



October 24, 2025

California Air Resources Board (CARB)

1001 I Street, Sacramento, CA 95814

Submitted Electronically

RE: COMMENTS OF CENTER FOR RESOURCE SOLUTIONS (CRS) ON THE CLIMATE CORPORATE DATA ACCOUNTABILITY ACT (SB253) SCOPE 1 AND SCOPE 2 EMISSIONS DRAFT REPORTING TEMPLATE.

Dear CARB Staff,

CRS appreciates the opportunity to comment on SB 253's reporting template. Our comments primarily focus on clarifying and suggesting amendments to certain language in the reporting template. We also reiterate previous support for market-based accounting and third-party verification and recommend that hourly matching for scope 2 reporting should not be required until all renewable energy tracking systems in the United States (U.S.) have hourly tracking functionality.

BACKGROUND ON CRS AND GREEN-E®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS provides technical guidance to policymakers and regulators at different levels on renewable energy policy design, accounting, tracking and verification, market interactions, and consumer protection. CRS also administers the Green-e® programs. For over 25 years, Green-e® has been the leading independent certification for voluntary renewable electricity products in North America. In 2024, Green-e® certified retail sales of nearly 143 million megawatt-hours (MWh), serving nearly 1 million retail purchasers of Green-e® certified renewable energy, including approximately 80,000 businesses.¹

¹ For more information, the 2025 (2024 Data) Green-e® Verification Report will be available here soon: <https://www.green-e.org/verification-reports>



CLARIFICATION TO TEMPLATE LANGUAGE

CRS generally supports the Climate Corporate Data Accountability Act requirements for disclosure of greenhouse gas emissions. The Draft reporting template provides a strong foundation for standardized Scope 1 and Scope 2 reporting. However, several key definitions and structural elements should be improved to enhance clarity, transparency, and consistency across reporting entities. These include:

1. Add explicit totals for market-based and location-based emissions for Scope 2:

CARB should add rows for total annual market-based and location-based emissions within the reporting year. Including both totals will improve transparency and facilitate auditing in alignment with Greenhouse Gas Protocol (GHGP) requirements for dual reporting.

2. Add a row specifically for Scope 2 electricity totals:

The reporting template currently includes rows for Scope 2 totals for purchased and acquired steam, purchased and acquired heating, and purchased and acquired cooling. It is lacking a row for reporters to disclose their Scope 2 totals for purchased and acquired electricity. This is necessary for accurate, complete, and transparent Scope 2 disclosure.

3. More information is requested on the “Emission Reduction” rows (72-75):

CRS respectfully requests clarification regarding the intent and structure of the “emissions reductions” section in the draft reporting template (rows 72-75). Specifically, additional information is needed to understand the purpose of these rows, the meaning of the terms used, and the scope of activities intended to be captured.

First, CRS seeks clarification on the intended purpose of the “emission reduction” field, particularly rows 74 and 75. It is unclear whether these fields are designed to capture avoided grid emissions associated with purchased renewable generation (for example, based on marginal emissions rate data), broader sectoral emissions reductions beyond a baseline, or another metric.

Second, CRS requests clarification on the definitions of the terms “emission reduction” and “direct contract”. In greenhouse gas accounting, “emission reduction” generally refers to avoided emissions, or those prevented relative to a baseline scenario as a result of an action such as renewable energy procurement. However, the draft template does not specify whether this



definition applies here. Similarly, the term “direct contract” is not widely used to encompass all EACs and may exclude other legitimate procurement instruments.

Finally, CRS seeks clarification on why only direct contracts appear to be included under the emissions reduction fields. If the intent is to represent contractual renewable energy procurement, CRS recommends expanding this category to include all relevant procurement types, such as renewable energy certificates (RECs) and power purchase agreements (PPAs), to ensure alignment with market-based Scope 2 accounting best practices and the GHGP.

Providing this clarification will help ensure that the “emissions reductions” fields are applied consistently across reporting entities and that the resulting data accurately reflect verifiable emissions outcomes.

MARKET-BASED ACCOUNTING SHOULD BE USED THROUGHOUT ALL SCOPES (1, 2, and 3)

CRS reiterates previous comments supporting consistent market-based reporting methodologies throughout Scopes 1, 2, and 3, as this is the only way to assign specified transactions to a company’s value chain.² Market-based accounting is already standard practice and consistent with existing GHG Protocol’s (GHGP) Scope 2 Guidance. But, market-based accounting should also be required for Scope 1 and 3, and such capabilities should be added to the reporting template for at least Scope 1. This would be consistent with California’s Low Carbon Fuel Standard (LCFS), which already recognizes market-based attribution of renewable thermal energy through book-and-claim accounting for pipeline-injected biomethane and renewable hydrogen. Under the LCFS, regulated entities may claim the environmental attributes of renewable natural gas (RNG) or biogenic feedstocks when injected into a common-carrier pipeline and used for vehicle fuel or hydrogen production, provided those attributes are uniquely retired and not double-counted.³ This existing framework demonstrates that market-based instruments, like renewable thermal certificates, are a credible and regulated mechanism for allocating the climate benefits of renewable fuels. CARB should maintain consistency across programs by allowing comparable market-based recognition of renewable fuel attributes within Scope 1 accounting under SB 253. There is additional support for using market-based accounting for Scope 1, highlighted in the Clean Energy Accounting Project (CEAP)’s recent publication Market-Based Accounting for Clean Fuels.⁴

² CRS comments on the Corporate Climate Data Accountability Act: <https://resource-solutions.org/document/021325/>

³ California Code of Regulations, Title 17, § 95488.8(i).

⁴ Market-Based Accounting for Clean Fuels Report: <https://resource-solutions.org/document/042125/>



HOURLY GHG REPORTING SHOULD NOT BE REQUIRED UNTIL U. S. TRACKING SYSTEMS HAVE RELIABLE HOURLY TRACKING FUNCTIONALITY

CRS supports CARB's alignment with the GHGP Scope 2 Guidance. As this guidance is currently being updated and proposed updates include a requirement for hourly matching, the practice of matching a company's electricity consumption with carbon-free energy generation on an hour-by-hour basis, CRS recommends that hourly reporting should not be required until all regional energy attribute tracking systems, such as the Western Renewable Energy Generation Information System (WREGIS), have robust, standardized hourly tracking functionality.⁵ The current GHGP Scope 2 Public Consultation Period Draft references a requirement for sub-annual (hourly) reporting for buyers who have load over a certain threshold.⁶ GHGP Scope 2 Guidance is not set to be finalized until late 2026, with the full Corporate Standard potentially being finalized late 2027 or beyond. The requirements noted in the current public consultation period are not final. Until such systems are fully operational, CARB should permit reporting consistent with the 2015 GHG Protocol Scope 2 Guidance. Such reporting remains credible, transparent, and verifiable while offering continuity with current market-based accounting practices.

THIRD PARTY VERIFICATION SHOULD BE REQUIRED

CRS continues to support the inclusion of the identification of third-party verifiers in CARB's GHG reporting template. All renewable energy procurement sales should be verified by a credible third party. Verification entities for SB 253 are independent third parties that audit and provide assurance on full GHG emissions inventories (Scope 1, 2, and 3) to ensure compliance with recognized standards such as the GHGP and the Independent Standards Organization (ISO) 14064. They assess emissions data, methodologies, and reporting accuracy, providing assurance levels required for regulatory compliance. In contrast, Green-e® certification verifies renewable energy claims by ensuring that renewable electricity and fuels and their attributes and certificates are properly issued, retired, and not double-counted. While Green-e® supports market-based Scope 2 reporting, it does not serve as a full GHG verification entity for SB 253 compliance. CARB should establish clear criteria for verification while leveraging existing assurance frameworks to reduce reporting burdens.

⁵ Center for Resource Solutions, Readiness for Hourly: U.S. Renewable Energy Tracking Systems: <https://resource-solutions.org/document/061523/>

⁶ GHGP Public Consultation – Scope 2: <https://ghgprotocol.org/sites/default/files/2025-10/GHG-Protocol-Scope2-Public-Consultation.pdf>



CRS appreciates CARB's efforts to ensure transparency and consistency in implementing SB 253. By refining the draft template's terminology, ensuring independent verification, maintaining practical reporting timelines, and mandating market-based accounting, CARB can enhance the credibility and comparability of emissions disclosures while reducing administrative burdens for reporting entities. We thank you for this opportunity to provide input on the Draft reporting template for Scopes 1 and 2.

Please feel free to reach out with any questions or requests for clarification.

Sincerely,

Devon Johnson

Manager, Policy