Submitted electronically via [CARB Comment Portal]

August 11, 2026

Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: CMTA Feedback on 15-Day Modifications to Proposed Regulations Implementing SB 253 and SB 261

Dear Chair Sanchez:

On behalf of the California Manufacturers & Technology Association (CMTA), representing 45,000 manufacturing and technology companies employing more than 1.2 million Californians, we appreciate the opportunity to provide comments on the California Air Resources Board's (CARB) 15-day modifications to the proposed regulations implementing the Climate Corporate Data Accountability Act (SB 253, Wiener) and the Climate-Related Financial Risk Act (SB 261, Wiener).

CMTA appreciates CARB's consideration of stakeholder feedback and the revisions included in the 15-day package. Several modifications provide important improvements to implementation clarity and administrative feasibility, including the extension of the initial Scope 1 and Scope 2 reporting deadline to November 10, 2026; confirmation that Scope 3 emissions reporting will not be required in 2026; the addition of a transition option for first-year reporting; clarification regarding entity-level applicability; the ability for parent companies to submit consolidated reports and fee payments on behalf of qualifying subsidiaries; and incorporating into regulation that Scope 1 and Scope 2 reporting in 2026 need only meet the requirements of Health and Safety Code sections 38532(c)(2)(A)(i)(I) and 38532(c)(2)(A)(ii) (i.e., conform to the Greenhouse Gas Protocol (GHGP) standards and guidance).

These revisions represent meaningful progress toward creating a more workable implementation framework. However, additional changes are necessary to ensure the regulations remain consistent with statutory authority, preserve alignment with internationally recognized greenhouse gas accounting standards, avoid unnecessary administrative burdens, and appropriately align compliance obligations with CARB's actual costs of program implementation.

Preserve Direct Incorporation of the Greenhouse Gas Protocol
CMTA strongly supports CARB's approach in proposed Section 96076(a), which requires 2026 Scope 1 and Scope 2 emissions reporting with the Greenhouse Gas Protocol (GHGP) standards and guidance referenced in the Health and Safety Code.

This approach appropriately implements the statute while providing reporting entities with a clear, internationally recognized methodology for greenhouse gas accounting. Manufacturers have invested substantial resources in developing emissions inventories, governance processes, and reporting systems based on the Greenhouse Gas Protocol. Maintaining this direct alignment promotes consistency, comparability, and efficient implementation while minimizing unnecessary compliance costs.

Commented [MM1]: I think what we're asking them to do is preserve that SB 253/219 implementing regulations only require reporting in conformance with the GHGP standards and guidance, which is consistent with the statutory text and what they've done this first year.

Accordingly, CMTA respectfully requests that CARB:

- Maintains the direct incorporation of the Greenhouse Gas Protocol for future reporting years and avoid adopting California-specific calculation or reporting requirements that exceed the statutory framework or established GHGP standards.
- Confirm whether the reporting methodology reflected in proposed Section 96076(a) will continue beyond the 2026 reporting cycle or whether CARB anticipates proposing additional reporting requirements.
- Ensure that any future changes to reporting methodologies are adopted only through a formal rulemaking process that includes robust stakeholder engagement and sufficient implementation time for regulated entities.

Providing long-term regulatory certainty will enable companies to make appropriate investments in compliance systems while ensuring reporting remains consistent across reporting years.

First-Year Implementation Flexibility

CMTA appreciates CARB's decision to codify first-year reporting flexibility by allowing reporting entities to submit available Scope 1 and Scope 2 emissions information collected on or before December 5, 2024, or provide a statement indicating that such information was not available or being collected by that date. Incorporating this transition option into the regulations provides greater certainty than relying solely on enforcement discretion.

As companies continue to develop internal reporting systems and implement new governance processes, CMTA encourages CARB to provide additional assurance that entities making good-faith efforts to comply with the initial reporting requirements will not be subject to enforcement actions for reasonable implementation challenges encountered during the first reporting cycle. Recognizing the complexity of establishing entirely new reporting systems will support more accurate and consistent reporting while encouraging proactive compliance.

Enforcement Authority

CMTA appreciates CARB's revision to the enforcement provisions to remove the reference to Health and Safety Code section 38580 and recognizes that CARB has responded to stakeholder concerns regarding the applicability of that provision to SB 253 and SB 261.

However, additional revisions are necessary to ensure the enforcement provisions remain consistent with the authority provided by the Legislature. Specifically, CMTA is concerned that the proposed regulations continue to include enforcement mechanisms that exceed CARB's statutory authority under SB 253 and SB 261, including provisions authorizing CARB to seek injunctive relief pursuant to Health and Safety Code section 41513 and assess penalties based on each day of an alleged violation.

CMTA respectfully requests that CARB revise the enforcement provisions to remove these additional mechanisms and ensure that any enforcement framework is appropriately grounded in the authority expressly provided under SB 253 and SB 261.

Fee Assessment and Parent-Level Reporting
CMTA appreciates CARB's proposal allowing parent companies to submit consolidated reports and fee payments on behalf of qualifying subsidiaries. This approach recognizes that consolidated reporting can reduce administrative burdens for both regulated entities and CARB by reducing the number of reports requiring review and the number of payments requiring processing.

However, CARB's proposed fee structure does not appear to reflect these administrative efficiencies. Assessing separate fees for each covered entity, despite consolidated reporting and payment options, risks requiring companies to pay fees that exceed the costs necessary for CARB to administer the program.

CMTA respectfully requests that CARB revise the fee assessment structure to allow for a consolidated fee for parent-level reporting and align fee assessments with the number of reports CARB expects to review and process. This approach would better ensure that fees remain consistent with the statutory requirement to recover reasonable program implementation costs.

In addition, CMTA requests that CARB provide greater transparency regarding implementation of the fee provisions by publishing:

- clear instructions describing how reporting entities will submit their reports;
- the anticipated methodology for calculating annual fees;
- the expected fee range before reporting entities are required to submit reports;
- how fees will be reconciled if the final number of covered entities differs from CARB's estimates; and
- additional information regarding the written fee determination notice referenced in the proposed regulations.

Providing this information well in advance of the reporting deadline will improve compliance planning and provide regulated entities with greater certainty regarding implementation.

CMTA appreciates CARB's continued engagement with stakeholders and the improvements reflected in the 15-day modifications. We encourage CARB to continue refining the regulations to provide a clear, practical, and legally sound implementation framework that faithfully implements SB 253 and SB 261 while preserving alignment with the Greenhouse Gas Protocol, minimizing unnecessary compliance burdens, and ensuring fees and reporting requirements remain proportional to the program established by the Legislature.

Thank you for your consideration of these comments. CMTA looks forward to continuing to work with CARB and stakeholders to support effective implementation of California's climate disclosure requirements. Should you have any questions, please contact eesquivel@cmta.net.

Sincerely,

Elizabeth Esquivel
Vice President of Government Relations
California Manufacturers and Technology Association