

February 14th 2025,

Dear Members of the California Air Resources Board,

I am writing to you in my capacity as both the co-Chair of the Open Footprint Forum and the co-founder and CEO of dVeracity Inc.

The Open Footprint Forum is dedicated to developing a standardized emissions data model. Our goal is to enable companies to effectively manage and communicate emissions information, regardless of their global footprint and regulatory environment. We have integrated existing emissions protocols, standards and regulations into a common data model.

The Open Footprint Data Model Standard is being developed within The Open Group's open-source infrastructure as an Open Source Data Universe (OSDU) Data Platform which aligns with industry standards for carbon emissions. This has been accomplished in the last 8 years in collaboration with the largest global statutory auditors, the largest hyper-scalers like Microsoft, Google, AWS and IBM and global corporations who together represent 80% of the global emissions under management.

To ensure data quality and minimize costs, CARB should consider the Open Footprint Data Model, which promotes standardized, auditable emissions data while providing a consistent framework for reporting and verification.

Below our comments to your questions.

General Considerations for CARB Implementation of SB 253 and SB 261

- **Definition of "Doing Business in California":** CARB should consider adopting the interpretation found in the Revenue and Tax Code section 23101. This will provide a consistent and established framework.
- **Inclusion of Government Entities:** It is important to consider whether federal and state government entities that generate revenue should be included in the definition of a "business entity" that "does business in California".
- **Foreign Government Owned Entities:** The question of whether entities owned in part or wholly by a foreign government should be covered and needs to be addressed.
- **Entities Selling into California via Separate Markets:** Consider if entities that sell energy or other goods and services into California through a separate market, like the energy imbalance market, should be covered.
- **Cost-Effective Identification of Businesses:** To identify businesses covered by the laws, CARB could rely on databases and datasets to identify reporting entities, paying attention to update frequency and verification. For private companies, specific databases will need to be identified. Tracking parent/subsidiary relationships is also important to ensure comprehensive reporting.

- **Alignment with External Standards:** CARB should ensure that regulations address California-specific needs while staying current with evolving external standards. It is important to minimize duplication of effort for entities required to report under other programs, and a consistent reporting method should be used year-to-year.
- **Data Reporting Costs:** Public datasets that identify costs for voluntary reporting should be used to inform CARB's regulatory processes.
- **Reporting Services:** In considering if the state should require reporting directly to CARB or contract out to a reporting organization we recommend approaches that other government agencies have taken where National Emissions Databases are being implemented under direct control of these agencies.
- **Minimize the duplication of effort,** CARB should allow reporting entities to submit reports prepared for other national and international reporting requirements that meet the requirements of SB 253 and SB 261.

Specific Comments on SB 253 (Climate Corporate Data Accountability Act)

- **Standardization of GHG Emissions Reporting:** We acknowledge the flexibility in the GHG Protocol but suggests CARB consider standardizing aspects of scope 1, 2, and 3 reporting to ensure consistency.
- **Third-Party Verification (Assurance Providers):** For scope 3 emissions, options for third-party verification or assurance will need to be established. CARB should clarify the standards for limited and reasonable assurance, potentially utilizing existing definitions.
- **Voluntary Emissions Reporting:** CARB should use voluntary emissions reporting to inform the approach to implementing SB 253. Consider the frequency, time period, data availability, and software systems used for voluntary reporting.

Specific Comments on SB 261 (Climate Related Financial Risk Disclosure)

- **Reporting Timeframe:** A clear timeframe within a reporting year should be established to ensure data availability and completion of reporting and assurance review. A standardized reporting year or a flexible two-year window needs to be determined.
- **First-Time Reporting Entities:** CARB should specify what disclosures are required from an entity that qualifies as a reporting entity for the first time within the two years before a reporting year.
- **Existing Climate Financial Risk Disclosures:** CARB should take into account the various types of climate financial risk disclosures that entities are already preparing, including any differences from the Task Force on Climate-related Financial Disclosures recommendations. This will help align the reporting requirements.

We believe that a collaboration between the Open Group, its 600 members, and California Air Resources Board will benefit in driving the adoption of standardized emissions data management practices using 21st century technology like AI. This desire was as well expressed by Larry Ellison at the World Governments Summit this week to unify the data and then feed it to AI.

This collaboration can provide a path for companies to improve their sustainability efforts at a fraction of the cost and meet regulatory requirements.

We hope this response is helpful for you. Please let us know if you have any questions or need further assistance.

Sincerely,

Arjen (AJ) Van de Voort

Co-Chair, Open Footprint Forum

Co-founder and CEO, dVeracity Inc.