

California Fuels and Convenience Alliance (Alessandra Magnasco)



California Fuels and Convenience Alliance

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**January 28, 2026**

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**RE: CFCA Comments – Initial 200-Series Regulations and Proactive Input for Future Rulemaking**

The California Fuels and Convenience Alliance (CFCA) represents approximately 300 members, including nearly 90 percent of all independent petroleum marketers in the state and more than half of the state’s 12,000 convenience retailers. Our members—predominantly small, family- and minority-owned businesses—play a vital role in California’s fuel supply chain, serving local governments, emergency services, school districts, transit companies, independent fuel retailers, and the agriculture industry.

We appreciate the opportunity to comment on the California Air Resources Board’s (CARB) Initial Regulation and to provide proactive input for future rulemaking proceedings related to SB 253 implementation.

While mentioned in previous workshops, the initial regulation remains unclear regarding how reporting entities will be treated if they make good-faith efforts to submit complete Scope 1 and 2 emissions reports but are unable to fully comply with the voluntary framework provided by CARB. The regulation also does not specify the format in which Scope 1 and 2 emissions should be reported—leaving uncertainty as to whether entities may choose their own reporting format. Furthermore, the current CARB template requests that reporting entities use revenue-based metrics for Scope 1 emission intensities (as discussed in the preceding section). It is unclear whether a company would be penalized for instead using physical intensity ratios. Additionally, CARB has indicated a “give us whatever you have” approach for the first compliance year, but the initial regulation does not explicitly clarify this. These uncertainties underscore the need for flexibility in both reporting formats and intensity metrics, as discussed below.

**SCOPE 1 EMISSIONS INTENSITY**

CARB’s template currently requests that reporting entities disclose Scope 1 emission intensity per million dollars in revenue (mtCO<sub>2e</sub>/million dollars). CFCA recommends that CARB allow reporting entities to use physical intensity ratios (e.g., mtCO<sub>2e</sub> per square foot) rather than revenue-based metrics. Reporting intensity by physical unit would better align with facility-level operational data and protect confidential financial information from external exposure. CARB should consider providing flexibility for entities to select the intensity ratio most appropriate for their business operations.

## **ORGANIZATIONAL BOUNDARIES**

Regarding organizational boundaries, CFCFA urges CARB to allow reporting entities the flexibility to select a boundary condition consistent with established frameworks such as the Greenhouse Gas Protocol or the EU Corporate Sustainability Reporting Directive (CSRD). Each business structure is unique, and a one-size-fits-all boundary definition would not reflect operational realities. For example, some entities use an “operational control” approach consistent with the GHG Protocol framework, while others may opt for “equity share” approach or “financial control” approach. CARB should maintain flexibility for entities to apply whichever recognized boundary approach best fits their organization in order to accurately account for GHG inventories.

## **ONGOING CONCERNS WITH SCOPE 3 EMISSIONS**

The requirement to report Scope 3 emissions remains unworkable, unreliable, and unfairly punitive, and it fails to align with the goal of advancing climate improvements while maintaining affordability for California’s small businesses.

Unlike direct (Scope 1) and indirect (Scope 2) emissions, Scope 3 emissions are generated outside a company’s direct control, making accurate reporting impossible. These requirements impose an excessive burden on businesses by forcing them to track emissions from suppliers, distributors, and customers—many of whom may not even operate in California. Additionally, Scope 3 emissions are impossible to verify because companies cannot compel third-party suppliers to disclose emissions data, which leads to inaccurate and inconsistent reporting. If CARB’s goal is to provide more verifiable information regarding climate risk to the marketplace, requiring Scope 3 emissions disclosures only adds uncertainty. Overestimating or underestimating emissions due to lack of reliable data can harm both businesses and the marketplace. A fuel distributor reports Scope 3 emissions based on estimates from suppliers because actual data is unavailable. If the distributor overestimates emissions, it could appear less environmentally responsible than it actually is, potentially affecting investor perceptions, credit ratings, or contract opportunities. Conversely, unknowingly underestimating emissions could expose the company to regulatory scrutiny or reputational risk if discrepancies are later discovered. In both cases, inaccurate reporting creates uncertainty that can harm both the business and the overall marketplace.

Furthermore, these requirements disproportionately burden small and mid-sized businesses that lack the legal and compliance resources to conduct complex emissions audits across their supply chains. They also create competitive disadvantages for California companies that must comply with these mandates while out-of-state and international competitors face no similar requirements.

Instead, we urge CARB to eliminate all Scope 3 emissions reporting requirements from SB 253 implementation, align with federal reporting standards to prevent regulatory duplication and ensure consistency, and exempt small and mid-sized businesses from any new climate disclosure mandates to prevent disproportionate impacts on local economies.

## **CONCLUSION**

CFCFA appreciates CARB’s continued engagement and commitment to clarifying SB 253 implementation. As the Board finalizes the initial regulations for the 2026 reporting year and considers regulations for

future reporting years, we strongly urge CARB to provide flexibility in the reporting template and emission intensity metrics, allowing physical or financial-based measures that reflect operational realities; permit reporting entities to choose organizational boundary approaches consistent with recognized frameworks, such as the GHG Protocol or EU CSRD; and eliminate Scope 3 emissions reporting requirements to prevent undue burdens on small and mid-sized businesses, ensure data reliability, and maintain competitive fairness. Adopting these recommendations will help ensure that the regulations are practical, accurate, and feasible for California businesses, while still advancing climate goals in a cost-effective and equitable manner.

We thank you for the opportunity to provide feedback and look forward to ongoing collaboration to ensure these regulations support both affordability and feasible implementation for California businesses.

*If you have any questions, please contact CFCA's Sr. Director of Government Affairs, Alessandra Magnasco, at [alessandra@cfca.energy](mailto:alessandra@cfca.energy).*

Sincerely,

A handwritten signature in black ink, appearing to read "Alessandra Magnasco". The signature is fluid and cursive, with the first name "Alessandra" written in a larger, more prominent script than the last name "Magnasco".

Alessandra Magnasco  
Sr. Director of Government Affairs