



California Fuels and Convenience Alliance

2520 Venture Oaks Way, Suite 100

Sacramento, CA 95833

916.646.5999

**March 20, 2025**

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: Opposition to SB 253 & SB 261 – Implementation of California Climate-Disclosure Legislation**

The California Fuels and Convenience Alliance (CFCA) represents approximately 300 members, including nearly 90% of all independent petroleum marketers in the state and more than half of the state's 12,000 convenience retailers. Our members—predominantly small, family- and minority-owned businesses—play a vital role in California's fuel supply chain, serving local governments, emergency services, school districts, transit companies, independent fuel retailers, and the agriculture industry.

CFCA strongly opposes the implementation of SB 253 and SB 261, as amended by SB 219, due to the excessive regulatory burdens these laws impose. In particular, we urge CARB to remove the requirement to track and report Scope 3 emissions, which is impractical and unworkable.

**SCOPE 3 EMISSIONS REPORTING: IMPRACTICAL & UNENFORCEABLE**

Requiring businesses to report Scope 3 emissions is unreliable, overly burdensome, and unfair. Unlike direct (Scope 1) and indirect (Scope 2) emissions, Scope 3 emissions occur outside a company's direct control, making accurate reporting nearly impossible. These requirements:

- **Place a heavy burden on businesses** by forcing them to track emissions from suppliers, distributors, and customers—many of whom operate outside California.
- Are **impossible to verify**, as companies cannot compel third parties to disclose emissions data, leading to inaccuracies and inconsistencies.
- **Disproportionately impact small and mid-sized businesses** that lack the resources for complex emissions audits.
- **Put California businesses at a competitive disadvantage**, as out-of-state and international competitors are not subject to these mandates.

## ECONOMIC IMPACT: HIGHER COSTS FOR BUSINESSES & CONSUMERS

The cost of implementing Scope 3 emissions tracking will ultimately be passed on to consumers through higher fuel prices and increased costs of goods and services. These regulations will:

- **Divert resources** away from business operations and into compliance efforts, straining small and mid-sized businesses already facing economic challenges.
- **Deter investment** in California, as companies seek to avoid excessive regulatory costs by relocating elsewhere. Additionally, businesses outside California may opt out of working with California-based firms to avoid administrative burdens.
- **Have little to no meaningful impact on emissions reduction**, as businesses cannot accurately track or influence the behavior of external suppliers and customers.

## RENEWABLE DIESEL LABELING: CRITICAL FOR TRANSPARENCY & COST-EFFICIENCY

The FTC label for Renewable Diesel is a critical tool that helps businesses track and improve the environmental footprint of the fuels they buy and sell. This transparency ensures lower-carbon fuels remain accessible, affordable, and properly distinguished from traditional petroleum-based fuels.

**Eliminating the Renewable Diesel label at fuel pumps would have significant consequences:**

- **Reduced transparency for businesses & consumers:** Trucking companies, fleets, and individual consumers rely on clear labeling to differentiate Renewable Diesel from standard diesel. This distinction is key for companies committed to lowering their carbon footprint.
- **Complications in environmental reporting:** Many businesses—including trucking firms now subject to California’s climate disclosure requirements—must publicly report their environmental impact. Without clear labeling, verifying emissions reductions becomes costly and complex.
- **Market instability & higher costs:** Maintaining the Renewable Diesel label allows businesses to compare fuel options, promoting competition and helping lower the cost of low-carbon fuels for consumers.

## REGULATORY CHALLENGES: ALIGNING CLIMATE GOALS WITH ECONOMIC REALITIES

While CFCA supports **practical, science-based policies** to reduce emissions, we remain concerned about climate disclosure mandates that disproportionately burden small and mid-sized businesses. Scope 3 emissions reporting, in particular, presents major feasibility challenges:

- Businesses **cannot accurately track emissions** from external suppliers, distributors, and customers.
- Compliance costs will **raise fuel and goods prices**, negatively impacting consumers and deterring investment.
- Regulatory uncertainty **puts California businesses at a disadvantage**, as out-of-state competitors face no such requirements.

**CFCA Urges CARB To:**

To support California's climate goals without harming local businesses and consumers, CFCA urges CARB to:

- **Preserve the Renewable Diesel label** to maintain transparency and accessibility for businesses and consumers.
- **Eliminate Scope 3 emissions reporting requirements** from SB 253 implementation.
- **Align state policies with federal reporting standards** to prevent duplication and unnecessary compliance costs.
- **Exempt small and mid-sized businesses** from new climate disclosure mandates to avoid disproportionate economic harm.

CFCA appreciates the opportunity to provide feedback and urges CARB to reconsider impractical and burdensome requirements. We look forward to continued discussions to ensure regulatory policies remain both effective and feasible.

If you have any questions, please contact CFCA's Sr. Director of Government Affairs, Alessandra Magnasco, at [alessandra@cfca.energy](mailto:alessandra@cfca.energy).

Sincerely,

A handwritten signature in black ink, appearing to read 'Alessandra Magnasco', with a stylized, cursive script.

Alessandra Magnasco  
Sr. Director of Government Affairs