



October 27, 2025

To: California Air Resources Board

Re: California Corporate Greenhouse Gas Reporting Program: Scope 1 and Scope 2 Emissions Draft Reporting Template

The Institute for Policy Integrity at New York University School of Law (Policy Integrity)¹ respectfully submits the following comments to the California Air Resources Board (CARB) regarding its Scope 1 and Scope 2 Emissions Draft Reporting Template (the Draft Template) for the California Corporate Greenhouse Gas Reporting Program. Policy Integrity is a non-partisan think tank dedicated to improving the quality of government decisionmaking through advocacy and scholarship in the fields of administrative law, economics, and public policy. Policy Integrity has previously commented on CARB’s implementation of California’s climate-disclosure legislation.²

In 2023, California passed the Climate Corporate Data Accountability Act (Senate Bill 253), which requires certain large companies doing business in California to disclose their greenhouse gas emissions.³ CARB recently released the Draft Template to assist entities with disclosing their Scope 1 and Scope 2 emissions under this statute.⁴ As CARB has noted, “[t]he template does not modify, replace, or supersede the statutes and does not impose requirements on anyone”; it exists merely to guide reporting entities in complying with their obligations under the Act.⁵ CARB is seeking public comment on this draft template.⁶

¹ This document does not purport to present the views, if any, of New York University School of Law.

² See Inst. for Pol’y Integrity, Comments to CARB on Implementation of California Climate-Disclosure Legislation (Mar. 14, 2025), <https://policyintegrity.org/projects/update/comments-to-carb-on-implementation-of-california-climate-disclosure-legislation>.

³ See CAL. HEALTH & SAFETY § 38532. California also passed a similar law requiring certain large companies that do business in California to disclose their climate-related financial risks. See CAL. HEALTH & SAFETY § 38533. This comment opportunity focuses on the Climate Corporate Data Accountability Act. See Cal. Air Res. Bd., *California Corporate Greenhouse Gas Reporting Program: Scope 1 and Scope 2 Emissions Draft Reporting Template* (Oct. 10, 2025), <https://perma.cc/8V77-3J8R>.

⁴ See Cal. Air Res. Bd., *California Corporate Greenhouse Gas Reporting Program: Scope 1 and Scope 2 Emissions Draft Reporting Template*, *supra* note 3; see also Cal. Air Res. Bd., *SB 253 Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions Draft Reporting Template*, <https://ww2.arb.ca.gov/our-work/programs/california-corporate-greenhouse-gas-ghg-reporting-and-climate-related-financial> (last visited Oct. 27, 2025) (the downloadable Excel file).

⁵ See Cal. Air Res. Bd., *SB 253 Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions Draft Reporting Template*, *supra* note 4.

⁶ See *id.*

Policy Integrity supports CARB’s apparent decision, reflected in the Draft Template, to request disclosure of gross, instead of net, emissions.⁷ This choice is consistent with the statutory language requiring disclosure of all of a reporting entity’s Scope 1 and Scope 2 emissions in conformance with the Greenhouse Gas Protocol standards.⁸ In addition, disclosure of gross emissions provides more transparent and useful data compared to disclosure of net emissions (based on offsets from carbon credits). Many carbon credits traded on the voluntary carbon market have integrity problems; credits with such integrity problems would not properly cancel out emissions.⁹ A recent Policy Integrity report also highlights issues with the voluntary carbon market’s current ability to transparently incorporate and value risks and uncertainties affecting the emissions reductions or removals that underlie carbon credits.¹⁰ Disclosing gross emissions avoids any potential issue with a reporting entity’s use of carbon credits that may have integrity problems or that may not fully reflect relevant risks and uncertainties. Accordingly, the decision to seek gross, rather than net, emissions reporting will better aid the public in understanding reporting entities’ emissions, transition risks, and impact on climate change, in line with the statute’s goals.¹¹ Requiring gross emissions reporting also does not prevent a reporting entity from voluntarily disclosing its use of carbon credits in other settings, such as corporate sustainability reports.

Sincerely,

Erin Shortell, Legal Fellow
Don Goodson, Executive Director
Derek Sylvan, Strategy Director
erin.shortell@nyu.edu

⁷ The Draft Template appears to request the disclosure of gross Scope 1 and Scope 2 emissions, while providing a separate space to include emissions reductions from direct contracts for renewable electricity and renewable gas and no space to include emissions reductions based on reporting entities’ use of carbon offsets. *See id.*

⁸ *See* CAL. HEALTH & SAFETY § 38532(c)(1), (2)(A)(i)–(ii); *see also* World Bus. Council for Sustainable Dev. and World Res. Inst., *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* 60–61 (2004), <https://perma.cc/2VFT-5RSE> (emphasizing that companies should report their emissions “separately and independently” of any carbon credits they may purchase or sell).

⁹ *See, e.g.,* Erin Shortell & Chris Holt, *Demystifying the Voluntary Carbon Market: An Overview of the Market’s Inner Workings*, INST. FOR POL’Y INTEGRITY 26–27 (Feb. 2025), <https://policyintegrity.org/publications/detail/demystifying-the-voluntary-carbon-market>.

¹⁰ *See* Raimundo Atal & Derek Sylvan, *Integrity, Equivalence, and Imperfect Carbon Offsets*, INST. FOR POL’Y INTEGRITY (Sept. 2025), <https://policyintegrity.org/publications/detail/integrity-equivalence-and-imperfect-carbon-offsets>.

¹¹ *See* S.B. 253, 2023–2024 Reg. Sess. (Cal. 2023) § 1.