I was surprised a few years ago when one of the speakers at a conference on climate change turned out to be a lead partner at a Wall Street law firm who counseled corporations about disclosure of climate risks. He may have been just a few years ahead of the curve. According to E&E News, the SEC has issued a new ruling on corporate disclosure of risks relating to climate change:

Publicly traded companies must consider the physical impacts of climate change — as well as the economic impacts of domestic and international greenhouse gas emissions-reduction rules — when disclosing risks to investors, the Securities and Exchange Commission decided today.

The interpretive guidance, approved by a 3-2 vote at SEC's Washington headquarters, does not create new legal requirements for companies. Rather, it will ensure consistent disclosure of bottom-line risks to shareholders, SEC Chairwoman Mary Schapiro said.

"It is neither surprising nor especially remarkable for us to conclude that of course a company must consider whether potential legislation — whether that legislation concerns climate change or new licensing requirements — is likely to occur," Schapiro said. "If so, then under our traditional framework, the company must then evaluate the impact it would have on … liquidity, capital resources or results of operations and disclose to shareholders when that potential impact will be material."

Similarly, a company must disclose the opportunities and risks that it faces from severe weather, rising sea levels and changing demand for products based on their carbon footprint. SEC will publish the interpretive guidance on its Web site and in the Federal Register, and the agency's Division of Corporation Finance will use it when reviewing company filings.

There were complaints from some congressional Republicans, but on the face of it, the guidance merely seems to implement the mandate under existing law to disclose material risks.