

March 21, 2025

California Air Resources Board (CARB)

Submitted via website: www.arb.ca.gov

Response to Solicitation for Information for SBs 253 and 261, as amended by SB 219

EcoEngineers appreciates the opportunity to submit comments to inform implementation of California's climate disclosure laws, Senate Bills 253, 261 and 219. EcoEngineers is one of the nation's leading auditing, verification, and consulting firms for renewable fuel and clean energy technologies. We are additionally an accredited verification body for CARB's Low Carbon Fuel Standards (LCFS) and Mandatory Greenhouse Gas Reporting Regulation (MRR).

EcoEngineers strongly supports advancing policies, regulations, and programs that address the global greenhouse gas (GHG) emissions crisis across all sectors, and we applaud CARB for expanding the scope and scale of mandatory GHG emissions inventory reporting in California. The following paragraphs constitute our responses to selected questions from CARB's California Climate Disclosure Information Solicitation published in December 2024.

1a. 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. Should CARB adopt the interpretation of “doing business in California” found in the Revenue and Tax Code section 23101?

Yes, CARB should adopt the interpretation of “doing business in California” found in the Revenue and Tax Code section 23101.

3c. 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. 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?

Reporting entities should be allowed to adapt their reporting methods from year-to-year while documenting any reasons that changes occurred. CARB should not require reporting entities to update any previous year's reporting data based on revised methods.

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

To ensure data security and quality control for a critical component of the program, we recommend that the state should require entities to report directly to CARB rather than to a GHG emissions or climate reporting organization.

7. Entities must measure and report their emissions of greenhouse gases in conformance with the GHG Protocol, 1 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?

The GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard provides a wide range of flexibility on the secondary data sources that can be used for measuring Scope 3 emissions. To improve data quality and completeness for robust calculations, we recommend that CARB regularly review and approve acceptable emissions factor databases that are developed using verified activity data for industries subject to compliance. This approach will also encourage methodological consistency as Scope 3 guidelines evolve.

8a&b. 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. For entities required to report under SB 253, what options exist for third-party verification or assurance for scope 3 emissions? 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?

ISO 14064-3 is a consensus-based global standard in use by many companies to verify GHG emissions inventories covering Scopes 1, 2, and 3 to limited and reasonable levels of assurance. This standard should be cited in regulations as an acceptable practice, in conjunction with other standards utilized by assurance practitioners. We also recognize the use of ISAE 3410 for third-party assurance of scoped GHG emissions inventories. This standard will be incorporated into the ISSA 5000 standard for sustainability assurance, effective December 2026. We suggest referencing both ISAE 3410 and ISSA 5000 in the regulations as well. Each standard mentioned in this paragraph contains a definition for limited and reasonable assurance, and those definitions should serve as the basis for how the audit is conducted and how a conclusion is reached depending on the selected standard.

Sincerely,

Dan Krekelberg
Climate Strategy Director
dkrekelberg@ecoengineers.us