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Submitted via CARB Public Comment Web Portal

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California Air Resources Board

Re: Public Comments to August 21, 2025 Climate Disclosure Workshop

Dr. Vergis and CARB Staff:

Environmental Defense Fund (EDF) appreciates the opportunity to submit comments to the California Air Resources Board (CARB) in response to its August 21, 2025 workshop on the implementation of Senate Bills (SB) 253 and 261 as amended by SB 219. EDF has thousands of members in California and has long advocated for solutions that benefit Californians in numerous ways, including reducing pollution, increasing transparency, strengthening resilience and promoting affordability. EDF commends CARB staff for their careful work to develop a clear, enforceable, durable, and practical framework for California's vital climate disclosure laws, and offers the following comments in support of those efforts.

Franchise Tax Board Data

EDF strongly supports CARB's continued exploration of collaboration with the Franchise Tax Board (FTB) to establish a reliable and enforceable basis for determining covered entities. FTB data represents a consistent and verifiable source for evaluating the key applicability thresholds for the disclosure requirements: revenue and doing business in California. As noted in EDF's prior comments, CARB could begin by requesting anonymized or summary datasets from FTB to validate program design while structures and authority continue to be solidified for sharing a fuller set of the needed data in the future.

EDF recognizes that there are statutory and administrative limitations on FTB data availability and encourages CARB and FTB to collaborate to identify solutions grounded in CARB's established protocols for managing similar data in other contexts. An approach along these lines can ensure all FTB data protections are rigorously maintained while drawing from appropriately aggregated data to facilitate implementation of SB 219. This collaboration would advance the Administration's commitment to effective and efficient government that minimizes duplication of efforts, uses resources prudently, and better serves Californians.

Scope 3 Emissions and Pilot Implementation

EDF recognizes the vital importance of Scope 3 emissions disclosures and ensuring these disclosures are based on rigorous data and consistent methodological approaches. To support CARB's efforts to build a durable and practical program, and support covered entities in advancing along the learning curve on Scope 3, we recommend that the agency consider a phased approach for implementation that begins with options for early, voluntary Scope 3 reporting in 2026. Early voluntary reporting would provide CARB with valuable insights to strengthen the program, such as potential reporting inconsistencies, data availability, and sector-specific characteristics, which can be addressed before Scope 3 emissions reporting requirements come into effect.

EDF additionally encourages CARB to consider designing a pilot implementation program that focuses on the most material Scope 3 categories, as identified by CARB, particularly in industries and sectors where supply chain emissions are most significant and where methodologies are already more well established. We emphasize that this recommendation is specific to a pilot phase that would serve as a bridge to full scope 3 reporting. Clear parameters would be important to ensure consistency and comparability. This approach would allow CARB to test methods, deepen understanding of how the categories and quantities of Scope 3 emissions vary across types of covered entities, and progressively expand disclosure requirements. Insights from the pilot can then inform refinements to guidance, templates, and assurance expectations, supporting a smoother transition to Scope 3 disclosure.

CARB can also help support the advancement of reporting capabilities by identifying, cataloguing, and encouraging further development of tools and resources for Scope 3 reporting – in particular, open-source, audit-ready Scope 3 calculation tools. As disclosure requirements advance in a growing number of jurisdictions, this is a rapidly developing space. CARB can play a role in helping entities, particularly those that may be newer to Scope 3 disclosures, access useful tools.

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By anchoring applicability in reliable data, such as FTB data, and providing a clear pathway to full Scope 3 reporting, CARB can build a disclosure program that is both rigorous and durable. These steps will strengthen program integrity, enhance fairness, and generate decision-useful information for investors, consumers, and the public.

EDF thanks CARB for its diligence and its consideration of public input, and looks forward to continuing to engage to support the rulemaking and implementation process. Please do not hesitate to contact us.

Respectfully submitted,

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