

May 29, 2026



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

Re: Comments on CARB's SB 253 Public Workshop: California Corporate Greenhouse Gas Reporting Program

Dear Chair Sanchez,

The American Hotel and Lodging Association ("AHLA") appreciates the opportunity to comment on the staff concepts presented at the California Air Resources Board's ("CARB") March 23, 2026, public workshop regarding the next phase of rulemaking under Senate Bill ("SB") 253 – the Climate Corporate Data Accountability Act. We recognize that CARB is soliciting written feedback on its workshop proposals focused on potential approaches to greenhouse gas ("GHG") emissions measurement, reporting, and assurance for reporting years 2027 and beyond.

Many AHLA members, including large, multi-jurisdictional hospitality companies, already disclose their Scope 1, Scope 2, and Scope 3 GHG emissions through reports developed under the GHG Protocol and aligned with standards and frameworks such as ESRS, IFRS S2, and CDP. We support CARB's goal of producing consistent, useful, and interoperable GHG disclosures. SB 253 directs "[t]hat the emissions reporting is structured in a way that minimizes duplication of effort and allows a reporting entity to submit to the emissions reporting organization... reports prepared to meet other national and international reporting requirements... as long as those reports satisfy all of the requirements of [SB 253]." In keeping with the legislative direction, SB 253 implementation should allow reporters to leverage existing assured emissions disclosures prepared for other national and international reporting regimes. We encourage CARB to align implementation with established global accounting frameworks and regulatory reporting requirements, minimize undue cost and effort for preparers, and enable the program to remain practical for companies of varying industries, sizes, and complexity. This would reduce the overall economic cost of the program. Further, this is an opportunity for CARB to lead the way in creating a path to true interoperability as additional jurisdictions continue to enact reporting obligations that consider the principles and provisions of the GHG Protocol.

In brief, our key recommendations include:

- Maintain the SB 253 reporting template as optional beyond 2026, allowing reporters to satisfy SB 253 reporting requirements through reports already prepared for other reporting frameworks.
- Maintain flexibility in the approach for organizational boundaries.
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- Require reporters to apply GHG accounting methods and emission factor criteria that consider the principles, requirements, and guidance of the GHG Protocol and other recognized industry and sector standards.
- Adopt Option 2 (Sectoral Phase-In) for Scope 3 reporting, while incorporating the principles-based flexibility contemplated under Option 1 (Broad Applicability), by allowing phased-in reporters to determine and disclose the most relevant Scope 3 categories consistent with the GHG Protocol.

Scope 1 and 2 Reporting Template

We recommend that CARB not require additional or duplicative information for Scope 1 and 2 reporting in the final templates. As detailed in our [previous comment letter submitted on October 24, 2025](#), we recommend that the SB 253 reporting template remains an optional tool beyond the initial reporting year and urge CARB to continue allowing entities to report using their existing systems and formats. This approach would preserve flexibility, promote interoperability with other reporting frameworks, and enable companies to focus resources on the accuracy and completeness of their disclosures. Please see our prior comment letter for further detail and supporting rationale.

Organizational Boundaries

We strongly support CARB's proposal to permit reporters to select among the equity share approach and the control approach (including both financial control and operational control under the control approach) and urge CARB to retain all options in the final regulation. CARB should not introduce any additional or California-specific boundary approach beyond those, which are broadly used across the climate reporting ecosystem; introducing additional approaches would undermine interoperability and create confusion for users of climate disclosures. In response to CARB's question on how reporters should explain their choice of organizational boundary, we recommend that CARB require disclosure of the boundary approach selected, any material exclusions of sources, facilities, or operations, and the rationale for those exclusions, consistent with the GHG Protocol.

GHG Accounting Methods

AHLA members apply accounting methods that are informed by, and generally consistent with, the principles, requirements, and guidance of the GHG Protocol and other recognized industry and complementary sector standards (e.g., World Sustainable Hospitality Alliance's HCMI) for Scopes 1, 2, and 3 emissions. CARB should not impose accounting requirements beyond those informed by the GHG Protocol and recognized

industry and sector standards. This will support interoperability, consistency, and comparability with existing disclosures prepared for standards and frameworks such as IFRS S2, ESRS, and CDP, while still allowing companies appropriate flexibility to apply recognized industry and sector methodologies.

Emission Factors

We recommend that CARB adopt a flexible, principles-based approach that permits reporters to use emission factors derived from recognized, publicly available government, intergovernmental, or industry datasets; supplier-specific or primary data developed in accordance with the GHG Protocol's data quality guidance; peer-reviewed life-cycle assessment databases or recognized third-party tools; or proprietary or internally developed models that are documented, assurance ready, and consistent with GHG Protocol principles. CARB should avoid limiting reporters to a prescribed list, as appropriate emission factors vary by activity, geography, and data availability. For multi-jurisdictional reporters, the ability to use region-specific factors is important to produce accurate and comparable disclosures consistent with the GHG Protocol, IFRS S2, and ESRS.

For public disclosure, reporters should only be required to describe the types and sources of emission factors used, along with the methodologies and key assumptions applied. Where proprietary or internally developed models are used, disclosures should only be required to provide a general description of the underlying methodologies, assumptions, data sources, and data quality considerations, without requiring disclosure of commercially sensitive information or confidential inputs.

The GHG Protocol requires base-year recalculation and explanation only when methodological changes have a significant effect on reported emissions, not for routine data refreshes. CARB should align its recalculation requirement with the GHG Protocol to avoid creating divergent recalculation requirements between jurisdictions. CARB should require reporters to disclose and briefly explain changes in emission factors only when the change has a material effect on reported emissions.

Proposed Regulatory Options for Scope 3 Reporting

We recommend that CARB adopt Option 2 (Sectoral Phase-In) for Scope 3 reporting, as it focuses on initial disclosures on sectors that account for the largest share of statewide emissions and pose greatest transition risk. A phased approach is also consistent with other leading standards. Under IFRS S2, entities are permitted to omit Scope 3 disclosures during the first annual reporting period, recognizing the additional time,

data infrastructure, and value chain coordination required to produce decision-useful Scope 3 information.

Once subject to reporting, companies should be permitted to determine and disclose the Scope 3 categories most relevant to their operations under a principles-based framework aligned with the GHG Protocol and informed by the approach detailed under Option 1 (Broad Applicability) without reliance on a single quantitative de minimis threshold. The GHG Protocol is principles-based and does not require a single quantitative de minimis threshold for determining Scope 3 category relevance, and introducing a California-specific materiality construct could create conflicts with other reporting regimes and undermine interoperability.

The GHG Protocol Scope 3 Standard acknowledges that accounting for all 15 categories may not always be feasible or meaningful, including where categories are not applicable, activities are insignificant, data are unavailable, or the reporter has limited ability to influence associated emissions reductions. In these circumstances, exclusions are appropriate if adequately justified and disclosed. Reporters should be permitted to apply the relevant criteria set forth in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard when determining which Scope 3 categories to disclose.

CARB therefore should permit reporters to exclude immaterial or non-applicable Scope 3 categories, provided the reporter includes a brief qualitative explanation and justification for the exclusion. This approach would reduce reporting burden and compliance costs, minimize reporting noise, and improve the decision-usefulness of disclosures.

Pairing a sectoral phase-in with this principles-based flexibility would allow reporters to focus on the Scope 3 categories most relevant and decision-useful to their value chain, rather than mechanically reporting all 15 categories regardless of materiality. Accordingly, we recommend that CARB proceed with the sectors identified as the starting point for a phased approach to Scope 3 reporting.

If CARB elects not to adopt a sectoral phase-in, we instead will support a modified version of Option 1 (Broad Applicability) incorporating the same principles-based relevance framework described above. We do not support Option 3 (Category Phase-In), as mandating a predetermined set of Scope 3 categories would remove the flexibility reporters need to focus on the categories most relevant to their value chain and would be inconsistent with the principles-based approaches reflected in the GHG Protocol, IFRS S2, and ESRS.



Conclusion

AHLA appreciates CARB's continued engagement with stakeholders as it develops the SB 253 framework for 2027 and beyond. Considering the GHG Protocol and other recognized industry standards, as well as providing flexibility to utilize reports under other regulatory requirements, will minimize duplicative reporting, preserve interoperability and comparability across jurisdictions, and produce disclosures that are decision-useful for investors, regulators, and other stakeholders.

Sincerely,

Marilou Halvorsen

SVP, State and Local Government Affairs and Industry Relations

American Hotel & Lodging Association