CLIMATE ACTION RESERVE

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Chair Lauren Sanchez
California Air Resources Board
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Sacramento, CA 95814
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Submitted electronically via CARB Public Comment Web Portal

RE: Public Comments to March 23, 2026 Climate Disclosure Workshop

Dear Chair Sanchez,

The Climate Action Reserve (the Reserve) appreciates the opportunity to provide comments on the California Corporate Greenhouse Gas Reporting Program, authorized by Senate Bill (SB) 253 (Wiener, 2023). The Reserve is a California-based nonprofit organization dedicated to ensuring the environmental integrity of carbon credits and serves as an approved Offset Project Registry under California's Cap and Invest program. We applaud the California Air Resources Board (CARB) for its continued leadership and its work to develop this disclosure program. The Reserve supports SB 253 as a necessary step to improve transparency on corporate climate-related risks and emissions in California.

Beyond providing the public with corporate greenhouse gas (GHG) emissions data, SB 253 can also play a critical role in advancing voluntary market-based climate action. Requiring companies to disclose their investments in voluntary carbon credits or other market-based instruments alongside their GHG emissions inventories will provide consumers with a more holistic view of corporate climate action. We encourage CARB to include the use of voluntary carbon credits under SB 253 and request that CARB review parallel reporting requirements under Assembly Bill 1305 - Voluntary carbon market disclosures to ensure alignment. The Reserve believes that streamlining reporting requirements will also reduce unnecessary burden on obligated entities and help mitigate the risk of duplicative reporting.

We offer the following considerations in response to the Public Workshop held on March 23, 2026:

Scope 3 Reporting
The Reserve supports Option 1: Broad Applicability for Scope 3 reporting to ensure all corporate emissions are equally and transparently disclosed. Further, we encourage requiring corporates to disclose their use of

voluntary carbon credits to reduce Scope 3 emissions. However, with Broad Applicability of Scope 3 reporting, we anticipate that companies will advocate for an avenue to report de minimis categories due to lack of relevance or feasibility. Although we support corporates needing a pathway to exclude de minimis emissions, we encourage CARB to require that entities provide justification based on established GHG accounting principles. To avoid unintentionally excluding Scope 3 emissions with significant climate-related risk, we recommend that CARB aligns with existing assessment processes for corporate GHG inventory reporting. We are concerned that the development of a "one size fits all" de minimis Scope 3 threshold would not adequately determine if a sector-specific category of Scope 3 emissions has de minimis climate impacts.

Further, we question whether reporting of voluntary carbon credit use could be excluded under the program based on a de minimis evaluation. We encourage the use of voluntary carbon credits to be reported under the program to achieve the goal of public transparency and further climate action.

However, we strongly urge CARB to include clarity and defense for companies that report on the use of carbon credits meeting recognized standards, such as from approved Offset Project Registries under California's Cap and Invest program. This clarity, as proposed in AB 1911, will further enable companies to make impactful investments in emissions reductions.

Reporting Templates & Alignment

The Reserve requests that CARB consider how its upcoming reporting templates will reflect the use of carbon credits or other market-based instruments to reduce emissions and meet voluntary corporate climate goals. We also ask that in the reporting template, CARB require that for each use of carbon credits, the user indicate (yes/no) whether the credit was issued by a California OPR.

We understand that corporates are currently using the Greenhouse Gas Protocol (GHGP) to report their GHG inventories and use of voluntary carbon credits. We encourage CARB to review the recently released Actions and Market Instruments (AMI) White Paper to align voluntary carbon credit reporting with current market instruments where appropriate.

The Reserve appreciates that corporates may need some level of flexibility in their reporting. However, we encourage CARB to continue to align with current voluntary practices and international standards.

We further support that SB 253 align with current GHG reporting definitions for organizational boundaries and that use of emissions factors for GHG reporting align with existing standards.

The Reserve supports SB 253 and is committed to continued engagement with CARB to support the successful implementation of this critical climate disclosure program. We welcome the opportunity to further discuss how voluntary carbon credits should be reflected

in this program to provide a more holistic view of corporate emissions and help drive further climate action in California.

Sincerely,

/s/ Amy Kessler
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Director, Market Development

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