To: California Air Resources Board

From: SCS Global Services

Re: Response to California Air Resources Board Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219

Date: March 20, 2025

Thank you for the opportunity to provide comments related to the implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219. The following comments are submitted on behalf of SCS Global Services, and our Global Heat Reduction Initiative.

I. Background

SCS Global Services (SCS) is a California chartered benefit corporation committed to social and environmental impact, with an unwavering commitment to scientific rigor, credibility, and transparency. From establishing robust standards and metrics to delivering third-party certification and assurance services, SCS is working to advance sustainability. In California, SCS provides multiple climate-related services, including MRR validation and verification (AB 32), carbon offset verification under the California Cap-and-Trade Program, LCFS validation and verification, EPD preparation under the Buy Clean California Act (AB 262), and Scope 1-3 GHG inventory calculations and verification.

The Global Heat Reduction Initiative (GHR) is a project launched by SCS to help public, private, and non-governmental organizations drive cost-effective and innovative climate mitigation actions aimed at lowering excess heat trapped in the atmosphere during the crucial next decade as well as over the longer term. The Initiative is built around an advanced climate accounting framework that highlights the broad range of mitigation options available, provides a focus on near-term results, and allows decision makers to chart the most cost-effective path forward. This framework provides a full climate accounting for CO_2 and other long-lived GHGs, as well as methane, black carbon and other climate "super pollutants," changes in albedo, negative climate forcers like SO_2, and co-benefit/tradeoff analysis. The framework reflects the latest IPCC climate science and has been peer-reviewed by the Scientific Advisory Panel of the international Climate and Clean Air Coalition, a voluntary partnership of over 160 governments, intergovernmental organizations, and NGOs convened by the United Nations Environment Program (UNEP).

II. Responses to CARB Questions

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?

The risks to California – its people, its ecology, and its economy – from climate change are staggering and growing. As SB 253 Section 1 states: *"Californians are already facing devastating wildfires, sea level rise, drought, and other impacts associated with climate change that threaten the health and safety of Californians, undermines the sustainability of our communities, particularly those communities most affected by the negative effects of climate change, and the economic well-being of the state and its residents, including threatening many of the state's largest industries."*

Given the widespread adoption of the Greenhouse Gas (GHG) Protocol standards and guidance, it makes sense to identify these tools as the basis for implementation of the Act. Simultaneously, the Act anticipates that alternative standards may emerge that could *"more effectively further the goals,"* and explicitly suggests that CARB *"may survey and assess currently available greenhouse gas accounting and reporting standards"* in 2033 (Sec. 2. 38532.c.A.iii)

Holding these two thoughts in mind at the same time is important. For while the GHG Protocol, centered around the use of CO_2e (GWP100) calculations, provides a sound scientific basis for understanding the relative contributions of different greenhouse gas emissions to climate change over the long-term (100 years), there are additional emissions and non-emissions factors contributing to the overall climate picture, and shorter time horizons of concern (e.g., 2030, 2040, 2050) that are vital for stemming the climate crisis. As climate scientists have emphasized, short-lived super pollutants like methane, HFCs, black carbon, and ozone-forming precursor gases (addressed in CARB's 2017 SLCP Reduction Strategy) account for nearly half of current emissions-driven climate change. On top of that, many of these short-lived emissions or their precursors, which include criteria pollutants, have serious health consequences for Californians. And finally, dark and non-reflective surfaces in the built environment have lowered the albedo in cities, contributing to the heat island effect and making cities less resilient.

The goal of *"address[ing] California-specific needs"* remains paramount. The pace of climate change has not slowed, pushing the world dangerously closer to irreversible tipping points, with severe ramifications for California. As such, ***concurrent*** with the implementation phase of the Act, we would recommend that CARB simultaneously begin to look into emerging climate accounting frameworks that can supplement the GHG Protocol by providing crucial information about the near-term effects of mitigating various emissions, that include all emissions (and precursors) that impact climate, and that address the loss of albedo – all of which are important for prioritizing climate expenditures. For instance, the GHR's peer-reviewed Total Climate Accounting framework provides a unified accounting protocol, based on radiative forcing, that incorporates all drivers of climate change, and can be calibrated to any timeframe of analysis.

8. SB 253 requires that reporting entities obtain "assurance providers." An assurance provider is required to be third-party, independent, 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?

For entities required to report under SB 253, we recommend that CARB require accredited assurance providers to perform emissions verification for Scope 1, 2, and 3 emissions. Accredited assurance providers should include ARB-accredited Verification Bodies and IAF-accredited Validation and Verification Bodies (VVBs) under entities such as ANAB. Accredited providers should be subjected to rigorous quality control standards and have demonstrated experience in conducting verifications in alignment with recognized international standards. This approach would ensure that assurance providers have the necessary expertise to deliver credible and consistent results. Given the complexity of Scope 3 emissions, CARB should also consider providing supplemental guidance to address specific challenges. This guidance could include acceptable data quality thresholds, sampling strategies to balance efficiency and accuracy, and best practices for managing data gaps and assumptions. Such guidance would be particularly important if CARB requires reasonable assurance for Scope 3 emissions, as it would help standardize verification practices across diverse industries.

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?

For defining limited and reasonable assurance under SB 253, we encourage CARB to utilize established international standards such as ISO 14064-3 and ISAE 3000. These frameworks provide widely recognized definitions that emphasize a risk-based sampling approach, allowing verifiers to tailor procedures based on the assessed risk and materiality. This flexibility is crucial when verifying across a broad range of industries as well as Scope 3 emissions, given the variability in data sources, supply chains, and estimation methodologies. While the existing MRR definition for reasonable assurance is effective for ensuring regulatory compliance in facility-level data, applying the same strict framework to entities subject to SB 253 may create unnecessary barriers by limiting the number of qualified assurance providers. To ensure adequate provider capacity and maintain credible assurance outcomes, we recommend that CARB adopt a flexible approach based on international standards while also issuing clear guidance to address Scope 3 complexities. Providing direction on materiality thresholds, data reliability expectations, and reporting requirements will support consistent and reliable reporting under SB 253.