Schneider Electric

Advancing Energy Tech

Members, California Air Resources Board
1001 “I” Street
Sacramento, CA 95814

RESPONSE: Comments on proposed modifications to California Corporate Greenhouse Gas Reporting Regulation– July 27

Schneider Electric, a global leader in advanced energy management and automation technologies, with more than 23,000 U.S. employees and thousands of U.S.-based clients and partners, is pleased to submit the following response to the California Air Resources Board (CARB) on California Corporate Greenhouse Gas (GHG) Reporting and Climate Related Financial Risk Disclosure Programs.

Recognized as the world's most sustainable company by TIME Magazine, Statista, and Corporate Knights, Schneider's dedication to addressing climate change underpins our ambitious climate goals. By 2050, we aim to achieve net-zero emissions across our entire value chain without reliance on carbon offsets, leading the way not only in emissions reductions and sustainability, but also in transparency.

Schneider also supports other organizations working to translate sustainability, energy, and digital transformation targets into actionable outcomes through the Schneider Electric Advisory Services. Our approach combines deep technical and regulatory expertise, global implementation capabilities, and AI-enabled software solutions to advance energy and enterprise risk management, decarbonization strategies, nature-based solutions, operational efficiency, and digital transformation.

We strongly support CARB's proposal to mandate climate-related disclosures and commend CARB's leadership in advancing transparency and climate risk awareness for the investor community. Consistent reporting standards help organizations make better operational decisions, uncover efficiencies, manage long-term risk, and provide investors and customers with better insights. When designed well, these frameworks reward innovation, transparency, and measurable progress. We recognize that the proposed rule will have important implications for both our clients and our own operations, and our perspective reflects this dual insight. In response to CARB's request for information, we respectfully submit the following comments for consideration.

We appreciate CARB’s decision to make targeted clarifications before resubmitting the regulation to the Office of Administrative Law. Consistent with the scope of this 15-day comment period, our comments are directed specifically at the modifications reflected in the Modified Text. We are supportive of the changes and offer the following observations and requests for clarification to aid consistent implementation.

1. Deferral of the First Reporting Deadline to November 10, 2026

We support the three-month deferral of the initial Scope 1 and Scope 2 reporting deadline from August 10 to November 10, 2026. The additional time is meaningful for covered entities finalizing their first inventories and internal review processes, and we appreciate CARB’s responsiveness to stakeholder feedback. To support orderly compliance, we respectfully request that CARB:

- Confirm that November 10 will serve as the recurring annual reporting deadline in subsequent years, as indicated during the July 21, 2026 workshop, so entities can align internal reporting calendars accordingly.

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- Clarify the reporting entity's obligations if the Office of Administrative Law's approval of the modified regulation occurs close to the November 10 deadline, including whether any conforming extension or transition relief would apply.

2. First-Year Reporting Flexibility (December 5, 2024 Data or Letterhead Statement)
We support the first-year flexibility permitting a reporting entity to submit either (1) Scope 1 and Scope 2 emissions based on information it possessed or was collecting on or before December 5, 2024, or (2) a statement on company letterhead attesting that it did not possess and was not collecting such information as of that date. This appropriately formalizes CARB's December 2024 Enforcement Notice. To reduce inconsistent application, we request that CARB:

- Clarify what constitutes information the entity "possessed or was collecting" as of December 5, 2024—for example, whether activity data subsequently converted to emissions, or emissions calculated after that date from pre-existing activity data, fall within this provision.
- Confirm the documentation, if any, an entity should retain to substantiate the basis for its submission, and whether a brief methodology description should accompany the reported figures.
- Provide a short model form or required elements for the letterhead statement to ensure comparability across filers electing that option.

Additionally, we would like to take this opportunity to reiterate our previously submitted comments related to SB253 proposed guidance and the Mar 23rd workshop. Below are the remaining open questions identified during the July 21st workshop.

- **What additional information for Scope 1 and 2 reporting should CARB consider when developing final reporting templates?**

  Per our organization's submitted comments regarding the 'SB 253 Draft Reporting Template', we reiterate our following recommendations, from our prior public comment dated October 27th, 2025 linked here and summarized below. While many of these topics were discussed, or are currently being discussed, through the July 21 workshop process, we have not yet seen corresponding clarifications reflected in the reporting template or any guidance. As such, we believe it is important to reiterate these recommendations for consideration.

  1. Scope 2 Emissions Reporting – Lack of Distinction Between Methodologies: The current template does not provide separate fields for reporting total market-based and location-based Scope 2 emissions (see row 54 in template)
  2. Reporting of Scope 2 Contractual Instruments vs Carbon Offsets: Clarification is needed on where to report carbon offsets. Additional guidance/template fields are needed to distinguish between report out of offsets vs other Scope 2 contractual instruments such as RECs. A field is needed to report total Scope 1 and 2 emissions and reductions from renewable electricity or gas usage.
  3. Row-Level Guidance: The current template lacks sufficient guidance per row.
  4. Test/Free Text Fields – Character Limits
  5. Verification Documentation: CARB should provide an option to attach verification reports, such as an upload of the final Assurance Statement/Letter
  6. Non-Compliance Qualifier: Clarification is needed on whether a "No" response to including a specific scope or emissions stream in the reporting boundary constitutes non-compliance.
  7. Confidentiality and Public Disclosure: Further clarity is needed on whether disclosures marked as Trade Secret Information (TSI) will be protected from public release
  8. Private Companies' Revenue-Based Intensity Metrics: CARB must specify acceptable alternatives to revenue-based intensities.

9. Emission Factor (EF) Source Selection: The current dropdown in row 62 is limited and allows only one selection. This is problematic when multiple EF sources or years are used.
10. Scope 2 Emission Factor Differentiation: There is a need to distinguish between emission factors used for market-based and location-based Scope 2 electricity.
11. Methodology Questions: For questions such as "Describe the calculation approach you are using," additional guidance is requested to understand expected content.
12. Data Quality Rating: The optional field asking companies to "Rate the quality of the data" is currently open to interpretation. We recommend CARB provide standardized criteria and a rating scale to ensure consistency.
13. Third-Party Verification Clarification: We recommend CARB provide clear guidance on verification thresholds, acceptable methodologies, and any allowable exclusions.

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Thank you for the opportunity for Schneider Electric to provide responses to this solicitation and we look forward to continued engagement with the California Air Resources Board on the development of the Corporate Greenhouse Gas Reporting and Climate Related Financial Risk Disclosure Programs. Please do not hesitate to reach out to me directly with any questions at Amy.Mmagu@se.com.

Sincerely,

Amy Mmagu
Government Relations Manager