

Comments from the Advanced and Indirect Mitigation (AIM) Platform on the Implementation of California Climate Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219

Introduction

The [Advanced and Indirect Mitigation \(AIM\) Platform](#) appreciates this opportunity to comment on the implementation of California’s climate disclosure legislation. Our work to clarify and expand scope 3 (value chain) greenhouse gas (GHG) accounting methods, which builds on existing GHG standards and reporting options, can support SB 219’s objectives to ensure corporate climate investments not reflected in attributional GHG inventories can be transparently reported.

About Us

The AIM Platform is a cross-sectoral, multi-stakeholder initiative that develops GHG accounting standards and guidance that remove roadblocks to value chain (scope 3) mitigation and unlock vast new sums of private climate finance. Established in 2023, the AIM Platform is an initiative of three non-profit organizations, the Center for Climate and Energy Solutions (C2ES), the Center for Green Market Activation (GMA), and Gold Standard.

The thousands of companies with ambitious GHG emission mitigation targets present a massive opportunity to mobilize critical industrial decarbonization finance and achieve emission reductions. However, to realize this opportunity, companies need updated methods to identify, account for, and claim value chain interventions¹ in their climate targets. To achieve this, the AIM Platform works with practitioners, civil society organizations, and academic experts to develop guidance that is informed by robust carbon accounting methods and a grounded understanding of how global value chains and corporate investments operate. This combination of credible and practical approaches can reduce corporate user uncertainty and remove a critical barrier to achieving value chain climate targets.

Response to Implementation Questions

Question 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?

AIM Platform Response:

The GHG Protocol Corporate Standard is “focused only on accounting and reporting of emissions.”² Since the publication of the Corporate Standard, there have been many significant developments in

¹ The AIM Platform uses the term “intervention” to refer to a value chain activity that reduces or removes GHG emissions from the atmosphere. Ways to enable interventions include but are not limited to: Monetary support for a specific intervention, purchase of an Environmental Attribute Certificate (EAC) from an intervention, or executing a long-term offtake agreement that is necessary for an intervention to be able to occur (e.g., getting a low emission production facility constructed by derisking output revenue risks through contracted offtake). An EAC is contractual instrument that represents the clean energy characteristics of an energy source or a commodity.

² <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>, pg 4

greenhouse gas accounting and reporting. Among these are the growth of the Science Based Targets initiative (SBTi), the trend toward net-zero targets, and the development of mandatory climate disclosure regulations like SB 219. While the GHG Protocol is actively considering the current usability of its Standards for these growing number of use cases through its revision processes, said revision is not expected to finish until 2028.

It is important to consider if the existing GHG Protocol Standards, with their focus on the accounting and reporting of attributional emissions through the inventory, fully meet the needs of California and the goals of SB 219. **If CARB seeks disclosure information on corporate climate mitigation impacts that are not reflected within existing attributional GHG accounting systems, the AIM Platform recommends CARB add optional reporting fields built on the AIM Platform Standard and Guidance.**

Question 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?

AIM Platform Response:

SB 219 requires covered entities to measure and report scope 1, 2, and 3 GHG emissions in conformance with the GHG Protocol Standards and Guidance. These standards require companies to account for and report emissions attributed to their organizational and value chain boundaries using attributional GHG accounting methods. The standards **also** recommend additional reporting categories that cover a wider range of inventory emission results and metrics. These categories are underutilized in current corporate GHG reporting practices, yet their inclusion in SB 219 reporting templates is critical to recognize the many beneficial corporate climate actions and investments that are not usually captured in attributional GHG inventory results.³ Not allowing for these additional, optional reporting categories disincentivizes companies to invest in decarbonization activities such as:

- purchasing sustainable aviation fuel,
- investing in lower carbon cement and concrete production,
- direct air source carbon removals,
- investing in new renewable energy projects that are not located within the same grid as the reporting company's electricity consumption,
- use of biomethane in lieu of natural gas, transported via common carrier networks, and
- many other interventions that are not accounted for within Scope 3 attributional inventory totals.

The AIM Platform has reviewed the GHG Protocol standards and guidance to identify reporting fields relevant to SB 219-compliant reporting. Appendix 1 includes an indicative reporting template that could be used by CARB for corporate reporting. The Template includes reporting categories that are:

³ GHG Protocol has recognized these limitations of attributional GHG inventories.
<https://ghgprotocol.org/sites/default/files/2024-11/AMI-TWG-Meeting1-Presentation-20241023.pdf>, slide 15

- 1) required by GHG Protocol (and SB 219),
- 2) recommended (but not required) in current GHG Protocol standards, and
- 3) not identified in existing GHG Protocol standards but are categories for which companies we work with have expressed interest in pursuing climate investments (and thus need the option to report on the emissions impact of those investments).

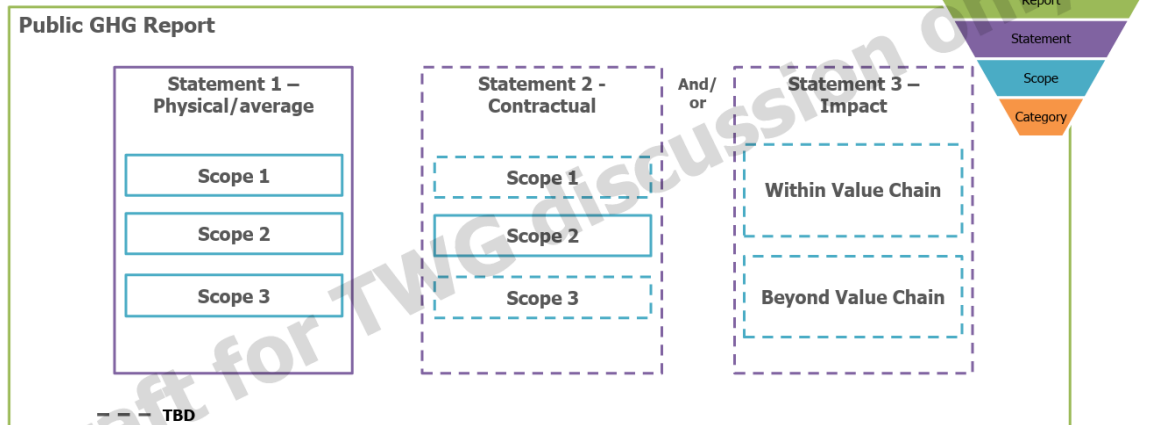
The GHG Protocol, through its current multiyear standards revision process, is considering possible reporting templates that are conceptually similar to the one we propose in Appendix 1. Figure 1 includes an initial template rendering from a January 2025 GHG Protocol Actions and Market Instruments Technical Working Group presentation (see below). Figure 1 shows that such a tri-ledger reporting system that reflects current attributional (physical) GHG emissions, market-based emissions, and emissions impact reporting is under consideration within the GHG Protocol revision process.

Figure 1. Example of Multi-Statement Reporting Structure (working draft of GHG Protocol Actions and Markets Instrument Technical Working Group)⁴



Draft for TWG Discussion

Example of a Multi-Statement Reporting Structure



***Need for, number of, and scope applicability of statements to be determined**

Although the tri-ledger concept is being considered in the ongoing GHG Protocol revision process, that process (and final standards) is not expected to finish until 2028. CARB should not wait for that revision process to conclude before adopting such a system for SB 219 implementation.

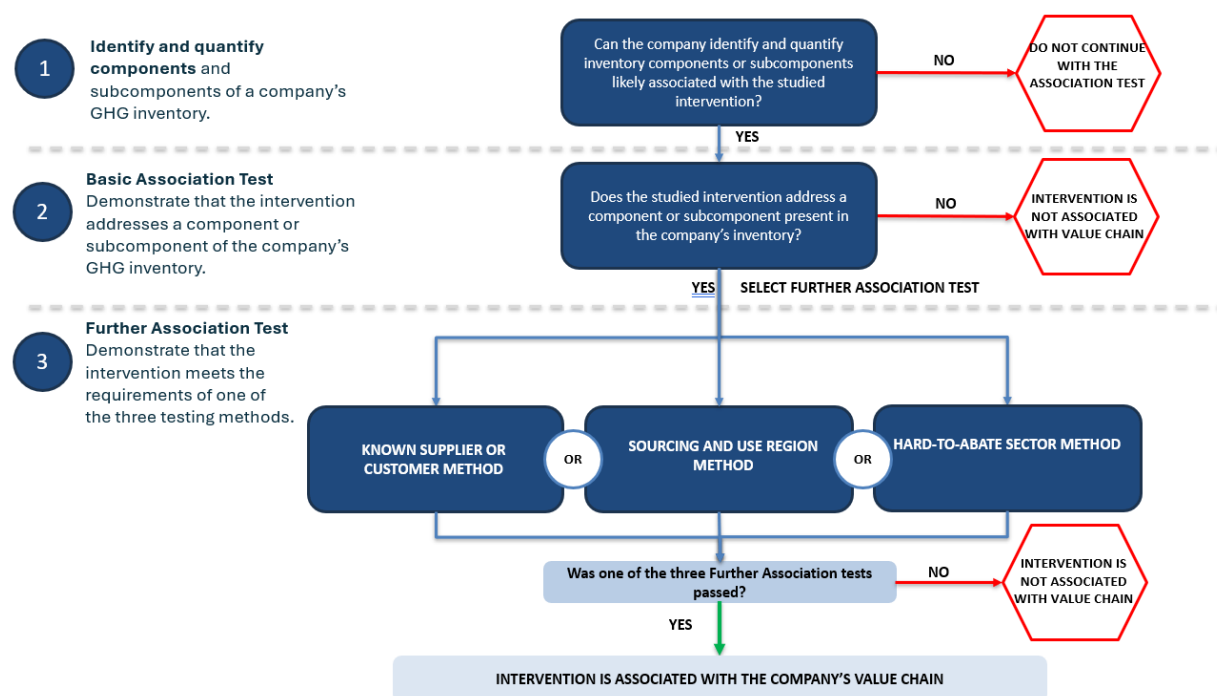
What is “within value chain”? Determining emission intervention association with Scope 3 inventories. Even with the use of the available, optional GHG Protocol reporting categories, companies face uncertainty on how to associate climate investments with their value chain (scope 3) emissions inventory. This is because corporate value chains are complex and often fluid, making it nearly impossible to

⁴ <https://ghgprotocol.org/sites/default/files/2025-02/AMI-Meeting3-Presentation-20250115.pdf>, slide 21

physically trace the results of an emission reduction project through the complex chain of custody systems large companies use. The AIM Platform exists to fill this gap in the current Standard landscape.⁵

Specifically, the *AIM Platform Association Test (December 2024 pilot testing version)*, includes requirements and guidance for companies to determine if an intervention is associated with their scope 3 value chains. The Association Test provides clear and actionable guidance for how a company can claim association depending on if they can demonstrate that their inventory contains a related emissions source or component and that the intervention is with a known supplier, is within the same market the company operates in, or is in a hard to abate sector.

Figure 2. AIM Platform Association Test (pilot testing version) flow chart⁶



The types of actions that can be associated with a company's value chain through the Association Test, but will not likely "show up" within current scope 3 inventories today, include:

- Using Sustainable Aviation Fuel instead of conventional jet fuel for air transportation,
- Replacing a coal boiler with an electric boiler powered by renewable electricity,
- Using ammonium nitrate derived fertilizers created from green ammonia, rather than using urea created from fossil-origin ammonia, on a crop,
- Using low-emission concrete instead of conventional concrete in building construction,
- Using low-emission steel instead of conventional steel in heavy equipment manufacturing,
- Replacing diesel powered internal combustion engine heavy-duty trucks with battery electric vehicle equivalents using renewable electricity, and
- Replacing low-sulfur fuel oil with low-emission maritime fuel for maritime transport.

⁵ GHGP is an observer to the AIM Platform. Outputs from the AIM Platform Standard and Guidance are provided to GHGP as they undergo their revision process.

⁶ https://aimplatform.org/wp-content/uploads/2025/01/AIM_Platform_Association_Test_-_pilot_test_version.pdf, page 10

The AIM Platform is currently pilot testing the Association Test with over 20 climate leading companies. Results from the pilot test and concurrent stakeholder comment period will be reviewed by the AIM Platform Governing Committee and incorporated into the final Association Test.

The AIM Platform recommends that CARB refer to the AIM Association Test as an available method to determine interventions that can be reported in the optional scope 3 reporting categories.

The AIM Platform is also developing a standard on how companies can credibly account and report value chain interventions. This standard, which will work in tandem with the Association Test, is under development. The pilot testing draft is expected later this year.

Conclusion

Thank you for the opportunity to submit comments on the implementation of SB 219. The AIM Platform conveners are available to respond to any questions CARB has on these comments.

Regards,



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Appendix 1. Example Corporate GHG Reporting Template

Emission Scope / Source	Statement 1: Physical GHG Inventory	Statement 2: Market-Based GHG Inventory	Statement 3: Impact GHG Inventory
Direct Operational Emissions (Scope 1)	(+)	(+)	(-)
Indirect Operational Emissions (Scope 2)	(+)	(+)	(-)
Indirect Value Chain Emissions (Scope 3)	(+)	(+)	(-)
Indirect, Beyond Value Chain Emissions	n/a	n/a	(-)

Reporting Template Legend

Color or Symbol	Description
	Mandatory reporting element in GHG Protocol Standards
	Optional (“should” or “may”) reporting element in GHG Protocol Standards
	Reporting category under consideration in the GHG Protocol Actions and Market Instrument Technical Working Group.
(+)	positive (or zero) emissions total
(-)	negative (or zero) emissions total