



October 24, 2025

The Honorable Lauren Sanchez
Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on CARB's Draft Scope 1 and Scope 2 Emissions Reporting Template (SB 253)

Dear Chair Sanchez:

The American Hotel and Lodging Association ("AHLA") appreciates the opportunity to comment on the California Air Resources Board's (CARB) draft Scope 1 and Scope 2 greenhouse gas (GHG) emissions reporting template, published pursuant to Senate Bill (SB) 253 – the Climate Corporate Data Accountability Act. This memo outlines our feedback on each element of the template from CARB's stakeholder highlights. We also include additional recommendations on disclosure complexity, alignment with global standards, clarity, and the form of the draft template. Many of our members already publish GHG emissions utilizing the GHG Protocol or prepare reports aligned to the GHG Protocol in other jurisdictions. Consequently, we view as important SB 253's direction that "emissions reporting is structured in a way that minimizes duplication of effort and allows a reporting entity to submit... reports prepared to meet other national and international reporting requirements."

Overall, we support CARB's objective to streamline greenhouse gas reporting and facilitate consistent, useful, and interoperable disclosures, particularly for entities reporting GHG emissions for the first time. However, we have concerns that this draft template introduces potential misalignments with the GHG Protocol and established international reporting practices that may cause confusion, increase reporting burdens for members reporting in multiple jurisdictions, and reduce interoperability and comparability of reports between jurisdictions. We encourage CARB to consider our key recommendations when updating the draft template to better align with established global reporting practices, avoid confusion for preparers, and remain practical for companies of varying industry, size and complexity. In brief, our key recommendations include:

- Make disaggregation by source/activity/gas optional.
- Maintain flexibility regarding approach for organizational boundary.
- Make disclosure of emissions reduction information, like direct contracts for renewables, optional.
- Clarify that rows 77-179 are all optional.



- Make disclosures exceeding the detail required by the GHG Protocol optional.
- Retain optionality of the template beyond the first year.

Key Concerns and Recommendations

Disclosure by Source vs. Gas

We recommend that CARB make the breakdown of emissions by Scope 1 emission sources, Scope 2 activities, and individual greenhouse gases optional in the SB 253 template. Requiring such extensive disaggregation will expand the scope of assertions subject to third-party assurance, which will result in increasing both assurance process burdens and associated costs without meaningfully improving decision-usefulness. Additionally, the Greenhouse Gas (GHG) Protocol and IFRS S2 do not require such extensive disaggregation, as neither standard mandate separate disclosure of Scope 1 emission sources, Scope 2 activities, or detailed greenhouse gas level breakouts by scope or source category. Keeping these disclosures as optional would better align with global standards, promote interoperability, and reduce unnecessary reporting burden and cost of compliance while maintaining transparency and comparability.

Organizational Boundaries

We urge CARB to allow companies to apply the boundary most relevant to their operations, whether it is by equity share, financial control, or operational control approach. Maintaining this flexibility will strengthen interoperability by aligning California's reporting expectations with global standards, including IFRS S2 and the GHG Protocol, which allows companies to apply the boundary most relevant to their operations. Further, this will better accommodate diverse business structures and reporting capabilities, fostering more accurate and meaningful GHG disclosures and increasing comparability to industry peers.

Additionally, requiring companies that have already reported using one method to change their boundary method could create inefficiencies, reduce comparability over time, increase administrative burden, and cause companies to potentially have to rescope and redefine emissions targets and SBTi submissions, while creating misalignment to other reporting. This result would be inconsistent with CARB's objective of designing these programs to be the least burdensome for implementation and compliance.

Emissions Reduction Initiatives

We recommend that CARB make disclosing total emission reductions from direct contracts for renewable electricity and renewable gas optional. The GHG Protocol does not require entities to quantify or disclose total reductions from such



contracts, instead allowing companies to report this information voluntarily. Making these fields optional would align the template with global reporting standards and reduce unnecessary reporting burden.

Streamline Disclosure and Enhance Alignment with Global Standards

Streamline Duplicative Exclusion Fields - We encourage CARB to revise the SB 253 template to avoid exceeding the requirements of the GHG Protocol and to streamline duplicative or unnecessarily detailed fields for clarity. Several fields appear duplicative or overly prescriptive, which increases the reporting burden without improving usefulness. For example, the template includes multiple exclusion-related fields that request similar information, including exclusions based on materiality (rows 69–70), region or facility (rows 29–30), and facilities, operations, or emission sources excluded from the inventory (rows 45–46). Consolidating these into a single question will improve clarity and reduce redundancy, while maintaining disclosure quality and aligning better with the GHG Protocol.

Remove Excessive Facility Listings Detail - The requests in rows 24–30 are unclear, excessive and appear to confusingly mix different topics – reporting entities and reporting boundary. The template uses an undefined term “obligated entity” which adds to the confusion. The template appears to request: (i) in rows 24 and 26 a list of all “obligated” entities or facilities under equity, financial or operational control; (ii) in row 25 to list the percentage of equity in each if applicable; (iii) and in row 29 to list every facility excluded from the reporting boundary. In rows 27 and 28, the template appears to ask whether any of these subsidiaries report separately. This level of granularity is unnecessary, highly burdensome, and exceeds the requirements of the GHG Protocol, which calls for entities to describe and justify exclusions but does not require an explicit list of every facility included or excluded. These requirements shift focus away from explaining exclusions, which are more relevant for understanding the completeness of the reporting boundary. We recommend removing this detailed facility listing requirements and retaining a high-level disclosure of organizational boundaries and any exclusions. If needed, CARB could include a separate field for the reporting entity to identify whether the report covers any subsidiaries that are individually in scope for reporting and associated applicable fees.

Correct Misalignment in Definitions of “Materiality” and “De Minimis” - We recommend removing rows 69–70 in the “Form”, as well as the definition of “materiality threshold” included in the “Read Me First” tab. The template is not aligned with the concepts of materiality and de minimis used in the GHG Protocol. As the GHG Protocol explains, a materiality threshold relates to the assurance process and is not a de minimis threshold. If a company were to exclude certain emissions as minor and not practical to quantify, such emissions would therefore not be quantified as requested in row 70 in the SB 253 template. However, such



an exclusion would already be captured in a more general explanation of exclusions, i.e., in row 45 in the SB 253 template.

Provide for Optional Disclosure for Process-Specific Calculations - We request that CARB make row 68 in the “Form” tab optional, as the information requested is highly detailed and typically forms part of supporting documentation for assurance rather than public disclosure. The requirement asks entities to specify any process-specific calculations, including the tools or models used, and to provide a weblink for additional information. Many entities do not publish this information externally and requiring it would add unnecessary complexity and increase burden on reporting entities.

Remove Inconsistent Definitions - We recommend that CARB delete the definitions included on the “Read Me First” tab of the SB 253 template or clearly state that the definitions in the GHG Protocol take precedence. Definitional discrepancies can lead to confusion and inconsistent interpretation among reporting entities. For example, the definition of “materiality threshold” in the template appears to differ from the definition provided in the glossary of the GHG Protocol Corporate Standard (Revised Edition), page 100. Aligning terminology directly with the GHG Protocol would promote clarity and consistency in reporting.

Disclosure Clarity

Clarify Optional Fields - We request additional clarity on which fields in the SB 253 Draft Scope 1 and 2 GHG Template are considered optional. The current layout of the “Form” tab makes it difficult for users to determine which rows are required and which are voluntary. For example, it is unclear whether all rows from 77 onward are optional or if this applies only to those related to base year information. We support designating all fields from rows 77 to 179 as optional, and we recommend that CARB clearly identify optional fields, such as by adding a dedicated column or visual indicator, to reduce potential for confusion.

Correct Organizational Boundary Dropdown - In row 23 of the “Form” tab of the SB 253 Draft Scope 1 and 2 GHG Template, the dropdown menu appears to contain a typographical error. It currently states: “Select the organizational boundary approach your company uses (Equity Share, Financial Control, Organizational Control).” We believe the approach option should read “Operational Control” instead of “Organizational Control.” Correcting this reference will help avoid confusion for template users.

Provide Consistency in Assurance Terminology - We request that CARB use consistent terminology when referring to third-party assurance in the SB 253 template. In the “Form” tab, row 17 uses the term “assurance provider,” while rows 18–20 refer to a “verifier.” It is unclear whether these terms are intended to



describe the same party. To avoid confusion and promote clarity, we recommend that CARB use a single term, such as “assurance provider,” throughout the template.

Align Intensity Calculation with Global Standards - We recommend that CARB align the definition of intensity ratios in rows 51 and 58 of the “Form” tab of the SB 253 template with the Greenhouse Gas Protocol, which defines them as “ratios that express GHG impact per unit of physical activity or unit of economic value.” Rather than requiring revenue as the denominator, we request that CARB allow flexibility for entities to select an intensity metric that best reflects how their emissions are measured against a relevant economic or operational variable (e.g., floor space, production, revenue). This approach would better capture operational realities, while maintaining consistency with the GHG Protocol.

Clarify Treatment of Certain Scope 1 and Scope 2 Emissions- We request clarification on the treatment of stationary combustion and purchased electricity emissions within the SB 253 template. In the “Form” tab, row 47 refers to Scope 1 emissions but does not include a dedicated field to report total stationary combustion emissions. Similarly, the template asks entities to indicate whether Scope 2 location-based and market-based purchased electricity is included in the reporting boundary but does not provide a field to disclose total emissions from purchased electricity. Additionally, we request that CARB update the template to allow users to indicate whether their Scope 2 emissions reported in rows 54-59 are calculated using a location-based or market-based method. This clarification would improve transparency across reporting entities. We encourage CARB to make the disclosure of Scope 1 emissions by source and Scope 2 emissions by activity optional in the SB 253 template consistent with the GHG Protocol. We also recommend adding optional fields for both stationary combustion and purchased electricity emissions, as well as an optional field to delineate whether Scope 2 emissions are reported using a location-based or market-based method.

Ensure Protection of Trade Secret Information - We request that CARB ensure that information designated as “Trade Secret Information” in the SB 253 template will be handled confidentially and protected from public disclosure. The template includes a dropdown field asking entities to indicate whether their report contains trade secret information, but it is unclear what level of protection will be afforded to such information, whether individual rows should be designated, and what process CARB will follow once information is identified as trade secret. Providing clear guidance on these points will confirm to reporting entities that confidential information will be safeguarded and protected from disclosure.

Voluntary Use of SB 253 Reporting Template



Maintain Voluntary Use of the SB 253 Template Beyond the First Year - We urge CARB to maintain the SB 253 Scope 1 and Scope 2 reporting template as an optional tool beyond the initial reporting year. Allowing entities to continue reporting using their existing systems and formats will support consistency across filings and reduce incremental administrative burden. Many companies already prepare greenhouse gas disclosures in other public reports that align with global standards. Aligned with the letter and spirit of SB 253, entities should be able to satisfy California SB 253 disclosures by "submit[ting]... reports prepared to meet other national and international reporting requirements" as long as SB 253's requirements are met rather than being required to utilize a separate CARB form that may have inconsistent wording or format from the GHG Protocol or other reporting requirements, which could present additional reporting and assurance burdens. Maintaining the template as optional would preserve flexibility, promote interoperability with other reporting frameworks, and enable companies to focus resources on ensuring the accuracy and completeness of their disclosures.

Conclusion

We appreciate CARB's continued commitment to engaging with stakeholders in developing the SB 253 reporting framework. We encourage CARB to continue refining the template to align with established global standards, minimize duplicative or overly granular requirements, and maintain flexibility for reporting entities. Making the final template clear, efficient, optional, and interoperable will help achieve CARB's objectives in supporting accurate and decision-useful climate reporting.

Sincerely,

Chirag Shah

General Counsel and Executive Vice President, Public Policy & Regulatory Affairs
American Hotel & Lodging Association