

California Air Resources Board
1001 I Street
Sacramento, CA 95814

27 October 2025

Re: Comments on Draft Scope 1 and 2 Greenhouse Gas Reporting Template (SB 253)

Submitted via CARB public docket

Dear Chair Sanchez and Members of the Board,

Watershed appreciates the California Air Resources Board's continued leadership in implementing the Climate Corporate Data Accountability Act (SB 253). We have reviewed in detail the draft Scope 1 and 2 reporting template released October 10 and write below to provide comments. These comments reflect our experience supporting hundreds of organizations globally in preparing GHG disclosures aligned with the Greenhouse Gas Protocol (GHG-P), IFRS S2, CSRD, and other leading frameworks.

Executive Summary

Topic	Recommendation	Rationale	Priority
1 GWP values (AR4 → AR6)	Require use of the latest IPCC values (AR6) rather than the outdated AR4 values. Permit flexibility in year one but mandate the latest values from year two.	Aligns with GHG Protocol and global frameworks; improves accuracy and comparability; removes otherwise significant operational burden on business.	● High
2 Emission-reduction fields	Remove or clarify “renewable gas” and “renewable electricity” fields.	Avoids double-counting and better aligns with GHG Protocol, CDP and ESRS.	● Medium
3 Organizational boundaries	Retain flexibility for equity share, operational, or financial control approaches.	Maintains GHG Protocol consistency and interoperability with CSRD/IFRS S2.	● Medium
4 MRR alignment	Make MRR facility-ID field optional; clarify SB 253 remains corporate-level.	Prevents confusion between corporate and facility-level reporting.	● Medium
5 Submission process	Allow link-based filing.	Minimizes administrative burden.	● Low
6 Template clarifications	Correct Scope 2 wording, remove duplicate rows, confirm metric-ton units.	Technical consistency and ease of use.	● Low

Our recommendations

1. Global Warming Potential (GWP) values – align with the GHG Protocol and global reporting frameworks (high priority)

Mandating the use of AR4 GWP values is out-of-sync with global standards, represents outdated scientific values, and would create a significant burden on businesses who would likely be required to maintain a separate, incomparable inventory for California reporting.

- *Reduces interoperability:* The GHG Protocol Corporate Standard states that companies “shall use 100-year GWP values from the IPCC and should use values from the most recent Assessment Report” (AR6). In 2024, GHG-P [explicitly recommended the use of AR6 values](#). Other global standards, including ESRS, IFRS S2, GRI and CDP recommend aligning with GHG and so using the most recent GWP values. Requiring AR4 in California deviates from the global standard and would result in separate, incomparable reporting numbers to other frameworks.
- *Deviates from latest science:* AR6 also reflects fifteen years of improved climate science beyond AR4. In particular, GWP values for CH₄ and N₂O have changed by 8-9% between AR4 and AR6 thanks to the advancement in our understanding. The differences in values is likely to result in a material difference in emissions numbers in sectors like agriculture and food, which are strongly represented in California.
- *Creates significant business burden:* California reporting entities who are already disclosing emission numbers will likely be using AR5 or AR6. Mandating the outdated AR4 will require companies to duplicate work and maintain a separate California inventory, introducing significant administrative burden and the likelihood of error.

We support CARB’s flexibility in the first reporting year by not requiring use of the template. We strongly urge CARB to explicitly confirm that, given this optionality, reporting entities may choose which GWP values to use and to disclose accordingly. We strongly recommend that CARB align with global standards and scientific consensus by mandating AR6, or the latest GWP values, from year two.

2. Emission-reduction fields – renewable gas and renewable electricity (medium priority)

We recommend removing or clarifying the emission-reduction fields in the draft template.

- For renewable gas, avoided-emission methodologies are not defined in the GHG-P. Avoided emissions are accounted for separately to a scope 1 inventory.
- For electricity, it is unclear whether CARB seeks information on market-based instruments (e.g., PPAs, RECs) or on location-based reductions. We suggest CARB aligns

with the GHG Protocol Scope 2 Guidance, CDP Q7.30.17, and ESRS E1-5, which collect renewable-energy data through market-based disclosure rather than as “reductions.”

Separating gross emissions from any voluntary reductions will maintain inventory integrity while still allowing transparency on renewable-energy sourcing.

3. Organizational boundaries (medium priority)

We support CARB in allowing flexibility for entities to select equity share, financial control, or operational control boundaries, as permitted by the GHG Protocol. Mandating a single approach could misalign with existing inventories and with disclosures prepared under CSRD, IFRS S2, or CDP.

4. Alignment with the Mandatory Reporting Regulation (MRR) (medium priority)

The draft template introduces fields for California MRR facility IDs. We recommend clarifying that:

- Completion of the MRR field is optional, and for entities already subject to the MRR; and
- Facility-level data are not required to be aggregated or disaggregated for SB 253 reporting.

This preserves alignment with CARB’s databases without creating parallel facility-level obligations.

6. Submission process (low priority)

We recommend that CARB confirms the submission process, and whether entities may provide a public URL or link-based filing to their GHG report rather than uploading the full spreadsheet to the docket. This approach maintains transparency and minimizes administrative burden.

7. Template clarifications and technical corrections (low priority)

We note several minor issues that could be addressed in the next revision:

- Confirm that “mtCO₂e” refers to metric tonnes.
- Correct Scope 2 labels from “direct” to “indirect” emissions.
- Remove duplicate rows (e.g., agricultural sources, intensity, biogenic CO₂) appearing as both required and optional.
- Align terminology with the GHG Protocol land sector and removals guidance and SBTi, using “FLAG (land use change and land management emissions)”, rather than “agricultural sources”.



CARB's draft template is a major step toward practical, high-quality implementation of SB 253. By adopting the clarifications above—particularly on GWPs—CARB can ensure the program delivers accurate, interoperable, and decision-useful data while minimizing administrative burden.

We appreciate the opportunity to provide these comments and remain ready to share aggregated insights from our work supporting corporate reporters globally.

Thank you for your continued leadership.

Rob Chestnut

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