

BCSE Comments on CARB's Draft Template for Scope 1 and Scope 2 Greenhouse Gas Reporting (SB 253 Implementation)

October 27, 2025

I. Introduction

The Business Council for Sustainable Energy (BCSE) appreciates the opportunity to provide comments to the California Air Resources Board (CARB) on its Draft Template for Scope 1 and Scope 2 Greenhouse Gas (GHG) Reporting. BCSE is a broad-based association representing companies across energy efficiency, renewable energy, energy storage, sustainable transportation, natural gas, and other clean energy sectors. Many of our members will be directly affected by the SB 253 reporting requirements, and we are pleased to engage in this next phase of CARB's implementation process.

BCSE appreciates CARB's transparent, consultative process and wishes to express support for its efforts to provide flexibility and recognition of the range of existing reporting and disclosure frameworks that are currently in use and/or under development. We recognize that CARB is at the beginning of a public process to develop regulations and guidance, and we value the emphasis on administrative efficiency and program exportability as foundational principles. These measures will help to ensure that GHG emissions information is accurate, comparable, and decision-useful for investors, consumers, and other stakeholders.

BCSE encourages CARB to confirm that companies may use existing sustainability reports, including those prepared under the Task Force on Climate-Related Disclosures (TCFD) framework, to satisfy disclosure requirements for SB 253. This approach minimizes duplicative reporting, allows for consistency with previously verified data, and supports timely compliance with CARB's reporting timelines.

This submission builds on BCSE's March 21, 2025 comments regarding SB 253 and SB 261 implementation, which emphasized alignment with widely recognized frameworks, practical implementation, and phased approaches for emerging reporting obligations.

II. Overarching Observations

BCSE applauds CARB's approach in seeking to establish a program that balances rigor, flexibility, and usability. We note the following foundational elements of the draft template:

- 1. Alignment with Established Frameworks:** The draft template appropriately incorporates principles from the GHG Protocol Corporate Standard and other recognized reporting systems, including the Carbon Disclosure Project (CDP), the International Sustainability Standards Board (ISSB), and the Corporate Sustainability Reporting Directive (CSRD). This alignment reduces duplicative reporting burdens, enhances comparability, and supports long-term scalability.

Of note, the GHG Protocol Corporate Standard is currently undergoing extensive revision that is expected to be completed in 2027 or later. The GHG Protocol Technical



Working Groups are considering various aspects of the corporate standard, including issues related to market-based accounting. California has strong precedents for utilizing market-based instruments and accounting. For example, California's cap and trade program recognizes market-based accounting in its compliance rules. California's Low Carbon Fuels Standard uses a market-based attribution approach for renewable thermal energy through book-and-claim accounting. Further, California has active Renewable Portfolio Standard (RPS) and Power Source Disclosure (PSD) programs, which both use Renewable Energy Certificates (RECs) to allocate renewable generation attributes.

BCSE recommends that CARB align with the current version of the GHG Protocol Corporate Standard for the purpose of this regulation. Should the updated GHG Protocol standard be consistent with California's policy objectives, it can choose to amend the regulation to allow for use of the updated version of the reporting framework.

2. **Flexibility in Organizational Boundaries and Consolidated Reporting:** CARB's allowance for equity share, financial control, or operational control approaches provides necessary flexibility for diverse corporate structures. In addition, BCSE supports reporting at the parent company level to encompass all subsidiaries doing business in California. This approach enhances efficiency, reduces administrative burden, and ensures CARB receives complete and coherent information.
3. **Focus on Administrative Efficiency and Program Exportability:** BCSE appreciates CARB's recognition that efficiency and portability are critical for creating a program that can be implemented with minimal unnecessary burden and that serves as a model for other jurisdictions.
4. **Emphasis on Decision-Useful Information:** The draft template's structure promotes accurate and actionable disclosures, which investors and other stakeholders can rely upon. The inclusion of optional fields for gas-by-gas breakdowns, facility identifiers, and mitigation initiatives enhances the decision-usefulness of reported data without creating undue burden.

BCSE greatly appreciates CARB staff's extensive stakeholder engagement and their efforts to harmonize SB 253 reporting requirements with existing voluntary and mandatory global disclosure frameworks. We recognize the challenges of implementing these requirements within a limited timeline.

Specific Comments

1. **Reporting by Source and Gas:** BCSE supports the template's primary organization of emissions by source while allowing optional greenhouse gas-specific detail. This approach reflects operational realities and existing inventory practices.
2. **Organizational Boundaries:** Flexibility in boundary selection aligns with international best practices. BCSE recommends maintaining this flexibility while requiring transparent



disclosure and explanation of any changes. Guidance and examples will further enhance consistency across reporting entities.

3. **Emission Reduction Initiatives:** BCSE commends CARB for incorporating renewable energy procurement and other mitigation activities into the template.
4. **Recognition of Renewable Fuels and Renewable Natural Gas (RNG):** BCSE appreciates CARB's long-standing recognition of the importance of renewable fuels and RNG as key climate management strategies—both as a methane reduction and energy system decarbonization tools. BCSE appreciates that the Draft Template includes line items to allow reporters to use market-based accounting to recognize purchases of renewable gas and power. We also appreciate the flexibility for reporters to use market-based methods for both RNG purchased directly from renewable suppliers (through contractual relationships, including tradeable certificates) or through utility green tariff programs. In addition, BCSE recommends that CARB provide specific approval of the use of a range of reporting frameworks and registries to account for renewable fuels and RNG, including the Center for Resource Solutions Green-e certification program for Renewable Fuels¹, the Clean Counts registry for tracking both renewable power (renewable energy credits or RECs) and RNG (renewable thermal credits or RTCs) for voluntary buyers in North America,² and the Clean Energy Accounting Project's (CEAP) *Market-Based Accounting for Clean Fuels*.³
5. **Materiality and De Minimis Sources:** Clear guidance on thresholds for material and immaterial sources is essential for comparability.
6. **Verification and Assurance:** BCSE supports requiring limited assurance initially, progressing to reasonable assurance over time.
7. **Base Years, Trend Disclosure, and Restatements:** Inclusion of base-year fields is important for trend analysis. The template should provide structured fields for restatements and methodological revisions, with explanation of changes and impacts on comparability.
8. **Intensity Metrics:** BCSE supports multiple intensity metrics to reflect differing industry contexts and encourages CARB to provide guidance on appropriate metrics and interpretation.
9. **Facility Mapping and MRR Integration:** Optional fields for MRR facility identifiers improve data integrity and comparability. The template should allow N/A entries with explanation for non-MRR facilities and support bulk uploads to streamline reporting.

¹ See: <https://www.green-e.org/programs/renewable-fuels/>

² <https://www.mrets.org/>

³ <https://resource-solutions.org/document/042125/>



- 10. Digital Submission and Scalability:** BCSE encourages CARB to design the template for future electronic submission and integration with structured data systems, allowing bulk data input and reducing manual entry requirements.
- 11. Confidentiality:** The template should allow companies to flag sensitive or commercially confidential data, with summary-level disclosure required to maintain transparency.

IV. Conclusion

BCSE appreciates CARB's efforts to provide flexibility, ensure alignment with widely recognized frameworks, and uphold administrative efficiency and program exportability. BCSE also encourages CARB to allow companies to leverage existing sustainability reports, including TCFD content, and to support consolidated parent-level reporting as a practical and efficient approach.

The Council and its members are committed to supporting CARB in finalizing the template and guidance, including participation in pilot testing and providing sector-specific input. We look forward to continuing collaboration to ensure that the final reporting framework is practical, comparable, and provides decision-useful climate information to all stakeholders. Please contact [Lisa Jacobson](#), President of the Business Council for Sustainable Energy (BCSE) with any questions related to these comments.