

Position Green USA, Inc.

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March 21, 2025

Subject: Public Comment on Implementation of Senate Bills 253 and 261

To: California Air Resources Board

Date: March 21, 2025

Dear Members of the California Air Resources Board,

Position Green appreciates the opportunity to provide feedback on the implementation of Senate Bills 253 and 261, as amended by SB 219. We commend CARB's proactive approach in soliciting stakeholder input to ensure effective and comprehensive climate disclosure regulations.

General: Applicability

Definition of "Doing Business in California"

We support adopting the interpretation of "doing business in California" as outlined in Revenue and Tax Code section 23101. This provides a clear and established framework for determining business activities within the state.

Inclusion of Government Entities and Foreign-Owned Entities

Federal and state government entities that generate revenue should be included in the definition of "business entity" to ensure comprehensive disclosure. Similarly, entities partially or wholly owned by foreign governments should be covered to maintain transparency across all significant market participants.

Entities Participating in Separate Markets

Entities selling energy or other goods and services into California through separate markets, such as the energy imbalance market or extended day-ahead market, should be included under the regulations. This inclusion ensures that all entities contributing to the state's carbon footprint are accountable.

General: Standards in Regulation

Alignment with Evolving Standards

CARB should establish a mechanism for periodic review and alignment of its regulations with evolving external standards and protocols. This approach will ensure that California-specific needs are addressed while maintaining consistency with global best practices.

Minimizing Duplication of Efforts

To reduce redundancy, CARB should recognize and, where appropriate, align with existing reporting frameworks that entities are subject to. This alignment will streamline reporting processes and reduce the administrative burden on businesses. CARB should also advocate for the use of a digital, audit-ready reporting tool to prepare this data, ensuring interoperability with other frameworks and high-quality, audit ready data inputs.

Consistency in Reporting Methods

Entities should be required to select a specific reporting method and apply it consistently year-over-year. Consistency will enhance the comparability and reliability of reported data.

General: Data Reporting

Cost Assessment for Compliance

CARB should consult public datasets and engage with industry groups to assess the costs associated with voluntary reporting. Understanding these factors will inform a realistic evaluation of the fiscal impacts of the regulations.

Reporting Mechanism

We advocate for direct reporting to CARB to maintain data integrity and confidentiality. However, if contracting out is considered, CARB should ensure that selected organizations have a proven track record in climate reporting as well as strong API management systems.

SB 253: Climate Corporate Data Accountability Act

Standardization of Reporting Aspects

CARB should provide clear guidelines on boundary setting, apportioning emissions in multiple ownerships, and the specific greenhouse gases subject to reporting. Standardization in these areas will promote uniformity and clarity in disclosures.

Third-Party Verification for Scope 3 Emissions

CARB should identify and approve qualified third-party verifiers for scope 3 emissions. Establishing clear criteria for "limited assurance" and "reasonable assurance" levels will ensure the credibility of reported data.

SB 261: Climate-Related Financial Risk Disclosure

Reporting Timeframes

CARB should require a standardized reporting year to facilitate comparability across entities.

Alignment with Existing Disclosures

CARB should consider existing climate-related financial risk disclosures that entities prepare under other frameworks. We agree that aligning SB 261 requirements with established standards, such as the Task Force on Climate-related Financial Disclosures (TCFD), will promote consistency and reduce reporting burdens.

Additional Considerations

Data Confidentiality: CARB should implement robust measures to protect sensitive business information while ensuring transparency.

Stakeholder Engagement: Ongoing dialogue with stakeholders, including businesses, investors, and environmental groups, will be crucial in refining and implementing these regulations effectively.

Position Green is committed to supporting CARB in achieving its climate disclosure objectives and is available for further consultation as needed. We are happy to support any entity looking to report in alignment with these regulations. Position Green has **built a tailored joint software and advisory approach to meet the California reporting needs**. We are committed to evolving our offering as the CARB finalizes its implementation decisions and welcome the opportunity to partner on this offering.

Sincerely,

Amanda Bangs

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Managing Director, Position Green USA



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