



California Air Resources Board

1001 I Street

Sacramento, CA 95815

RE: Proposed Concepts for SB 253 Rulemaking

Dear California Air Resources Board,

Thank you for the opportunity to provide input regarding your proposed concepts for Senate Bill 253 rulemaking, as amended by Senate Bill 219. We appreciate the agency's leadership in implementing such an important policy and hope our comments will provide helpful feedback on how to ensure the program's effectiveness.

This document represents RMI's (founded as Rocky Mountain Institute) response to the questions posed in the March 23, 2026 workshop solely in relation to reporting of methane emissions associated with production of oil and gas. These emissions may be disclosed as part of an entity's scope 1, 2, or 3 reporting, depending on the reporting entity.

RMI transforms energy systems through market-driven solutions to secure a prosperous, resilient, clean energy future for all. We work with businesses, policymakers, and communities to drive investment in the world's most critical geographies to scale renewable energy solutions, reduce energy waste, and boost access to affordable clean energy.

Please find our comments below, and do not hesitate to reach out with any questions or comments in return.

Sincerely,

Cayla Calderwood, Manager, RMI, Ccalderwood@rmi.org



Greenhouse Gas Accounting

Organizational Boundaries

How should entities explain their choice of organizational boundary?

CARB could require that reporting entities use the same chosen boundaries each year. If a reporting entity chooses to change its reporting boundary, it could be required to re-calculate previous years' reports to be consistent with the newly chosen approach to allow for comparison between years. Equity share boundaries would make reporting boundaries for oil and gas companies consistent with OGMP 2.0 Gold Standard boundary guidelines, while the European Sustainability Reporting Standards (ESRS) require the use of operational control boundaries. By allowing for flexibility in reporting boundaries, CARB would reduce administrative burden for companies and allow for interoperability between voluntary initiatives and CARB requirements. CARB could also require re-evaluation of boundary setting standards every five years to ensure standards reflect up-to-date best practices and allow for emissions comparisons across time and between companies.

Emission Factors

What criteria should emission factors meet to be used in this program?

If CARB wishes to collect the most accurate emissions data possible, it could require emissions factors for methane emissions from oil and gas production that are measurement-based. Methane emissions from the oil and gas sector are often underestimated by generic emission factors. A growing body of peer-reviewed research has shown that traditional inventories are underestimating methane emissions from oil and gas production: a 2021 study in Nature Communications highlighted that synthesis studies of methane emissions from US oil and gas production using field measurements estimate that methane emissions from oil and gas production are 1.5-2x higher than the official greenhouse gas inventory estimates, and other studies have shown similar underestimations^{1,2,3}. To collect the most accurate emissions data possible, CARB could require emission factors that incorporate independently verified, measurement-based emission data. CARB could also require that emission factors be regularly reviewed and updated.

How should reporters document and explain when changing EFs from a prior year?

If a reporting entity wished to change EFs, this could be acceptable with a justification for the change and a re-baselining of its emissions inventory to ensure continued

¹<https://www.nature.com/articles/s41467-021-25017-4>

² <https://pubs.acs.org/doi/10.1021/acs.est.8b03535>

³ <https://www.science.org/doi/10.1126/science.aar7204>



comparability. Reporting entities that select new EFs could be required to report their emissions using both the new EFs and previously used EFs for at least one year. For example, if a reporting entity chose EPA EF Hub to report its emissions inventory in 2027 and 2028 and changed to EFDB for global consistency in 2029, then the reporting entity would need to provide an emissions inventory for 2029 using both EPA EF Hub and EFDB emission factors and then could report using EFDB only in 2030.

Regulatory Options

Option 1: Broad Applicability (all reporting entities required to report on all scope 3 categories)

Should reporting entities be able to report as de minimis certain categories due to lack of relevance/materiality and/or feasibility?

If CARB allows reporting entities to report oil and gas methane emissions as de minimis due to lack of feasibility of influence on those emissions, CARB risks excluding significant emissions from its scope 3 data collection. Oil and gas extraction and production emissions for purchased oil and gas often account for 1-5% of a company's scope 3 emissions^{4,5}), but there has been significant evidence that generic O&G production emissions factors significantly undercount methane emissions, which could mean these emissions actually comprise a larger portion of a reporting entity's Scope 3 emissions^{6,7,8}. Methane emissions contribute substantially to near-term warming, and mitigation options exist for oil and gas production – while it may be *difficult* for reporting entities to influence their scope 3 category 3 emissions, it is not *impossible*. Upcoming legislation and existing certification programs provide companies with transparency into oil and gas production emissions that can allow reporting entities to both understand and potentially influence these emissions. If CARB wishes to collect the most accurate scope 3 emissions data possible, it would not allow companies to report methane emissions from oil and gas production as de minimis based on feasibility.

⁴ <https://files.sciencebasedtargets.org/production/files/Net-Zero-Standard-v2-Consultation-Draft.pdf?dm=1742292873>

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What specific thresholds, definitions, or decision frameworks should CARB use to determine when a Scope 3 category is considered de minimis to be reported?

If CARB wishes to ensure the inclusion of all major sources of greenhouse gas emissions in emissions reporting, CARB could require reporting entities to identify priority activities based on the magnitude of greenhouse gas emissions approach outlined in the Greenhouse Gas Protocol and to include fugitive methane emissions in reporting of emissions associated with extraction, production, and transportation. Additionally, CARB could consider requiring that emissions be calculated using the 20-year global warming potential (GWP) for methane. Methane has over 80 times the climate warming potency of carbon dioxide over a 20-year timeframe, and about 30x over a 100-year timeframe. Use of the 20-year GWP would better reflect the impact that near-term action on methane by reporting entities can have. These principles could help prevent the erroneous classification of certain emissions categories as de minimis.

How should CARB weigh reporting flexibility against alignment with current mandatory and voluntary practices and other international standards?

By allowing for flexibility in reporting requirements, CARB would reduce administrative burden for companies and allow for interoperability between voluntary initiatives, CARB requirements, and requirements in other jurisdictions. If CARB wishes to prevent gamesmanship of this reporting flexibility, it could review areas of reporting flexibility to ensure they genuinely relieve undue reporting burden and that the flexibility is required to account for market ambiguity. CARB could require re-evaluation of acceptable reporting methods every five years to ensure standards reflect up-to-date best practices and align with other mandatory and voluntary practices as harmonization increases.