



September 11, 2025

California Air Resource Board
1001 I Street
Sacramento, CA 95814

Submitted Electronically Via: <https://ww2.arb.ca.gov/public-comments/public-comments-august-21-2025-climate-disclosure-workshop>

To whom it may concern:

Agricultural Council of California (Ag Council) represents approximately 15,000 farmers across California ranging from small, farmer-owned businesses to some of the world's best-known brands. Our membership includes many farmer owned cooperatives and businesses that conduct food processing activities and as such, some may have to comply with SB 253 and SB 261, also known as the California Corporate Greenhouse Gas (GHG) Reporting and Climate Related Financial Risk Disclosure Programs.

We are thankful for the opportunity to engage the California Air Resources Board (CARB) staff on this important issue and provide input during the August informational workshop. Ag Council has been deeply engaged in this issue since the legislative process and looks forward to continuing to provide CARB staff with the perspective and concerns of the state's agricultural community.

Identifying “Who” – Defining Revenue and “Doing Business in California”

Affordability issues have been top of mind for California businesses and consumers alike. It is important that any rulemaking processes consider the true economic impacts of implementation. Any new regulations should seek to impose the least amount of additional financial and regulatory burden while working to achieve the state's climate goals.

We concur with the feedback from the May informational workshop that the proposed definition of revenue is too expansive and presents many challenges to verification, specifically surrounding data confidentiality. While the alternative proposed definition is better than the previous, we still have concerns and are dedicated to continuing to work with CARB to develop a more workable solution.

As it relates to defining entities that are “doing business in California,” we recommend CARB staff consider the California Secretary of State Business Entity database. This publicly available database provides the clearest most effective method to determining companies doing business in California. Additional methods proposed by staff during the August rulemaking workshop are far too broad, unclear, and risk divulging sensitive financial information of California businesses. Any attempt to determine a definition of “doing business in California” should consider the most accessible and streamlined methodology possible.

Additionally, we encourage CARB to notify businesses directly of their regulatory obligations, similar to other state regulations. Any process that publicly posts or publishes a list of potential reporting entities may create risks of litigation by the public for good faith reporting and compliance efforts.

Finally, as it relates to identifying who is subject to this package of regulations, we are supportive of CARB staff using the existing definition of parent and subsidiary companies in the Cap-and-Trade regulation. Additionally, we believe it to be most advantageous to the regulation and CARB for

companies to self-report on parent-subsidary relationships to align this new regulation with one that already exists and tracks climate emissions data.

Implementation Fees Concept

We request that CARB, ahead of changes to the annual fee assessments, publish methodology for its determination to change costs, especially if those changes result in increases in annual fees. Additionally, a back-end report on fee expenditures would also be helpful in an effort to create full transparency. It is critical in at time of rampant economic uncertainty that businesses are able to plan ahead for fees associated with complying to regulations.

Third Party Assurance

We appreciate CARB staff's attention to providing potential standards for third-party assurance of GHG reporting. However, we encourage CARB to develop a more complete list with all potential standards that exist and comply with expectations of systemic, independent, and documented processes.

Furthermore, we ask that a draft list be developed by the end of September 2025 so that stakeholders and businesses may have a more complete picture of CARB's expectations for third-party assurance. Providing such a list for stakeholders and regulated entities to review prior to a final rule will provide much needed context for how to inform and comment on the rulemaking process.

Thank you for your consideration of our comments. Should you have any comments or questions, feel free to contact me at (916) 952-9151 or emily@agcouncil.org.

Sincerely,



Emily Rooney
President

