IETA

MAKING NET ZERO POSSIBLE

IETA Comments on CARB's SB 253 Public Workshop

Submitted by IETA on 1 June 2026

For more than 25 years, IETA has been the leading global business voice on robust market solutions to affordably tackle climate change while driving clean finance at scale. IETA represents a diverse group of 300 members worldwide across a wide range of sectors including industry, finance and investment, project development, assurance, standards setters, law and advisory.

IETA appreciates this opportunity to provide feedback to CARB on the California Corporate Greenhouse Gas Reporting Program (henceforth referred to as the "Program) workshop held on 23 March. Our comments are structured into four sections:

1. Introduction: The Current Moment
2. SB 253 Proposed Rulemaking Topics
3. Proposed Regulatory Options for Scope 3 Reporting
4. Overarching Reporting Guidance and Input

1. Introduction: The Current Moment

California is at an inflection point. Brought about in part by broader geopolitical and macroeconomic conditions, there are new pressures and challenges facing the state as it introduces pioneering climate policies, including on climate disclosure. IETA greatly values CARB's continued leadership on these matters and realizes that the significance of these efforts is truly global. We believe that the Program can play a key role in driving market-based climate action, in conjunction with other programs such as cap-and-invest, LCFS, and CCRUS. These policies can help California achieve climate commitments, drive sustainable economic growth, and unlock new domestic and international market opportunities.

Going forward, IETA believes CARB should continue to focus on competitive decarbonization, particularly given the conditions outside of CARB's control. Comprehensive emissions data is critical to achieving cost-effective decarbonization, so we support California's direction in requiring Scope 1-3 emissions reporting. As CARB has previously noted, GHG reporting laws already cover jurisdictions accounting for 59% of global GDP and 66% of global population. The EU and other jurisdictions are introducing Carbon Border Adjustment Mechanisms (CBAM) which rely on emissions data to determine importers' obligations. Thus, the Program is increasingly important for

California producers to participate in the global economy and for investors to complete their fiduciary duties.

We continue to applaud CARB for its long-standing climate innovation and leadership. As CARB continues to work through feedback and comments on the Program, IETA's global membership stands ready to lend support. We welcome future opportunities to inform and/or convene deeper dives with CARB and, where relevant, leverage our global expertise to think through design, functionality and affordability elements of the Program in the California context.

2. SB 253 Proposed Rulemaking Topics

Organizational Boundaries:

IETA suggests that CARB look to international guidance in determining organizational boundaries, initially granting firms flexibility to maintain compliance. Several companies have been reporting their emissions for several years in alignment with global reporting standards such as the TCFD or IFRS. CARB could impede interoperability by requiring a specific approach for organizational boundaries that does not match international meta standards, and as such IETA encourages CARB to seek out existing guidance and best practice.

Scope 1 and 2 Reporting Template:

IETA previously provided detailed comments to CARB on the draft Scope 1 and 2 Reporting Template released in September 2025.[1] Key suggestions include:

1. **Providing guidance on market-based instruments** used to meet voluntary climate targets and/or mitigate Scope 3 emissions. We previously pointed to the Task Force for Corporate Action Transparency (**TCAT**) for an example of a framework to disclose market instruments. SB 253 explicitly mentions the Greenhouse Gas Protocol (GHGP) as a framework for reporting entities. IETA notes that the GHGP recently published the Actions and Market Instruments (AMI) Phase 1 White Paper with a Request for Feedback open until 31 May 2026.[2] GHGP is considering the introduction of a multi-statement reporting structure, which would support a market-based GHG inventory. IETA requests CARB to provide additional details on the interaction between the Program and emerging standards such as AMI to ensure that there is consistent, clarified treatment of market-based GHG action. We believe it would be logical for a company to disclose its investments in voluntary carbon credits and other market-based instruments alongside its GHG emissions inventory, so that consumers of the disclosures can view the two in parallel.

[1] Refer to IETA's comments submitted to CARB on 27 October 2025 **here**.
[2] https://ghgprotocol.org/actions-and-market-instruments-standard

2. **Usage of a definition of "materiality threshold"** that aligns with other long-standing disclosure standards, such as definitions used by the ISSB Standards or the U.S. Securities and Exchange Commission.
3. **Increased clarity on subsidiary reporting** by providing flexibility on how information is consolidated and submitted by companies

Following the initial feedback round, we look forward to additional information and clarity on the Scope 1 and 2 Reporting Templates later this year. We encourage CARB to clarify what information reporting entities should provide regulators to verify and credibly substantiate the climate impacts achieved through market-based instruments, including guidance on how to relate those investments to the company's inventory or impact ledgers. IETA strong believes in corporate transparency and accountability while reaffirming our long-standing support for robust voluntary market-based action.

Proposed Flexibility for GHG Accounting Methods

Many of our member organizations use a hybrid approach integrating spend-based, activity-based, and supplier-specific accounting methods. Hence, we suggest that CARB allow firms to employ a mix of approaches depending on data availability. However, it is important to ensure that accounting methods are aligned with international standards such as the GHG Protocol Corporate Standard or ISO 14064-1.[3,4] CARB can maintain optionality by furnishing a list of eligible standards in the Program Rule.

Proposed Emission Factor Datasets

While all the EF datasets for Scope 3 reporting that CARB mentioned are reasonable, IETA believes that CARB should not include a definitive list of EF data sources that limits other robust options. Instead, CARB should determine EF baselines from well-recognized, peer-reviewed sources. CARB should develop data quality objectives and guidance but allow firms to use any qualifying source including proprietary, company-specific EF values. Companies should provide enough information for the assurance provider to conduct analyses on the data.

3. Proposed Regulatory Options for Scope 3 Reporting

Scope 3 Reporting:

Overall, IETA supports **Regulatory Option 1: Broad Applicability** for Scope 3 reporting. We worry that a sectoral or category phase-in could hamper harmonization with global reporting standards. However, we do not encourage the creation of a "de minimis" threshold as it would provide broad

[3] https://ghgprotocol.org/corporate-standard

[4] https://www.iso.org/standard/66453.html

latitude to companies in deciding which emissions to report. Emissions reporting should be based on relevance and climate-related risk rather than an arbitrary "de minimis" standard.

We support alignment with the GHG Protocol, which provides flexibility to exclude certain Scope 3 emissions with appropriate justification but does not specify a "de minimis" threshold. The principles of relevance, completeness, accuracy, consistency, and transparency – along with our aforementioned focus on materiality – should guide any exclusions. This approach applies consistently across sectors and would not unfairly burden any particular industry.

Alignment with Equivalent Reporting Standards:

We encourage CARB not to "reinvent the wheel" by mandating California-specific reporting requirements. Recognizing that SB 253 was based off the well-recognized GHG Protocol standard, CARB should continue to align reporting requirements across jurisdictions and voluntary standards to ensure maximum interoperability. **IETA recommends CARB allow entities already reporting under equivalent mandatory programs to use those reports to fulfill SB 253 and 261 requirements rather than submitting duplicative filings.**

4. Overarching Reporting Guidance and Input

To ensure CARB's regulations meet California-specific needs while remaining aligned with evolving external standards, IETA believes that it is **critical that reporting obligations are clearly defined and do not impose unnecessary burden on obligated entities**. In part, this includes relying on established standards, practices (including industry best practices), and methodologies that provide reporters with significant flexibility while avoiding duplication. We continue to hope that CARB maintains regulatory consistency, reduce duplicative reporting, and ensure compliance feasibility as SB 219, SB 253, and SB 261 continue to come into force.

By focusing on **practical and investor-relevant disclosures**, CARB can create a regulatory framework that serves California's needs while avoiding excessive compliance burdens, unintended economic consequences, and unnecessary divergence from existing global reporting standards.

On behalf of IETA's community representing business members across California and the world, we appreciate this opportunity to provide input on the SB 253 public workshop.