



**March 20, 2025**

**Liane M. Randolph, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814**

**RE: Comments on the Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219**

Dear Chair Randolph:

We appreciate the opportunity to submit comments for the California Air Resources Board's (CARB) Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 (SB 253) and 261 (SB 261). As a practitioner in the field of greenhouse gas (GHG) independent assurance, we hope that our comments will provide some value and present some paths forward that will result in an effective assurance pathway. Spirit: A Montrose Environmental Company represents a recent addition to the Montrose family of companies that works with industrial clients on the development or assurance of GHG inventories and projects. The larger Montrose family includes California Regulation for the Mandatory Reporting of GHG Emissions (MRR) verifiers and the company works with a significant number of California based clients.

Because Montrose has provided support to CARB on the evaluation of GHG quantification and reporting frameworks, we feel as if it would be a conflict to further opine on those issues, and are limiting these comments to the assurance question, as follows:

## **Response to Comments**

**8a. 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?**

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- While not an exhaustive list, current standards used by third-party assurance providers for GHG statements include ISO 14064-3, ISAE 3000, AA1000 and ISO/IEC 17029, with the most commonly mentioned and recognized standard being ISO 14064-3. Given the related and similar nature of these standards, and the fact that the lineage is related to the existing financial auditing industry, there are currently a good number of options for assurance provision in general.
- The more specialized nature of GHG assurance, both for Scope 1 emissions as well as Scope 3 emissions, is a more limited subset of assurance providers and is currently facing a relatively high demand nationwide. Options are further limited by the relatively short cycles of this work, which can be problematic to resource appropriately from a staffing perspective. It is our opinion that the best way to ensure sufficient options would be to both limit Scope 3 assurance to a limited level and extend the window of time for assurance to the end of the subsequent reporting year while holding a firm date for initial emissions reporting.

**8b. 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 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?**

- It is our recommendation that the existing definition for “reasonable assurance” outlined in MRR ***should not*** be utilized for reporting entities mandated through SB 253. MRR’s definition of reasonable assurance is explicitly for facility-level GHG emissions, rather than entity-level GHG emissions as outlined in SB 253. Companies that already report to MRR are already being held to the “reasonable assurance” standard outlined in MRR, so they will be applying that standard by default for California facilities.
- For non-covered entities that represent a much smaller share of California direct emissions, the limited assurance as defined within ISO and ISAE standards is recommended, in perpetuity, for Scope 3 emissions and for at least the short-term for Scope 1 and 2. Using those standards to define “reasonable assurance” rather than that found in the MRR program is also recommended as they are entity-based, can be used more broadly, and would still adhere to most if not all of the MRR requirements by default.

- Smaller or newer reporters will need some time to develop and align processes for assurance, and once guidance is provided will often utilize advisory services to prepare themselves for assurance prior to undertaking formal assurance. Likewise, limited assurance can be viewed as providing the basis to prepare for reasonable assurance by identifying both material and non-material findings for the reporters to address. Therefore, following the guidance of the SEC rulemaking and allowing a ramp-up time would be advised for any reporters required to undertake reasonable assurance.
- Lastly, while reasonable assurance provides more certainty in results and reduces risks of inaccuracy, it is unlikely that a provider of assurance services would be able to provide reasonable assurance under the common definitions for Scope 3 emissions in particular unless the scope was so limited as to potentially negate the value of reasonable assurance. Since reasonable assurance typically involves a more thorough investigation of source data, and the source data for many scope 3 emissions are generally unavailable to the reporter, it would be an unreasonable expectation that a provider could access the data sufficiently to provide that level of assurance.

We appreciate the opportunity to provide constructive feedback and aid CARB in further developing its regulations and guidance regarding emissions reporting and GHG assurance.