

COMMENTS OF THE CLASS OF '85 REGULATORY RESPONSE GROUP
ON THE
CALIFORNIA AIR RESOURCES BOARD'S DRAFT REPORTING TEMPLATE FOR
SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS

I. INTRODUCTION

The Class of '85 Regulatory Response Group ("Class of '85" or "Group") respectfully submits these comments on the draft reporting template for Scope 1 and Scope 2 greenhouse gas ("GHG") emissions ("Draft Template") released by the California Air Resources Board ("CARB") to inform implementation of Senate Bill ("SB") 253. The Class of '85 is a voluntary, ad hoc coalition of over 40 electric generating companies from around the country that has been actively involved in the development of regulations to implement the federal Clean Air Act and other environmental statutes for 35 years.¹

SB 253 requires both public and private U.S. businesses with revenues over \$1 billion that do business in California to annually report Scopes 1 and 2 GHG emissions beginning in 2026, and Scope 3 emissions beginning in 2027. The Class of '85 would like to emphasize the importance of ensuring that California accomplishes its objective to collect useful, actionable data and information without unduly burdening businesses by requiring the reporting of immaterial emission sources or unnecessarily granular or out-of-scope information. Balancing the compliance burden on regulated businesses alongside California's interest in information collection would help to ensure that the data ultimately reported are useful, pertinent, and relevant.

II. COMMENTS

The Class of '85 provides the following comments in response to the proposed Draft Template.

A. The Class of '85 Supports CARB's Inclusion of a "Materiality Threshold."

The Class of '85 supports the inclusion of a "materiality threshold" for reporting emissions, which CARB defines in the Draft Template as "a rule you set to decide which emission sources are so small (immaterial) that they do not need to be included in the inventory because their exclusion will not significantly affect the accuracy of the report." A materiality threshold provides essential guidance to reporting entities by clarifying which information must be reported. It also assists assurance providers by enabling them to focus on areas where discrepancies are more likely to result in materially misleading errors, rather than on inconsequential differences.

¹ Attachment A contains a list of Class of '85 members who support these comments.

B. CARB Should Clarify Whether Fields for Exclusion Relate to the Materiality Threshold.

The Draft Template includes fields that require disclosure of various factors excluded from reporting. The Class of '85 respectfully requests that CARB clarify the distinction between disclosures based on general exclusions and those based specifically on exclusions made under the materiality threshold. For example, line 29 of the Draft Template asks, "Are any regions or specific facilities excluded from your organizational boundary?" Similarly, line 46 requests entities to answer, "Have any facilities, operations and/or emissions sources been excluded from this inventory?" This distinction is critical to ensure that reporting entities and assurance providers clearly understand which exclusions are based on materiality considerations and which are attributable to other factors, and to address internal inconsistencies in the reporting fields.² Such clarification will promote consistency and transparency in reporting, thus supporting the integrity of the emissions inventory process.

C. CARB Should Refrain from Including Disclosures Not Expressly Required by SB 253.

The Group respectfully requests that CARB refrain from incorporating any required or optional disclosure requirements that are not expressly mandated under SB 253. Instead, CARB should ensure that the finalized version of the Draft Template's disclosure requirements is strictly aligned with the statutory text for Scopes 1 and 2 emissions and related assurance provisions. Introducing mandatory or discretionary disclosures that go beyond the statutory mandate would impose unnecessary complexity and compliance burdens on reporting entities. To maintain regulatory certainty and ensure that reporting obligations remain consistent with legislative intent, CARB should limit required disclosures to those explicitly addressed in SB 253.

D. CARB Should Not Require the Reporting of Emission Intensity.

CARB proposes that reporting entities submit Scope 1 and Scope 2 emission intensity data expressed as metric tons of carbon dioxide equivalent per million dollars ("mtCO₂e/millions of dollars"). The Draft Template defines "emission intensity" as follows: "Emission intensity is a way of expressing GHG emissions relative to a unit of activity or output. Instead of looking only at the absolute amount of emissions, emission intensity normalizes it to show how "carbon efficient" an organization, product, or process is." The Group urges CARB not to incorporate emission intensity reporting in the finalized version of the Draft Template. As discussed in the previous section, CARB should limit disclosures to those expressly mandated by the statutory text of SB 253. Emission intensity is neither referenced nor required under the law, and its inclusion would extend beyond the scope of what should be reported as contemplated by the statute.

If CARB elects to retain emission intensity reporting, the Class of '85 respectfully requests that CARB allow reporting entities to disclose emission intensity using alternative metrics in addition to the currently specified metric, such as pounds per megawatt-hour ("lb/MWh"). Allowing alternative metrics would promote consistency with widely recognized industry

² For example, line 70 asks entities to "Provide the quantity of emissions associated with sources excluded under the materiality threshold." Reporting should not be required for excluded sources.

standards and regulatory frameworks, thereby enhancing the comparability and transparency of emissions reporting. For example, the Emissions & Generation Resource Integrated Database (“eGRID”), administered by the U.S. Environmental Protection Agency (“EPA”), publishes plant- and subregion-level emission rates in lb/MWh.³ Similarly, other frameworks, such as the Regional Greenhouse Gas Initiative (“RGGI”), a cooperative effort among several Eastern states to reduce carbon dioxide emissions, report emissions from electricity generation in lb/MWh.⁴ Permitting the use of alternative metrics also would accommodate the diverse operational profiles of reporting entities and facilitate the integration of CARB’s requirements with existing reporting obligations. Such flexibility is essential to ensure that CARB’s reporting framework remains practical, relevant, and aligned with best practices in environmental disclosure.

E. CARB Should Limit Reporting Requirements to Only Total Emissions by Reporting Entities.

CARB seeks comments on its proposed Scopes 1 and 2 emissions disclosure by emission source (e.g., electricity, fuel use, refrigerants), with fields for disclosure by types of GHGs, if data are available. The Class of ’85 urges CARB to not require this level of detail in the reporting obligations, and require reporting only of total emissions by the reporting entity.

The plain language of SB 253 does not require reporting at such a granular level. In the absence of a clear statutory mandate, including these additional requirements would create unnecessary complexity and administrative burdens for reporting entities. Furthermore, CARB has indicated that the timeline for releasing regulatory language has been extended to the first quarter of 2026,⁵ while a June 30, 2026 implementation deadline for Scope 1 and 2 reporting remains proposed.⁶ Consequently, it may not be feasible for reporting entities to obtain and analyze such detailed emissions data within the proposed timeframe. A requirement for reporting this level of detail is unsupported by the current legislative framework, nor has CARB articulated a clear rationale for why it is appropriate.

Moreover, even if CARB were to make these more granular disclosures optional, CARB nevertheless should refrain from including such optional disclosures as they are not expressly required by SB 253. As explained above, introducing optional disclosure fields not specifically provided for in the statute would undermine regulatory certainty and potentially impose additional burdens on reporting entities.

³ EPA, “eGRID Summary Data,” <https://www.epa.gov/egrid/summary-data> (last visited Nov. 23, 2025).

⁴ RGGI, “CO₂ Emissions from Electricity Generation and Imports in the Regional Greenhouse Gas Initiative: 2021 Monitoring Report” (Dec. 19, 2024), https://www.rggi.org/sites/default/files/Uploads/Electricity-Monitoring-Reports/2021_Elec_Monitoring_Report.pdf.

⁵ See CARB, “California Corporate Greenhouse Gas (GHG) Reporting and Climate Related Financial Risk Disclosure Programs: Resources,” <https://ww2.arb.ca.gov/our-work/programs/corporate-ghg-reporting/resources> (last visited Oct. 22, 2025).

⁶ See CARB, “SB 253/261/219 Public Workshop: Regulation Development and Additional Guidance” (Aug. 21, 2025), <https://ww2.arb.ca.gov/sites/default/files/2025-08/SB%20253%20261%20workshop%20slides%20208-21.pdf>.

III. CONCLUSION

The Class of '85 appreciates the opportunity to comment on CARB's implementation of SB 253. If you have any questions about our comments you would like to discuss, please reach out to us at contact@class-of-85.com.

Dated: October 27, 2025

Respectfully submitted,

The Class of '85 Regulatory Response Group
contact@class-of-85.com

ATTACHMENT A

List of Class of '85 members Supporting These Comments

List of Signatories

AES Corporation
Alliant Energy Corporation
Ameren
Arizona Electric Power Cooperative, Inc.
Arkansas Electric Cooperative Corporation
City of Tallahassee
Cleco Corporation
Cogentrix Energy Power Management, LLC
Dairyland Power Cooperative
Dayton Power & Light Company
Dominion Energy
Duke Energy
Entergy Services, LLC
Eversource, Inc.
Florida Municipal Electric Association
Gainesville Regional Utilities
Great River Energy
Hawaiian Electric Company, Inc.
Indianapolis Power & Light Company
JEA
Lakeland Electric
Louisville Gas & Electric/Kentucky Utilities
Minnesota Power
National Grid
NRG Energy
OGE Energy Corp.
Orlando Utilities Commission
Otter Tail Power Company
PowerSouth Energy Cooperative
Public Service Company of New Mexico
Rainbow Energy Center, LLC
Talen Energy
Tampa Electric Company
Vistra Energy
Western Farmers Electric Cooperative
Xcel Energy