogenically-
15 emitted gas that the Administrator of the Envi-
16 ronmental Protection Agency determines, after
17 notice and comment, to contribute to climate
18 change; and

19 (C) includes any other anthropogenically-
20 emitted gas that the Intergovernmental Panel
21 on Climate Change determines to contribute to
22 climate change.

23 (5) GREENHOUSE GAS EMISSIONS.—The term
24 “greenhouse gas emissions” means the emissions of

1 greenhouse gas, expressed in terms of metric tons of
2 carbon dioxide equivalent.

3 (6) POWER LOAD.—The term “power load”
4 means the amount of electrical power, in megawatts,
5 that can be consumed by a qualifying digital asset
6 mining operation.

7 (7) QUALIFYING DIGITAL ASSET MINING OPER-
8 ATION.—The term “digital asset mining operation”
9 means—

10 (A) an individual digital asset mining facil-
11 ity that has a power load that is greater than
12 or equal to 5 megawatts; or

13 (B) multiple digital asset mining facilities
14 that—

15 (i) are owned by the same company;

16 and

17 (ii)(I) each have a power load that is
18 less than 5 megawatts; but

19 (II) have a cumulative power load
20 that is greater than or equal to 5
21 megawatts.

22 (8) VALUE CHAIN.—The term “value chain”—

23 (A) means the total lifecycle of a product
24 or service, both before and after production of
25 the product or service, as applicable; and

1 (B) may include the sourcing of materials,
2 production, transportation, and disposal with
3 respect to the product or service described in
4 subparagraph (A).

