THE CLIMATE REGISTRY

March 20, 2025

Rajinder Sahota
Deputy Executive Officer, Climate Change & Research
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Sahota,

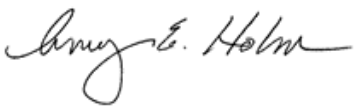
Thank you very much for the opportunity to provide feedback on questions related to the implementation of SB 253 (Wiener, Statutes of 2023) and 261 (Stern, Statutes of 2023), both as amended by SB 219 (Wiener, Statutes of 2024). The Climate Registry (TCR) focused our responses to several questions where we thought that our organization could provide the most valuable feedback based on our long history with the state of California and experience working in this space.

Established in 2007, TCR is a non-profit organization based in Los Angeles that was formed to continue the work of the California Climate Action Registry (CCAR). CCAR was developed by the state of California in 2001, to promote and protect businesses' early actions to manage and reduce their greenhouse gas (GHG) emissions. Recognizing that climate change is a global issue and success in emissions reporting must be based on consistent data in an integrated system that stretched beyond California's borders, TCR was established to expand CCAR's emissions reporting work to include all of North America.

Specifically, TCR's online reporting platform, Climate Registry Information System (CRIS), that supports measurement, reporting, and verification of carbon inventories, is already implementing specific functionalities that address the questions or issues raised in the RFI. California has been investing in TCR for twenty years, and we hope that our real-world experience can support CARB in this RFI process and success with SB 219 reporting.

We appreciate your consideration of our comments and suggestions. If you have any questions, please reach out directly to me at aholm@theclimateregistry.org.

With kind regards,



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The Climate Registry's Responses to the Information Solicitation to Inform Implementation of California's Climate-Disclosure Legislation

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?

CARB could adopt the Revenue and Tax Code section 23101 definition of "doing business in California" for SB 253 and 261, which includes criteria like exceeding specific sales, property, or payroll thresholds, or engaging in transactions for financial gain within the state. This would provide a clear, established framework, but it would also inherit exemptions for de minimis activity, passive investments, and potential industry-specific exclusions, requiring CARB to carefully ensure the definition aligns with the legislative intent and is practical for enforcement while avoiding unintended loopholes.

The use of this definition would be consistent with New York's newly introduced Climate Corporate Data Accountability Act. This Act, if passed, would require companies with a total revenue in excess of $1 billion that do business in the state of New York to report. The Act will rely on section 209 of New York's tax law to identify what businesses are subject to the regulation. The use of tax codes to define applicability creates an opportunity for other states to align with California and New York, as Climate Disclosure programs are considered for adoption elsewhere and anticipated to draw heavily from California's program.

b. Should federal and state government entities that generate revenue be included in the definition of a "business entity" that "does business in California?"

Including federal and state revenue-generating entities in California's climate and financial disclosure programs presents a complex issue. While it could enhance transparency, it also raises questions of sovereignty and jurisdictional boundaries. Practically, it would add significant complexity and may not yield proportional benefit due to the different nature of governmental financial flows compared to private businesses. Therefore, while theoretically valuable, the practical and legal hurdles may outweigh the advantages. Regardless of what CARB chooses to do, The Climate Registry Information System (CRIS) is designed to accurately and transparently collect GHG emissions data from any reporting entity.

c. Should SB 253 and 261 cover entities that are owned in part or wholly owned by a foreign government?

Yes, as this is consistent with the spirit SB 253 and SB 261 and better ensures consumers are provided complete information to inform their decision-making. Further, requiring such entities to report, providing they meet the revenue eligibility requirements, better ensures an even playing field

with entities that are not wholly owned by a foreign government. The Climate Registry's CRIS system is designed to collect information in a streamlined and simplified manner for all reporting entities. If reporting entities that are wholly or partially owned by foreign governments have different confidentiality requirements, these specific business requirements can be incorporated into CRIS during one of our routine updates that are performed on the system, to continually evolve to address emerging needs.

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)?

> *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?*

To effectively identify companies subject to SB 219, CARB could utilize several data sources, including data from other state agencies, publicly available sources, and third-party data providers. By leveraging existing corporate filings, business registration records, and industry reports, CARB can establish a clear and defensible methodology for determining eligibility. Additionally, insights from other state-level corporate disclosure regulations, such as New York's Climate Corporate Data Accountability Act, suggest that tax law definitions of business activity could provide a reliable framework for compliance assessment.

In the list below, we have identified several sources of potential data to help identify reporting entities. This list is organized in descending order, beginning with the datasets that we believe will be the most complete and frequently updated, to those that may require more action by CARB to compile for enforcement purposes:

1. State Agency Data

- Work with agencies like the California Franchise Tax Board (FTB) or California Secretary of State to access data on business registrations and filings. While tax information is confidential, aggregated data about businesses meeting revenue thresholds may be accessible through partnerships. The California Franchise Tax Board data would likely provide the most accurate and complete set of information on the entities required to report, if utilizing the Revenue and Tax Code section 23101 definition of "doing business in California." We believe that this dataset would streamline and simplify efforts to determine entities subject to, and compliant with reporting requirements. CARB can work with FTB and the State Legislature to determine the content of reports generated for CARB, based on any legal constraints associated with sharing data.

2. Publicly Available Data

- **SEC Filings (10-K Reports):** Publicly traded companies are required to disclose their revenue and geographic operations in their annual filings. Scraping or reviewing these reports can help

identify companies with more than $1B in revenue and operations in California. These are updated annually so they provide a reliable baseline for identifying large companies.
- **State Registrations and Business Directories:** Utilize the California Secretary of State's business search portal to identify companies registered to do business in California.
- **Industry Reports:** Use industry reports from sources like IBISWorld, Statista, or Fortune 1000 rankings, which often categorize companies by revenue and provide geographic information.

3. Third-Party Data Providers
- Partner with third-party data providers like Dun & Bradstreet (D&B), Bloomberg, or PitchBook, which maintain databases of company profiles, including revenue, geographic reach, and industry classifications. Third-party data providers continuously update their corporate profiles, often on a real-time basis, through a combination of direct company disclosures, financial statements, and market activity.
- Establish cost-sharing agreements with other organizations or stakeholders (e.g., California Air Resources Board or industry associations) to reduce expenses.

Once CARB determines the dataset(s) that will be utilized, the Agency can leverage the Mandatory Reporting Regulation (MRR) Applicability Tool as an example of resources that may be needed to support the program. CARB's existing MRR applicability tool provides a valuable precedent for assessing regulatory applicability. This online tool simplifies compliance determination by guiding businesses through structured decision logic based on industry, operational thresholds, and regulatory criteria. A similar approach for SB 219 could streamline the identification process, ensuring clarity and accessibility while maintaining regulatory rigor. By adapting lessons from MRR, CARB can develop an efficient, user-friendly system to help companies understand their obligations under SB 219. This could be done as a stand-alone tool on CARB's website, or integrated into the Climate Disclosure reporting platform.

> *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?*

The Climate Registry Information System (CRIS), TCR's custom-built web portal for GHG data, offers a structured, robust solution for accurately tracking and identifying parent and subsidiary relationships. Relevant existing or planned CRIS features are identified below and should be key features reflected in platform to support implementation of SB 219:

- **Unique Identifiers:** CRIS assigns a unique identifier (ID) to every company, including both parent and subsidiary entities. These IDs are stored in a centralized master list, which is continuously updated to reflect changes such as new corporate formations, mergers, or dissolutions. This ensures that every company is distinctly recognized and easily retrievable within the system. Other unique IDs can be added to the system, such as CARB's facility IDs (if applicable), US EPA facility IDs, EIN, and others, to support the identification of corporations reporting to other systems such as the California Franchise Tax Board, or CARB's MRR.

- **Dedicated Parent-Subsidiary Relationship Table:** In CRIS, we maintain a dedicated table for managing parent-subsidiary relationships. This approach separates the complex hierarchical connections between companies from other data sets, ensuring a clean and efficient structure. The relationship table stores each parent and its subsidiaries, linked via their unique IDs, allowing for easy updates and querying. This method also allows for co-parent relationships.

- **Data Integrity and Relationship Validation:** CRIS employs stringent validation rules within the parent-subsidiary relationship table, ensuring that each connection is unique and error-free. The system automatically checks for duplicates or conflicting relationships, preventing erroneous data from being included in the reports.

- **Dynamic Updates and Flexibility:** CRIS is designed to adapt to evolving corporate structures. The system can handle dynamic changes such as acquisitions, divestitures, and reorganizations with ease. CRIS automatically integrates updates from external sources like corporate filings, ensuring that all relationships are kept current in real time and reducing the need for manual input.

- **Comprehensive Reporting and Compliance:** When companies submit emissions data under a parent company, CRIS ensures that all subsidiaries in California are correctly identified and included in the reporting process. By filtering reports based on parent company IDs, CRIS facilitates efficient tracking and ensures that the full scope of emissions activity is accounted for, ensuring compliance with California regulations.

- **Transparency and Documentation:** CRIS offers full transparency regarding its methodology for tracking and managing parent-subsidiary relationships. The system includes detailed documentation on how entities are linked, verified, and updated, providing clear guidelines for stakeholders to follow. This transparency helps ensure consistency and trust in the emissions reporting process.

- **Auditability and Error Detection:** CRIS maintains an audit trail of all changes made to parent-subsidiary relationships, which allows both CRIS administrators and external auditors to track and verify modifications. This functionality enables early detection of discrepancies and ensures that all subsidiaries subject to reporting requirements are included in compliance reports.

Because CRIS is designed to meet the unique needs of US climate reporting programs, we believe that our system can easily manage and track parent and subsidiary relationships, even as corporations' names and locations change, by utilizing the information and features built into our system.

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?

TCR has a long history of working with California to address California-specific needs as standards and protocols evolve. In 2001, the State of California created the California Climate Action Registry (CCAR) to promote businesses' early actions to manage and reduce GHG emissions. TCR was established in 2007, to continue the work of CCAR. This registry resulted in protocols to guide emissions inventories and the development of a central database for emissions reports. Recognizing that climate change is a global issue and success in emissions reporting must be based on consistent data in an integrated system that stretches beyond California's borders, TCR was established to expand CCAR's emissions reporting work to include all of North America.

GHG reporting standards and protocols are frequently evolving to align with best practices and provide clearer guidance for reporting entities. It is important for CARB to maintain alignment with international standards and protocols to ensure data comparability and reduce reporter burden. It will also be critical to use a flexible system that can be adapted to evolving requirements, minimizing administrative burden and maintaining data consistency.

TCR recommends developing processes and structures to capture relevant updates, and using a flexible reporting platform that can adapt to and align with evolving standards and protocols.

1. Develop processes and structures to capture relevant updates
The legislation currently allows for CARB to reassess reporting standards in 2033. The standards will have updates long before then, so we suggest the following:

- Convene a dedicated standards advisory board to provide expert guidance on regulatory updates, complemented by an industry advisory body to offer practical insights from reporting entities.

- Undertake a periodic review (e.g., every 2-3 years) of standards and protocols in the context of the evolving reporting landscape.

- Identify gaps in alignment and discuss and validate potential updates to the reporting requirements with the Standards Board and Industry Advisory Body.

Additionally, if CARB allows multiple reporting protocols, disclosures should clearly indicate which standard was used, with verification processes ensuring data conforms to the selected framework. If CARB ultimately requires a single standard, reporting entities would naturally align with updates as they are adopted, reducing the need for regulatory adjustments. Differences in reporting protocols used over time should be clearly reported and tracked by the climate reporting platform utilized by CARB.

2. Consider opportunities for alignment with existing reporting programs
California's AB 32 established the MRR to track in-state facility-level Scope 1 and 2 emissions from

major sources, crucial for achieving state GHG targets, while excluding broader consumption-based emissions already captured in the state's GHG inventory. California's Corporate Greenhouse Gas Reporting Program aims to capture global corporate emissions, including Scope 3, from companies doing business in California. While CARB's MRR efficiently tracks emissions from California's largest emitters, involving 832 companies in 2021, SB 253's broader scope was originally estimated to require 5,344 companies to report, although is now estimated by Ceres to be around 1,971, raising concerns about implementation complexities, and potential duplication with existing MRR efforts.

TCR recommends that CARB select several facilities that are required to report under MRR and also generate reports using international climate disclosure protocols, to evaluate differences in emissions reported under each program utilizing different methodologies. These differences can then be addressed by providing flexibility under the program, or by requiring that GHG emissions estimates developed utilizing different reporting protocols are clearly marked in any datasets, tools, or graphs used to summarize or compare corporate GHG emissions.

3. Use a flexible reporting platform
TCR's GHG reporting platform, CRIS, can accommodate changes in reporting requirements. TCR's platform is built with scalability in mind, ensuring it can accommodate future regulatory changes seamlessly. Since its development, CRIS has been updated multiple times to reflect changes in reporting standards.

In addition, the platform retains historical data, which allows for any changes to standards to be applied retroactively. This ensures that reporting entities can maintain accurate and consistent inventories over time, without having to re-submit data. This also allows CARB to ensure compliance with any new regulations while maintaining the integrity of historical data.

This adaptability is key to supporting CARB's long-term goals, enabling the platform to keep pace with both California-specific requirements and international reporting trends. TCR also has the in-house expertise to ensure that all reports generated to summarize GHG emissions, accurately account for different protocols used over time, to prevent the comparison of inconsistent data, or the display of misleading information.

> *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?*

TCR believes that CARB can take several actions to minimize the duplication of effort for entities required to report GHG emissions or financial risk under other programs. Technology used in climate disclosure reporting platforms, including CRIS, can play a major role in minimizing duplication, such as:

- **Data Standardization and Automation:** Technology can facilitate the standardization of data collections, processing, and reporting, while reporting can streamline the process, minimizing manual data entry and the associated errors that can necessitate repeated reporting.

- **Data Integration and Centralization:** The platform can integrate data from various sources and use labels and tagging mechanisms to classify data by dates, reporting frameworks, industries, etc. which makes it easier to audit and verify reported information.

- **Improved Reporting Efficiency:** Technology can be used to tag data, including climate-related information, to make the data machine-readable, enabling automated processing and analysis.

We believe that CARB will need to consider the entities reporting under this program, to determine where there is the highest risk for duplication. For example, if many of the entities submitting to this program are also reporting under the Corporate Sustainability Reporting Directive (CSRD), CARB should ensure that their reporting platform is capable of extracting information from these reports. Separately, if many of the reporting entities are also subject to MRR, a standardized export routine should be developed to transfer data, by API or other exchange method, to allow data submitted to Cal e-GGRT to be shared with the Climate Disclosure Reporting System.

> *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?*

Requiring reporting entities to consistently use a specific reporting method year-to-year in California's climate disclosure program offers significant advantages, primarily in enhancing data comparability and accuracy. Consistent application of a single method allows for reliable trend analysis and performance tracking over time, which is crucial for evaluating the effectiveness of climate policies. However, mandating rigid adherence to a single method may hinder entities from adopting updated, more accurate protocols. Therefore, a balance between consistency and flexibility is necessary. While strict adherence to a single method will provide the most accurate trend analysis, flexibility will allow for the most up-to-date data.

To address the need for both consistency and adaptability, California's program could allow for flexibility within defined parameters. For example, the CARB could establish a minimum threshold of reporting requirements and approved protocols, ensuring a baseline level of comparability. The CRIS platform's ability to track protocol usage would facilitate transparency, allowing stakeholders to understand the basis of reported data. This structured flexibility would enable entities to adopt improved methodologies while maintaining the integrity and comparability of climate disclosures.

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

CARB should contract out emissions reporting to a trusted, non-profit, experienced organization with an established track record of success rather than attempting to build and maintain a system internally. The development of a new reporting system would likely take many years and resources to develop. For example, in the past, other CARB reporting systems, such as the Integrated Multi-pollutant Emissions Inventory Project, which is being developed to support enhanced criteria air pollutant and

toxic air contaminant reporting requirements, has taken multiple years to design, build, test, and publish.

TCR is the natural partner for this work, having been established by the State of California and with decades of experience working with California's state agencies and regulated entities. It also operates a proven, cost-effective GHG reporting platform tailored to California's regulatory landscape. By leveraging TCR's existing infrastructure, CARB can rapidly implement a reporting system that meets the state's needs without the delays, administrative burden, and financial risk associated with developing a new platform from scratch.

TCR's CRIS is a secure, customizable platform designed for comprehensive GHG data collection and reporting. Built on internationally recognized standards such as the GHG Protocol and TCR's General Reporting Protocol, CRIS enables organizations to seamlessly report emissions in alignment with regulatory requirements. The system's robust capabilities include an integrated emissions calculator, API functionality for real-time data exchange, and streamlined verification workflows. CRIS' modular design allows for sector-specific customization, making it adaptable to SB 253 and 261 while maintaining compatibility with other mandatory programs.

CRIS' technical capabilities are provided below. We strongly recommend that these features be reflected in the reporting platform chosen to support SB 219 implementation:

- **Advanced Emissions Calculation & Reporting Flexibility:** Built-in GHG Emissions Calculator: CRIS integrates a robust GHG emissions calculation engine that uses auditable, editable, and continuously updated emission factors. This ensures that even if primary data is incomplete, users can still produce accurate, transparent reports based on standardized methodologies.

- **Flexible Reporting Options**: Users can report emissions in a variety of ways, from complete inventories to self-defined or historical inventories, allowing organizations to tailor their reporting to meet their specific regulatory needs and data availability.

- **Seamless API Integration & XBRL Compliance:** CRIS supports real-time API integration with platforms like Energy Star Portfolio and utility providers, ensuring that organizations have the most accurate and up-to-date emissions data. Additionally, CRIS supports XBRL tagging, ensuring that emissions data is formatted according to regulatory standards for seamless submission to bodies like CARB.

- **Streamlined Verification and Quality Control:** The platform offers a streamlined verification process that allows users to directly submit GHG inventories for third-party verification and receive findings within the platform. Automated quality control checks ensure that the data submitted meets CARB's compliance standards, helping users identify omissions or non-conforming thresholds before final submission.

- **Customizable Visualization and Business Intelligence Tools:** The platform's interactive dashboard, powered by Microsoft Power BI, allows users to dive into GHG data with

customizable charts and graphs. Users can visualize Scope 1, 2, and 3 emissions, track emission reductions, and even compare performance with industry peers using the sector-specific performance evaluation feature.

- **Scalability for Organizational Growth:** As organizations evolve, CRIS offers the flexibility to handle acquisitions, divestments, and restructuring. The platform's granular reporting capabilities ensure that all changes in organizational structure are accurately reflected in emissions data, maintaining the integrity and continuity of reporting for compliance.

Data Security
TCR is committed to maintaining the highest standards of data security to protect the integrity and confidentiality of the information reported through our CRIS platform. We have implemented robust security measures, including SSL encryption for all data transfers and file uploads, ensuring that sensitive information remains protected in transit. Access to CRIS is safeguarded by strong password enforcement policies, and only authorized system administrators can access servers, with all administrative actions being logged and monitored. Additionally, our platform undergoes regular security updates and quarterly PCI compliance scans to proactively address vulnerabilities. Our network security infrastructure is also designed for resilience and reliability. With these comprehensive security measures in place, TCR ensures that organizations can confidently report their emissions data while maintaining compliance with the highest industry standards.

Data Privacy
TCR never shares or sells member GHG data to third parties. TCR collects only the information necessary for accurate emissions reporting and gives members control over their data. Members can choose to opt out of disclosing certain details, such as market-based or location-based emissions scope, ensuring their information remains private.

All data is protected with end-to-end encryption, both in transit and at rest. Any publicly available insights, shared only after third-party verification, are presented in high-level aggregate form, with no disclosure of specific facility details.

With a well-established platform, deep expertise, and a commitment to data security, data privacy, and regulatory alignment, TCR is uniquely positioned to support CARB in implementing an emissions reporting system that is both effective and future-proof.

6. If contracting out for reporting services, are there non-profits or private companies that already provide these services?

TCR has consistently played a pivotal role in shaping and operationalizing GHG reporting standards and is a national leader in credible climate disclosure. No other reporting organization combines regulatory alignment, technical rigor, and user support in the way TCR does. Unlike newer entrants, our organization was founded by states, has a strong history in California, serving as a reliable and

trusted reporting platform for nearly two decades, and has a legacy of trust and transparency, making us the natural choice for administering California's reporting framework under SB 219.

TCR's predecessor organization, the California Climate Action Registry, was established in 2001 by California SB 1771 to help California businesses and government entities prepare for rigorous mandatory GHG reporting. CA SB 1771 funded the technical reporting protocol, which became the basis for future CARB and US EPA mandatory GHG measurement, reporting and verification standards.

In 2007, the organization evolved into TCR, a non-profit with a national mission to build public and private sector capacity in measuring, reporting, and verifying their GHG emissions in advance of state and national mandatory reporting programs. Headquartered in California, TCR was founded and initially governed by a Board of Directors comprised of state agency directors and commissioners from US states, Canadian provinces, and tribal nations. In 2021, TCR introduced a smaller independent Board of Directors in line with best practices for NGO governance, and the jurisdictional representatives became part of a new body, the Council of Jurisdictions (COJ).

The COJ supports TCR's mission to reduce carbon emissions and increase climate ambition in North America, and ensures that TCR continues as a powerful bipartisan platform for showcasing and supporting sub-national climate leadership. Since its founding, TCR has helped over 1,000 organizations from diverse sectors measure, report, and verify almost 3,000 GHG inventories. 64% of those organizations are based in California. Over time, TCR offered GHG measurement, reporting, and verification services to various jurisdictions (including supporting California's state agency reporting program), the federal government, corporations, and other nonprofit organizations.

TCR's services include:

- Administration of GHG registries
    - TCR designs and operates voluntary and compliance GHG reporting programs globally, and assists organizations in measuring, reporting, and verifying the carbon in their operations in order to manage and reduce it. TCR also consults with governments nationally and internationally on all aspects of GHG measurement, reporting, and verification.
    - Our Carbon Footprint Registry was established in 2007 and supports voluntary GHG reporting across a wide range of sectors and industries, including energy and utilities, government agencies, local governments and municipalities, academic institutions, and nonprofits.

- Help Desk support and resources
    - We provide expert, personalized support to organizations at all stages of the reporting journey, and have over 20 years of delivering actionable solutions to technical challenges

- GHG reporting platform (CRIS)

    - We offer an easy-to-use, cloud-based GHG reporting system with a wide range of benefits, including reporting flexibility, built-in emission factors and calculators, an interactive dashboard with easy-to-understand visualizations, streamlined verification, and automated quality control

- Verification guidance and support
    - Third-party verification is built into TCR's Carbon Footprint Registry program. TCR's General Verification Protocol (GVP) provides clear standards for verification across sectors.
    - We have experience training verification bodies to CARB protocols
    - We have long-term relationships with national verification bodies and ANSI

Our work spans a diverse range of programs that have strengthened California's climate policies and improved emissions data quality. Our California-specific work includes:

- Facilitating comprehensive GHG reporting for all California state agencies, ensuring compliance with Executive Order B-18-12 while providing tailored training and analysis to drive meaningful emissions reductions.

- Administering the Water-Energy Nexus Registry, which empowers participants to quantify and mitigate emissions associated with California's critical water and energy systems.

- Accrediting verifiers for the Low Carbon Fuel Standard, which has enhanced the integrity of California's transportation emissions data, reinforcing the state's position as a global leader in carbon reduction efforts.

Beyond California, TCR has demonstrated leadership in developing and managing GHG reporting systems at the national and international levels. Our partnerships have included:

- Low Emission Asian Development (LEAD) Program: Assisted USAID and ICF International in capacity building for GHG MRV across 11 Asian countries, including the development of a voluntary GHG reporting program for the Government of Thailand.

- Massachusetts GHG Registry: Supported MassDEP in developing and managing a statewide GHG inventory and verification program for regulated facilities.

- Minnesota State Agency GHG Inventories: Built comprehensive GHG inventories for four Minnesota state agencies, offering tailored recommendations for future reporting and emissions reduction strategies.

While private companies and other nonprofits offer various levels of carbon accounting services, TCR stands apart due to its long-standing partnership with California agencies, its rigorous verification protocols, and its ability to provide a compliance-grade reporting platform with a human touch. This is especially critical given the accountability and transparency requirements inherent in SB 219.·

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?

CARB should consider prioritizing standardization in areas that most impact accuracy, consistency, and accountability, particularly in the treatment of organizational boundaries, emissions apportionment, and Scope 3 reporting methodologies. Given the flexibility allowed under the GHG Protocol, challenges arise in ensuring alignment across reporting entities, especially when defining operational control, financial control, or equity share in cases of joint ownership. Standardizing these definitions and requiring clear, consistent documentation would reduce inconsistencies and prevent potential gaps or double counting in reported emissions inventories.

A key consideration for CARB is how its system will recognize and reconcile overlapping emissions boundaries, particularly when entities have shared operational control over facilities or suppliers. CRIS has built-in functionalities to address these challenges by allowing members to designate equity share for each facility, ensuring that emissions are apportioned correctly in multi-owner scenarios. Additionally, CRIS incorporates a facility lookup tool that maintains historical facility names and identifiers, preventing the duplication or misclassification of emissions when facilities are renamed or reassigned in subsequent reporting years. This feature is particularly valuable in tracking emissions over time and ensuring continuity despite organizational changes.

Further standardization efforts should also extend to Scope 3 emissions reporting, where the greatest variability exists. A lack of consistency in methodologies for calculating supply chain emissions, whether using spend-based, activity-based, or hybrid approaches, can lead to significant discrepancies across industries and entities. By providing clearer guidance on preferred methodologies, default data sources, and sector-specific reporting requirements, CARB could enhance comparability and reliability across inventories.

Ultimately, designing a system that aligns with CARB's specific programmatic needs while integrating best practices from existing platforms like CRIS will help streamline reporting, reduce administrative burdens, and improve data integrity across California's emissions inventory.

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?*

TCR requires that third-party verification bodies conducting GHG inventory verifications be accredited by the ANSI National Accreditation Board (ANAB). ANAB accreditation ensures that verification bodies meet rigorous standards for independence, impartiality, and technical competence, reinforcing

credibility and consistency in the verification process. TCR-Approved Verification Bodies are also accredited to ISO 14065, which establishes principles and requirements for organizations providing GHG validation and verification. We believe that these accreditations are critical for any entities engaged in third-party verification activities associated with SB 219 regulations and its implementation.

Entities reporting Scope 3 emissions can work with any TCR-Approved Verification Body to verify their data at an agreed-upon level of assurance and evidence-gathering procedures. TCR provides guidance for calculating Scope 3 emissions through our sector-specific reporting protocols and resources, aligning with the GHG Protocol Corporate Value Chain (Scope 3) Standard.

TCR maintains a roster of independent, accredited assurance providers who have undergone a rigorous assessment process to demonstrate their qualifications. Through our partnership with ANAB, we ensure that verification bodies adhere to globally recognized accreditation standards, reinforcing the integrity and transparency of third-party assurance for GHG inventories. Ensuring that verification bodies are ANAB-accredited would further enhance the reliability of corporate carbon disclosures under SB 253, supporting California's leadership in environmental responsibility.

> *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 current definition of reasonable assurance under MRR should continue to be utilized as it is widely accepted and aligns with standard industry practice. The definition of reasonable assurance outlined in TCR's GVP is consistent with the established understanding of reasonable assurance as defined under MRR, as well as ISO 14064-3. TCR describes reasonable assurance as providing the highest possible level of confidence that the GHG inventory is accurate and complete. For reasonable assurance, the verifier has considered a sufficient amount of evidence to reduce the risk of material misstatement to an acceptably low level.

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:

> *c. What frequency (annual or other) and time period (1 year or more) are currently used for reporting?*

Based on members with at least two years of data, reporting is done annually, covering a full calendar year from January 1 to December 31. However, flexibility is key—reporters can initiate their submissions at any point in the following year, allowing organizations to align reporting with their internal processes and verification timelines.

> *d. When are [sic] data available from the prior year to support reporting?*

The availability of prior-year data for GHG reporting depends on the type of data being used. Emission factor data is updated annually at various points throughout the year, while electricity emission factors

are typically updated every other year. These updates ensure that organizations have access to the most current and accurate data when calculating their emissions.

For organizations using TCR's reporting system, the Climate Registry Information System (CRIS), data accessibility is immediate. Entities can begin entering emissions data as soon as it becomes available from their internal tracking systems. However, the full process from data entry to final inventory submission varies depending on factors such as data completeness, internal review processes, and verification timelines.

On average, it takes approximately 300 days from the opening of a new reporting year to the completion of an inventory. This timeframe includes data collection, entry into CRIS, internal quality assurance, third-party verification (if applicable), and final submission. Organizations that undergo third-party verification should also factor in the additional time required for verification body engagement, data review, and any necessary revisions before finalizing their submission.

e. What software systems are commonly used for voluntary reporting?

Entities use a variety of software systems to collect, manage, and analyze GHG emissions data before submitting it to CRIS. These include:

- In-house spreadsheets and databases – Many organizations track emissions data manually using Excel or internal database systems before formatting it for CRIS submission.

- Enterprise Resource Planning (ERP) and financial systems – Large organizations often extract relevant data from ERP systems like SAP or Oracle to ensure alignment between financial reporting and sustainability metrics.

- Sector-specific tools – Utilities, transportation agencies, and industrial facilities may use third-party industry-specific emissions tracking tools before consolidating their data for CRIS submission.

While external software systems, such as those described above, can be utilized, CRIS significantly reduces or eliminates the need for third-party software by providing a comprehensive platform for emissions data management, verification, and reporting. CRIS is a fully integrated system that allows entities to:

- Directly input and calculate emissions data – Organizations can enter raw activity data, and CRIS applies appropriate emission factors to generate results, removing the need for external calculation tools. Built-in emissions calculators allow users to utilize standardized emission factors to user-inputted activity data, automatically calculating Scope 1, Scope 2, and certain Scope 3 emissions.

- Streamline verification and compliance – CRIS integrates with third-party verification bodies, enabling direct submission and review within the system, eliminating the need for separate verification management software. This ensures a transparent and efficient validation process.

- Ensure regulatory alignment – The system is designed to align with internationally recognized GHG accounting standards. It contains automated data validation checks including built-in logic to flag potential errors or inconsistencies, reducing the risk of misreporting.

- Generate reports and disclosures – CRIS provides built-in reporting functionalities that allow users to generate reports without needing external formatting or reporting software. Entities can track emissions over time and compare performance against historical data, providing insights into trends and reduction progress.

While some entities may still choose to use third-party tools for internal tracking and analysis, CRIS serves as a standalone solution for emissions calculation, verification, and reporting.