

General Applicability

1. SB 253 and 261 both require an entity that “does business in California” to provide specified information to CARB. This terminology is not defined in the statutes.
 - a. Should CARB adopt the interpretation of “doing business in California” found in the Revenue and Tax Code section 23101? **The definition of doing business in California found in Revenue and Tax Code section 23101 would suffice.**
 - b. Should federal and state government entities that generate revenue be included in the definition of a “business entity” that “does business in California?” **They should not be included.**
 - c. Should SB 253 and 261 cover entities that are owned in part or wholly owned by a foreign government? **No.**
 - d. Should entities that sell energy, or other goods and services, into California through a separate market, like the energy imbalance market or extended day ahead market, be covered? **No**
2. What are your recommendations on a cost-effective manner to identify all businesses covered by the laws (i.e., that exceed the annual revenue thresholds in the statutes and do business in California)? **No comment**
 - a. For private companies, what databases or datasets should CARB rely on to identify reporting entities? What is the frequency by which these data are updated and how is it verified? **No comment**
 - b. In what way(s) should CARB track parent/subsidiary relationships to assure companies doing business in California that report under a parent are clearly identified and included in any reporting requirements? **No comment**

General Standards in Regulation

3. CARB is tasked with implementing both SB 253 and 261 in ways that would rely on protocols or standards published by external and potentially non-governmental entities.

a. How do we ensure that CARB's regulations address California-specific needs and are also kept current and stay in alignment with standards incorporated into the statute as these external standards and protocols evolve. **No comment**

b. How could CARB ensure reporting under the laws minimizes a duplication of effort for entities that are required to report GHG emissions or financial risk under other mandatory programs and under SB 253 or 261 reporting requirements? **No comment**

c. To the extent the standards and protocols incorporated into the statute provide flexibility in reporting methods, should reporting entities be required to pick a specific reporting method and consistently use it year-to-year? **No comment**

General Data Reporting:

4. To inform CARB's regulatory processes, are there any public datasets that identify the costs for voluntary reporting already being submitted by companies? What factors affect the cost or anticipated cost for entities to comply with either legislation? What data should CARB rely on when assessing the fiscal impacts of either regulation?

Man hours to be able to gather all the data, generate the report, audit with a 3rd party, and the audit itself. Most conversations I've put the 3rd party audits around \$10k depending on travel requirements and other factors.

5. Should the state require reporting directly to CARB or contract out to an "emissions" and/or "climate" reporting organization? **CARB direct.**

6. If contracting out for reporting services, are there non-profits or private companies that already provide these services. **No comment**

SB 253 Climate Corporate Data Accountability Act

7. Entities must measure and report their emissions of greenhouse gases in conformance with the GHG Protocol, which allows for flexibility in some areas (i.e. boundary setting, apportioning emissions in multiple ownerships, GHGs subject to reporting, reporting by sector vs business unit, or others). Are there specific aspects of scopes 1, 2, or 3 reporting that CARB should consider standardizing?

Scope 3 reporting should be removed from the requirement. Scope 3 emissions involve complex network of suppliers, customers, and other aspects of the supply chain that make reporting difficult and can turn out inaccurate reporting. Combine all this and it makes it difficult for companies to comply and it can expose them to legal challenges. As for scope 1 and 2 the GHG protocol is straightforward.

8. SB 253 requires that reporting entities obtain “assurance providers.” An assurance provider is required to be third-party, independent, and have significant experience in measuring, analyzing, reporting, or attesting in accordance with professional standards and applicable legal and regulatory requirements.

a. For entities required to report under SB 253, what options exist for third-party verification or assurance for scope 3 emissions? There are a few options that can conduct the audits, but CARB should provide specific parameters to avoid having to use a third-party verification.

b. For purposes of implementing SB 253, what standards should be used to define limited assurance and reasonable level of assurance? Should the existing definition for “reasonable assurance” in MRR be utilized, and if not why?

The definition is fine, as submitting a report would indicate that the user is confident in the That definition in MRR means a high degree of confidence that submitted data and statements are valid. I think this definition should be fine.

9. How should voluntary emissions reporting inform CARB’s approach to implementing SB 253 requirements? For those parties currently reporting scopes 1 and 2 emissions on a voluntary basis: No comment

c. What frequency (annual or other) and time period (1 year or more) are currently used for reporting? No comment

d. When are data available from the prior year to support reporting? No comment

e. What software systems are commonly used for voluntary reporting? No comment

SB 261 Climate Related Financial Risk Disclosure

10. For SB 261, if the data needed to develop each biennial report are the prior year's data, what is the appropriate timeframe within a reporting year to ensure data are available, reporting is complete, and the necessary assurance review is completed?

3 years. This would give us enough time to collect all the data, prepare the report, and put it through an audit/verification process. If we go 3rd party, we would be at the mercy of that auditing body's schedule as well.

11. Should CARB require a standardized reporting year (i.e., 2027, 2029, 2031, etc.), or allow for reporting any time in a two-year period (2026-2027, 2028-2029, etc.)?

Allow for reporting any time in a two-year period.

12. SB 261 requires entities to prepare a climate-related financial risk report biennially. What, if any, disclosures should be required by an entity that qualifies as a reporting entity (because it exceeds the revenue threshold) for the first time during the two years before a reporting year?

They should be excused from that first report. If they will meet the reporting requirements the following time, then they can report.

13. Many entities that are potentially subject to reporting requirements under SB 261 are already providing other types of climate financial risk disclosures.

f. What other types of existing climate financial risk disclosures are entities already preparing? No comment

g. For covered entities that already report climate related financial risk, what approaches do entities use? No comment

h. In what areas, if any, is current reporting typically different than the guidance provided by the Final Report of Recommendations of the Task Force on Climate related Financial Disclosures? No Comment

i. If not consistent with the Final Report of Recommendations of the Task Force on

Climate-related Financial Disclosures, are there other laws, regulations, or listing requirements issued by any regulated exchange, national government, or other governmental entity that is guiding the development of these reports? **No Comment**