



June 1, 2026

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California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted via CARB Public Comment Web Portal

Re: Response to CARB Information Solicitation Following the March 23, 2026 Climate Disclosure Workshop (Implementation of SB 253, Health & Safety Code § 38532)

Dear Dr. Vergis and CARB Staff:

Carbon Accountable appreciates the opportunity to respond to the requests for feedback that staff presented at the California Air Resources Board's ("CARB") March 23, 2026 climate disclosure workshop on implementation of the Climate Corporate Data Accountability Act (SB 253). Carbon Accountable offers the following comments based on its role and experience as an original co-sponsor of SB 253 and an organization that has provided legal and technical support for the legislation since its inception in 2021.

We thank CARB staff for their continued diligence and for designing an implementation process that has welcomed meaningful stakeholder participation. With the fee regulation now successfully in place, this next phase of rulemaking turns to a set of substantive questions that will ensure the successful implementation of SB 253. We offer the comments below on key topics in the order they were presented in the workshop.

1. February 2026 Board Hearing Outcome

Are there topics from the initial regulation adopted at the February 2026 Board hearing that need to be revisited, including reporting deadlines post-2026, applicability definitions, and/or exemptions?

An important provision of the February 2026 regulation that warrants revisiting is the exemption of insurance companies from SB 253 emissions reporting. We are glad that this issue will be revisited based on an analysis of the adequacy of existing insurer reporting to meet the requirements of SB 253. As we shared in our February 9, 2026 letter, unlike SB 261 which included an express exemption for entities regulated by the California Department of Insurance (CDI), SB 253's language reflects a deliberate decision to keep insurers within the emissions-reporting program.

While the results of the Board directive to analyze the adequacy of reporting to CDI is in process, there is already clear evidence that scope 3 reporting to CDI is incomplete. Ceres's 2026 analysis of the 2024 climate-risk disclosures that insurers filed with the CDI found that ninety-one percent of carriers received a "not found" rating on indirect (Scope 3) emissions - the very emissions that dominate an insurer's footprint and that SB 253 is designed to capture. It is also important to note that reports submitted to the CDI are not subject to the assurance requirement that SB 253 imposes.

Fortunately, the author carefully considered this issue during the legislative process. Specifically, Health and Safety Code section 38532(c)(2)(D)(i) affirmatively states that reporting entities can submit reports created for other purposes. As a result insurance companies will be able to submit their CDI reports, with no additional effort, as long as those reports meet the requirements of SB 253.

A final point on this item - separate from data completeness, the law places a strong value on ensuring a range of stakeholders, consumers, investors, and policymakers, having access to GHG emissions data in an easily accessible and understandable manner:

The digital platform shall be capable of featuring individual reporting entity disclosures, and shall allow consumers, investors, and other stakeholders to view reported data elements aggregated in a variety of ways, including multiyear data, in a manner that is easily understandable and accessible to residents of the state. All data sets and customized views shall be available in electronic format for access and use by the public. (Health and Safety Code section 38532(e)(1)(B).)

Full implementation of the law as intended would be undermined unless all data is publicly available in the same format.

2. GHG Accounting

General Comment

Regarding the range of questions posed by Staff on this topic, we suggest that CARB leverage the GHG Protocol standards and guidance in identifying the best policy path forward. The GHG Protocol was selected as the applicable standard because it is the internationally recognized standard for GHG emissions reporting and is a throughput across all mandatory and voluntary corporate reporting regimes and frameworks worldwide. As Ceres and other corporate voices expressed during the legislative process, as well as in comments during the current implementation phase, using the GHG Protocol reduces compliance burdens, ensures a seamless global alignment for corporate reporting and maximizes interoperability.

The intent of the author to adhere to the GHG Protocol was clear throughout the legislative process and was underscored by the inclusion of the provision that provides for a change in choice of the accounting and reporting standards in the future.

Starting in 2033, the state board may survey and assess currently available greenhouse gas accounting and reporting standards. At the conclusion of this

assessment the state board may adopt a globally recognized alternative accounting and reporting standard if it determines its use would more effectively further the goals of this section. This review process shall include consultation with the stakeholders identified in paragraph (5). If the state board adopts an alternative accounting and reporting standard, the state board shall develop and adopt new regulations, pursuant to paragraph (1), to ensure full conformance with the new standard and reporting of scope 1 emissions, scope 2 emissions, and scope 3 emissions and other requirements of this section. 38532(c)(2)(A)(iv)

Accounting Methods

What additional information for Scope 1 and 2 reporting should CARB consider in developing final reporting templates? Should CARB consider allowing other accounting methods; if so, which ones and why?

Carbon Accountable appreciates CARB's development of templates and guidance for reporting entities, especially those new to the reporting process, who will benefit greatly from them. At the same time, if templates are created, they must align with the GHG Protocol, including future updates, and should not be treated as a static tool. We would also caution CARB against making the template a required element of reporting, given the explicit provision in the law that allows companies to submit reports prepared for other purposes, as long as they meet the requirements of SB 253:

That 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, if contracted for services, or the state board, reports prepared to meet other national and international reporting requirements, including any reports required by the federal government, as long as those reports satisfy all of the requirements of this section. Health and Safety Code section 38532(c)(2)(D)(i)

3. Scope 3 Reporting Options

Option 1 (Broad Applicability)

Carbon Accountable strongly supports Option 1 (Scope 3 reporting across all sectors and categories) and believes it can be implemented in a way that achieves the intent of the author and the Legislature and that the law's ramp-up and safe harbor provisions provide sufficient support to reporting entities as they develop their organizational capacity. This conclusion is reinforced by the extensive engagement that organizations such as Ceres have conducted with the companies that will report under SB 253. Those companies consistently report that the feasibility and affordability of compliance depend on California adhering to the global standards they already use, and that divergence from the Greenhouse Gas Protocol through selective phase-ins would raise costs and impair interoperability.

Recognizing that companies will need time to ramp up their capacity to deliver Scope 3 data, SB 253 includes a safe harbor under which a reporting entity is not subject to an administrative penalty for Scope 3 disclosures made on a reasonable basis and in good faith. That provision, together with the Protocol's allowance for estimating value-chain emissions rather than

collecting primary data from every supplier, gives reporters the latitude they need to begin comprehensive Scope 3 reporting now.

Regarding *de minimis* thresholds, CARB should refrain from developing its own definition of *de minimis* emissions and instead defer to the Greenhouse Gas Protocol. The GHG Protocol is currently undergoing an update, and an updated *de minimis* definition has been proposed. Given the primacy of the GHG Protocol across international reporting regimes, following it is the best way to ensure reporting entities do not have to duplicate efforts.

Option 2 (Sectoral Phase-In)

Are these sectors the appropriate starting point for a phased approach to Scope 3 reporting? What factors should CARB consider in confirming or adjusting this prioritization?

Confining Scope 3 reporting to selected sectors would unfairly undermine the policy priority to create a level playing field for all companies. Choosing to target certain sectors would also undermine the ability for investors, policymakers and consumers to get access to the robust information they need to make informed decisions across the diversity of economic and business activity. In addition, while Carbon Accountable is a strong supporter of CARB's role in driving the achievement of the State's important decarbonization goals, the focus of SB 253 is on the emissions of the nation's largest companies, regardless of where those emissions are generated.

Option 3 (Category Phase-In)

Are these the appropriate categories to prioritize for initial reporting based on data availability and relevance across sectors?

Like a sectoral phase-in, a category phase-in has serious flaws. Choosing priority categories by how frequently they are presently reported disregards the reality that because emissions reporting has been voluntary, Scope 3 category emissions reporting is often not driven by where emissions are greatest. A category phase-in would also raise an assurance problem: as the set of required categories shifted from year to year, entities and their assurance providers would have to scope each period's engagement differently, eroding comparability and adding cost.

Conclusion

Carbon Accountable appreciates CARB's attention to these comments and its sustained work to stand up these landmark corporate climate disclosure laws. We will continue to support CARB in adopting regulations that ensure robust reporting, support companies to succeed and deliver on the promise of SB 253.

Sincerely,

Carbon Accountable