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October 27, 2025

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

Submitted Electronically via CARB Internet Comment Form

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

Dear Chair Sanchez:

We write on behalf of our client, the Regulatory Flexibility Group ("RFG"), in response to the California Air Resources Board's ("CARB") draft template for reporting under California's climate disclosure legislation, Senate Bill 253 ("SB 253"). RFG is an industry coalition that includes companies in the refining, utility and aerospace sectors that operate facilities throughout California. RFG is dedicated to advocating for a regulatory environment that balances important air quality goals with regional economic considerations. To further this mission, RFG regularly engages with air districts during rulemakings that affect coalition members.

We reviewed CARB's draft reporting template, the accompanying memorandum dated October 10, 2025, and other available materials and appreciate the opportunity to provide these comments.

Reporting obligations should be simplified and companies should be given flexibility to report data in a way that makes sense for their business

We are concerned that the level of detail requested in the draft template, including characterizing various sources of emissions, is impractical and counterproductive to the goal of providing useful information to investors and consumers. We encourage CARB to simplify the approach to reporting and allow companies to determine, based on their unique business, the best way to accurately and transparently characterize and disclose emissions to comply with SB 253.

Specifically, we urge CARB to allow companies flexibility to choose their reporting methods, provided that each company clearly specifies in its disclosure the reporting method. We recommend that CARB release a non-exhaustive list of compliance programs that are sufficient to meet the requirements of SB 253 through substituted compliance. We note that the GHG Protocol is the most widely adopted standard for reporting GHG emissions – many companies have already structured their reporting processes around it – because it allows reporting entities considerable

flexibility in their methodologies, tailored to their unique circumstances. This flexibility is a key design feature of the GHG Protocol, as it acknowledges the diverse situations companies face and employs a principles-based approach rather than prescribing every technical detail.

This flexibility is crucial because many entities gather emissions data not only to meet California's requirements but also to comply with other reporting frameworks or address specific stakeholder needs. These entities have invested substantial time and resources in developing their data collection, methodologies, controls, and reporting processes, which continue to evolve with advancements in data and methodologies.

Companies require clarity on the applicability of reporting obligations

The draft reporting template highlights the difficulty that companies with complex ownership structures will face in reporting information that is useful to the public and consistent with information reported under other regimes. We recommend that CARB allow flexibility for companies to determine the appropriate reporting level, whether at the relevant entity level or consolidating under a parent company, regardless of whether the parent company itself is in-scope. This clarification is consistent with the language in SB 261, as well as the SB 219 amendments to SB 253, regarding consolidated reporting. This approach will offer flexibility by allowing the use of either narrow disclosures for a single entity (if parents, subsidiaries, or affiliates would complicate matters), or broader disclosures that parent companies may prepare (which could reduce the need for and cost of repetitive or fragmented reporting, if the parent already makes reports on climate risk or GHG emissions).

Reporting under SB 253 should align with existing reporting obligations

We appreciate CARB acknowledging that many companies subject to SB 253 have existing obligations to report GHG emissions information pursuant to other federal, state, and regional programs. In particular, we request that CARB ensure alignment between SB 253 and California's existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions ("MRR") obligations, with regard to both applicability of SB 253 and the information that must be reported. For companies with complex ownership structures, ensuring alignment is necessary to prevent reporting of disparate numbers across varying reporting schemes, which could greatly increase the burden on businesses and result in confusing data that is difficult for the public to interpret.

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Conclusion

We greatly appreciate the opportunity to provide these comments. If CARB has any questions or would like to discuss our comments, please feel free to contact me at (213) 891-7395, or by email at john.heintz@lw.com.

Best regards,

/s/ John C. Heintz

John C. Heintz
of LATHAM & WATKINS LLP

cc: RFG Members
Josh Bledsoe, Latham & Watkins LLP
Nick Cox, Latham & Watkins LLP