



29 May 2026

California Air Resources Board,

The following comments supplement the economic analysis comments that CWT provided in April 2026.

Global Climate Disclosure

CWT does not participate in another jurisdiction's program. However, we encourage CARB to ensure its reporting requirements align with other global frameworks, like CSRD and IFRS, for consistency.

Proposed Approach for Setting Organizational Boundaries

CWT uses an operational control approach. We encourage CARB to consider the organizational and operational boundaries defined by the Greenhouse Gas Protocol's Corporate Standard, recognizing that this will allow different organizations to select the boundaries that best suit their activities.

Proposed Adjustments to Scope 1 and 2 Reporting (starting in 2027)

CWT encourages CARB to collect basic Scope 1 and 2 data in its templates. CWT also recommends that CARB allow companies to submit emissions and verification information in their individual formats. Organizations may spend significant amounts of time calculating, reporting, formatting, and verifying their emissions. Required templates that are overly complex or prescriptive add an additional disclosure burden to each organization.

Proposed Flexibility for GHG Accounting Methods

CWT prioritizes activity data when available. For Scope 3, CWT relies on spend-based estimates due to data availability. In some cases, a hybrid approach may be used. CWT recommends that CARB allow all four proposed accounting methods, giving organizations the greatest flexibility to calculate Scope 3 emissions based on data availability.

Proposed Emission Factor Datasets

Organizations will likely select emissions factors (EFs) from publicly available, reliable sources, like those CARB shared during the March workshop. EFs from reputable sources lead to accurate calculations and, in CWT's experience, are easier to verify.

For specific EFs, CWT encourages CARB to allow companies to select their EF sources based on the most relevant activity data, which may vary greatly depending on the location or intensity of the activity. Additionally, we encourage CARB to recognize that emissions from specialized



activities may require organizations to define their own calculations or EFs, which may be considered proprietary.

Note that assurance providers review data collection practices, calculations, and methodologies when verifying emissions data. Without reliable EFs for this review, an organization may not achieve the assurance requirements. CWT recommends CARB focus on the total emissions disclosed and assurance requirements, rather than asking or requiring organizations to disclose specific EFs. This protects organizations' IP and significantly reduces the workload required for disclosure by organizations and review by CARB. Reporting all EFs, especially in complex organizations, is impractical.

Scope 3 Reporting Options

Regarding Scope 3 categories, if an organization deems a Scope 3 category irrelevant or immaterial (i.e., de minimis emissions), the organization should not be required to report those emissions. Many organizations will likely adopt a 5% or 10% reporting threshold for de minimis emissions, in line with the GHG Protocol Guidance.

CWT encourages CARB to adopt a broad applicability approach to Scope 3 reporting. This gives organizations time to gather data, identify relevant categories, calculate their emissions, and disclose them. Sectoral phase-in does not necessarily give first-reporters adequate time to calculate their Scope 3 emissions.

Category phase-in is not practical, and CWT discourages CARB from pursuing the category approach. The approach assumes all organizations will have emissions activities in those categories. It would require organizations to calculate emissions that may be de minimis, expending effort on a low-impact Scope 3 category.

Again, CWT encourages CARB to recognize the challenges of collecting data on Scope 3 emissions. The process is time-consuming, and often spend-based approaches are needed, resulting in higher-level estimates of Scope 3 emissions. CWT would like to emphasize this difficulty and recommend that CARB allow for flexibility in reporting.

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