XBRL US (Campbell Pryde)

Please accept this comment letter from XBRL US in regards to the California Air Resources Board Notice of Public Hearing to Consider the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Discloure Initial Regulation.

February 9, 2026

California Air Resources Board (CARB)
Clerks' Office
1001 I Street
Sacramento, CA 95814

RE: Response to Notice of Public Hearing to Consider the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation

Thank you for the opportunity to provide input in response to the Notice of Public Hearing.

XBRL US is a nonprofit data standards organization whose mission is to improve the efficiency, transparency, and quality of business reporting in the United States through the adoption of open reporting standards. XBRL US is the U.S. jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the XBRL technical specification.

XBRL is not a product or service, but an open, freely available data standard that enables information to be reported in a structured, machine-readable form. XBRL is widely used by millions of public and private companies, financial institutions, governments, and utilities reporting to more than 130 regulators worldwide. In the United States, banks under the jurisdiction of the Federal Deposit Insurance Corporation (FDIC) have submitted quarterly financial reports in XBRL format for more than 20 years. Public companies and investment management companies have reported to the Securities and Exchange Commission (SEC) in standardized XBRL format for 16 years. More recently, public utilities have been submitting annual financial data to the Federal Energy Regulatory Commission (FERC) in XBRL format, a program now in its fifth year.

While the immediate objective of the proposed CARB rule is to establish two funds to collect fees for SB 253 and 261, and to set an initial reporting deadline, this letter focuses on considerations related to how reported data should be prepared and formatted. We appreciate that CARB noted in the Staff Report its intent to "…*undertake a second rulemaking to establish future reporting dates beyond 2026 and to provide additional details for reporting contents and format, data assurance, and related matters*."

We respectfully recommend that, in the next phase of rulemaking, CARB includes requirements for data to be submitted in a digital, structured, standardized format using an open standard such as XBRL. The rationale for this recommendation is described below.

First, data submitted in a machine-readable format is easier and less costly to collect, process, and analyze. When data is reported in structured digital form, CARB can reduce or eliminate the need to develop custom extraction and analytics tools for the public to access the data. Regulators and other data users can automate data ingestion and analysis, improving efficiency and timeliness. U.S. federal regulators, the SEC, the FDIC, and the FERC have been benefitting from these advantages for years and many of the same businesses that report in XBRL to federal regulators will fall under the California mandates as well. These companies already have the resources and experience to produce financial data in structured XBRL format; generating climate-related data in structured format will require no additional tools or learning.

Second, data quality is likely to improve when in standardized format. Structured, granular data enables automated validation rules to check for completeness, internal consistency, and common errors such as incorrect signage or conflicting values. Machine-readable reporting also reduces reliance on manual data entry and review, further improving accuracy and speed of access.

Third, the EFRAG Discussion Paper released in Dec 2025, Connectivity of Financial and Sustainability Reporting, underscores that structured digital data via XBRL is essential for enhancing the connectivity and consistency of reported information across different annual report sections. Implementing these digital standards allows regulators to automate the reconciliation of sustainability disclosures with financial statement line items, ensuring a holistic and coherent view of an entity's climate-related risks.

Fourth, alignment with existing international reporting frameworks can reduce reporting burden for covered entities. Organizations that already report to non-U.S. regulators—such as under the EU Corporate Sustainability Reporting Directive or in IFRS-based jurisdictions—can reuse the same digital reports to satisfy CARB requirements. These regimes already require reporting in XBRL using open taxonomies that capture substantially similar information. CARB could leverage these existing, freely available taxonomies at no cost.
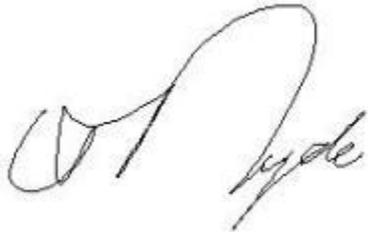
Fifth, structured and standardized data facilitates auditability and assurance through improved traceability, better data quality, and automation. This will assist covered entities in the second phase of rulemaking when assurance requirements will be addressed.

Finally, smaller entities without global reporting obligations can be supported through appropriately designed tools. For example, CARB's spreadsheet-based reporting template could be adapted to generate both human-readable and machine-readable outputs that remain interoperable with international reporting frameworks. As a proof of concept, XBRL US has developed an open-source spreadsheet-based tool aligned with this approach and is currently revising it to match the CARB template.

More broadly, the use of open data standards can strengthen regulatory data collection efforts. XBRL provides a semantic data model that unambiguously defines reported facts at a granular level, enabling consistent interpretation across systems and users. This approach, described in greater detail in this paper, is well suited to climate-related data, including greenhouse gas emissions, air quality metrics, and cap-and-trade program information. Establishing a shared semantic model—through a taxonomy or ontology agreed upon by state and federal regulators—would improve data comparability, accessibility, and reuse across programs and jurisdictions.

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Thank you again for the opportunity to provide feedback on the proposed CARB rule. We would welcome the opportunity to engage further during the second phase of rulemaking on how standardized digital data preparation can reduce costs, improve data quality, and minimize reporting burden. Please contact me if you have any questions or would like to discuss our comments further. I can be reached at (917) 582-6159 or Campbell.Pryde@xbrl.us.

Sincerely,

Campbell Pryde, President and CEO, XBRL US

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