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Attention: California Air Resources Board (CARB)

Re: TransAlta's Comments on California Corporate Greenhouse Gas (GHG) Reporting and Climate Related Financial Risk Disclosure Programs: Draft Reporting Template for Scope 1 and Scope 2 GHG Emissions

TransAlta Energy Marketing U.S. (TEMUS) appreciates the opportunity to submit comments on the California Air Resources Board's (CARB) draft reporting [template](#) for Scope 1 and Scope 2 greenhouse gas (GHG) emissions posted on October 10, 2025. TEMUS, a wholly owned subsidiary of TransAlta Corporation, is wholesale power marketer and an active market participant and electricity importer in the California electricity market.

TEMUS remains concerned about the lack of clarity regarding applicability of both Senate Bill (SB) 253 (greenhouse gas emissions reporting) and SB 261 (climate risk reporting). TEMUS has closely followed the development of this rulemaking and appreciates CARB's efforts to provide guidance for stakeholders, including the stakeholder [workshops](#) and posted [resources](#). However, even after reaching out to CARB staff for clarification, it is unclear whether TEMUS is a covered entity. TransAlta now finds itself in the unusual situation of meeting a compliance deadline *before* the final regulations have been determined.¹

Currently TEMUS' only business activity in California is the importing of (wholesale) electricity, an activity specifically intended to be exempted by the authors of the Climate Disclosure legislation.² While TEMUS is not included in CARB's [preliminary list](#) of reporting/covered entities posted on September 24, 2025, other electricity importers, such as Nevada Power, are, despite CARB's proposed exemption during its [August 21 workshop](#).³ Therefore the preliminary list has provided very limited clarity, especially in tandem with the absence of any reference to electricity

¹ The compliance deadline for SB 261 is December 1, 2025 and CARB "is proposing an updated timeline for bringing the initial rulemaking (including the fee-related provisions) to the board in Q1 2026".

² California Legislature 2023-24, [Senate Daily Journal 3058](#), (Jan. 30, 2024)

³ See slide 18.

importers in CARB's comments on exemptions in its [draft checklist](#) released September 2.

TransAlta currently releases public climate change disclosures and reports at the consolidated parent level using the frameworks under the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures and the Task Force on Climate-related Financial Disclosures (TCFD).⁴ TEMUS plans to post the link to the most recent version of these reports in CARB's docket related to SB 261 after it opens on December 1 *as a matter of prudence while CARB determines whether TransAlta is a covered entity*. CARB has not provided clarification regarding the six-month window of the open docket for SB261 compliance and whether this was intended for posting after compliance determination, disclosure updates, or something else.

In its [memo](#) to stakeholders dated October 10, 2025, CARB requested feedback on three elements included in the [draft template](#): (1) disclosure by source vs. by gas; (2) organizational boundaries; (3) emissions reduction initiatives.

TEMUS is providing the following comments on the template with the caveat that, although it is waiting for final determination of compliance requirements from CARB, the intent of the regulation was to provide an exemption for electricity importers.

TEMUS understands that use of the draft template is not mandatory and recommends that, like SB 261 compliance, CARB recognize equivalent reporting that covered entities already produce under industry-accepted methodological frameworks such as the GHG protocol.

Disclosure by Source vs. by Gas

Like other electricity importers, TEMUS *already* submits detailed GHG reporting to CARB under CARB's [Mandatory Greenhouse Gas Emissions Reporting Regulation](#) (MRR), which requires detailed reporting of direct and end user emissions verified by an approved third-party.⁵ This information is standardized and made publicly available by CARB for decision-makers, thereby already achieving the intent of SB 253 for this industry sector. The MRR framework provides for disclosure by gas (i.e. total emissions measured in metric tons CO₂e) and TEMUS recommends alignment of the SB 253 regulations with this existing framework for consistency.

Organizational Boundaries

It is unclear which organizational level the monetary threshold applies as well as at which level the reporting should reflect. For example, if the revenue threshold applies at the subsidiary level operating in California (i.e., TEMUS), does CARB

⁴ See TransAlta's [2024 Integrated Report](#) (pages M92-M111) and [Task Force on Climate-related Financial Disclosures](#) (page M78).

⁵ CARB MRR ID 2312

require reporting at the subsidiary level or consolidated at the parent level (i.e. TransAlta Corporation)? Or vice versa?

As a multinational company with multiple U.S. subsidiaries, TEMUS recommends that CARB allow covered entities to report at the consolidated non-U.S. parent level, even if the parent company itself is not the covered entity. TransAlta, like most corporations, manages and reports its emissions at a consolidated level as part of its climate and sustainability strategy. This practice aligns with the GHG Protocol Corporate Standard and IFRS S2 Climate-related Disclosures frameworks. TransAlta does not have the information, systems, or processes to fulfill the reporting requirements under HB 261/253 on subsidiary basis, and to do so would create a significant reporting burden, both in terms of cost and time. This is particularly true of Scope 3 emissions, which carry a substantial risk of double-counting at the subsidiary level.

Emissions Reduction Initiatives

TEMUS recommends that reporting of emissions reduction initiatives be optional as such initiatives are likely to be industry-specific and therefore difficult to standardize.

In summary, TEMUS recommends CARB to adopt a flexible approach towards climate disclosure compliance, allowing covered companies to submit existing reporting aligned with industry-accepted standardized frameworks (TCFD, IFRS S1/S2, CSRD, etc.). This would reduce duplicative reporting and minimize the increased cost of doing business in California. TEMUS also urges CARB to provide clear determination which entities are covered by the regulations.

Yours truly,

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