February 9, 2026

Rajinder Sahota, Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, California 95814

**Re: Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation**

Dear Deputy Executive Officer Sahota,

ACORE respectfully submits these comments to the California Air Resources Board ("CARB") in response to CARB's December 9, 2025 notice of public hearing soliciting public comment on proposed regulations implementing Senate Bill 253 ("SB 253," or the "Climate Corporate Data Accountability Act") and Senate Bill 261 ("SB 261," or the "Climate Related Financial Risk Act").[1]

ACORE is a 501(c)(3) national nonprofit organization that works to accelerate the transition to a clean energy economy. ACORE's membership spans the energy value chain, including project developers, institutional investors, corporate buyers of clean energy, manufacturers, electric power generators, retail energy providers, and other stakeholders.[2] Given the many ACORE member companies that are likely covered under SB 253, ACORE respectfully submits these comments to inform CARB's efforts to finalize effective and workable rules.

ACORE appreciates that the December 2025 CARB draft regulations focus on fee issues, reporting deadlines, and key definitions. We understand that future draft regulations will address additional program details.[3] With this in mind, ACORE writes to provide high-level recommendations for CARB to consider in drafting future regulations. Specifically, ACORE encourages CARB to clarify that companies can continue reporting under the current GHG Protocol Scope 2 Guidance, which was in place when SB 253 was enacted,[4] at least until 2033. In addition, CARB should specify that any updated GHG Protocol standards would not be automatically required of reporting entities. Further, any potential mandatory adoption of updated standards after 2033 should be subject to notice-and-comment rulemaking to promote transparency and consistency.

ACORE provides these important recommendations now because there are only months until the proposed Scope 1 and 2 reporting deadline of August 10, 2026. The GHG Protocol is in the midst of

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[1] *See* CARB, Notice of Public Hearing to Consider the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation (Dec. 9, 2025), https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2025/sb253-261/notice1.pdf.

[2] The views expressed here are those of ACORE and do not necessarily reflect the views of any individual ACORE member company.

[3] *See, e.g.*, CARB, Staff Report: Initial Statement of Reasons: Public Hearing to Consider the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation at 2 (Dec. 9, 2025), https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2025/sb253-261/isor.pdf.

[4] *See generally* WORLD RES. INST. & WORLD BUS. COUNCIL FOR SUSTAINABLE DEV., THE GREENHOUSE GAS PROTOCOL: SCOPE 2 GUIDANCE (2015) ("GHG Protocol Scope 2 Guidance"), https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf.

updating its Scope 2 Guidance, with final publication of updated Scope 2 Guidance is expected in 2027.[5] As a result, there is present uncertainty as to whether and when SB 253 reporting entities will need to adapt their reporting to align with the forthcoming revised Scope 2 Guidance.

There are two primary reasons that CARB should clarify that reporting entities can continue to rely on the current GHG Protocol Scope 2 Guidance at least through 2033. First, the existing Scope 2 Guidance is widely in use today; continuing to allow it will minimize reporting entities' compliance burdens and provide reporting entities with needed flexibility in the early years of California's new regulatory scheme. Second, the existing Scope 2 Guidance has a demonstrated track record of promoting investment in clean energy, whereas some of the updates under consideration could undermine existing incentives to invest in clean energy sources.

## I. CARB Should Clarify that Entities May Continue to Report Under the Current GHG Protocol Scope 2 Guidance in Order to Promote Flexibility and Ease Compliance Burdens.

CARB should make clear in its regulations that companies can follow the GHG Protocol framework that was in place in January 2024 when SB 253 went into effect at least through 2033, or any successor GHG Protocol framework. This would advance the goal of allowing for flexibility and easing the compliance burden, while still providing California with high quality GHG emissions information.

Allowing entities to report under the current GHG Protocol Scope 2 Guidance for the foreseeable future would promote flexibility and ease the compliance burden on reporting entities. Companies are already comfortable and familiar with the effective Scope 2 Guidance that exists today.[6] In fact, 97 percent of S&P 500 companies that voluntarily reported their emissions to the Carbon Disclosure Project ("CDP") followed the GHG Protocol framework in 2023.[7] The current version of the GHG Protocol was in place when legislators enacted SB 253 and pointed to the GHG Protocol as the framework to follow. In addition, some ACORE members have expressed concern about increased reporting costs associated with certain proposed requirements under proposed updates to the GHG Protocol, underscoring the benefits of regulatory flexibility to continue using the existing framework.[8]

Moreover, the statute specifically affords a mechanism for CARB beginning in 2033 and every five years thereafter to "survey and assess currently available greenhouse gas accounting and reporting standards" and determine whether an "alternative accounting and reporting standard. . . would more effectively further the goals of this section."[9] At least until that time, CARB should clarify through its regulations that companies can use the GHG Protocol framework that was in place when the law was passed or any successor GHG Protocol framework if a company so chooses.

ACORE also requests that CARB not *require* reporting entities to adhere to any forthcoming GHG Protocol updates, particularly not until CARB has a chance to hear from reporting entities in a dedicated notice-and-comment rulemaking. To provide certainty and flexibility, ACORE encourages CARB to confirm that the existing GHG Protocol Scope 2 Guidance (or any successor GHG Protocol framework) is

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[5] Sarah Huckins, GHG Protocol Public Consultations Now Open: Scope 2 and Electricity Sector Consequential Accounting, WRI Blog (Oct. 20, 2025), https://ghgprotocol.org/blog/ghg-protocol-public-consultations-now-open-scope-2-and-electricity-sector-consequential.
[6] That is, the GHG Protocol Scope 2 Guidance published in 2015. *See* note 4.
[7] GHG Protocol, About Us, https://ghgprotocol.org/about-us (accessed Jan. 20, 2026).
[8] Reporting entities have raised concerns about hourly matching and deliverability requirements significantly raising reporting costs.
[9] *See* Cal. Health & Safety Code § 38532(c)(2)(A)(iv)(I).

an acceptable framework at least through 2033, when CARB will assess whether an alternate accounting and reporting standard would more effectively further the goals of the law.[10]

## II. Allowing Continued Use of the Current GHG Protocol Scope 2 Guidance Will Encourage Clean-Energy Development.

Clarifying in CARB's forthcoming regulations that reporting companies can continue to use the existing GHG Protocol Scope 2 Guidance at least through 2033 would also promote clean energy investment and development. ACORE cautions against requiring strict adherence to the GHG Protocol updates currently under consideration which could discourage certain clean energy investments and have a chilling effect on the clean energy market.

Voluntary agreements to procure clean energy play a vital role in driving greater levels of clean energy deployment because such agreements de-risk projects and enable financing. However, the proposed hourly matching and deliverability requirements under consideration in the GHG Protocol Scope 2 update process threaten to undermine these incentives, which could result in less clean-energy capacity additions in the real world. Companies would have a more difficult time promoting renewable energy via purchases of Renewable Energy Certificates ("RECs") and Virtual Power Purchase Agreements ("VPPAs"). Indeed, a poll released in 2025 found that 78 percent of respondents involved in sourcing clean electricity and related instruments were not confident that they could continue such sourcing under an hourly matched and deliverable framework.[11] Today, many companies need to aggregate their load across regions to have enough demand for a long-term power purchase agreement. The new requirements proposed would therefore weaken a pivotal lever for companies to drive clean energy development.

By affording companies the flexibility to continue using the longstanding GHG Protocol framework in place when SB 253 was signed into law, CARB's forthcoming regulations can avoid any potential complications related to the GHG Protocol revision process.

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In short, ACORE encourages CARB to draft regulations that clarify that the existing version of the GHG Protocol framework will be an acceptable framework for Scope 2 emissions reporting at least until 2033, when the statute provides for reassessment. Although this letter does not address the relevant issue of the fee structure in the ongoing consultation, that should not be interpreted as a tacit endorsement of the language as proposed by ACORE or its members. ACORE greatly appreciates the opportunity to provide comments to assist in effective implementation of California's climate disclosure laws.

Respectfully submitted,

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[10] *See* Cal. Health & Safety Code § 38532(c)(2)(A)(iv)(I).

[11] Green Strategies, Inc., Report: How Scope 2 Revisions May Change Clean Electricity Procurement Strategies at 15, Figure 9. Respondent's Confidence Level on Sourcing Clean Electricity Under Scenario at 2 (May 6, 2025) https://www.greenstrategies.com/report-release-scope-2-accounting-revisions-practitioners-perspectives/.

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