



2026-02-18

California Air Resources Board
Industrial Strategies Division
Corporate Greenhouse Gas Reporting Section
1001 I Street
Sacramento, CA 95812

Dear CARB,

Thank you for the opportunity to submit comments on the proposed regulatory updates to the Mandatory Reporting Regulation.

OmnexFuturepast is an CARB-accredited verification body whose personnel have offered MRR verification services since California first began its program in 2009. OmnexFuturepast is also accredited by the ANSI National Accreditation Board in nearly all technical scopes as a greenhouse gas validation/verification body.

I have been active in standardizing at the international level practices related to greenhouse gas verification since 2002. My comments today are intended to help California align its vocabulary and practices with the best practices in the industry. OmnexFuturepast recommends the following additional changes to its regulation:

1. Requested Change: Update “verification statement” to “verification opinion” throughout the MRR

The term “verification statement” in the initial regulation may have been adopted from the initial edition of ISO 14064-3 (2006), Greenhouse gases — Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions. However, the second edition of this standard, ISO 14064-3 (2019), Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements, updated this term to “verification opinion”.

This change occurred for two reasons. First, the working group that maintains ISO 14064-3 decided that the term “statement” should refer to the ensemble of individual responsible party assertions that comprise the organization’s (or facility’s) greenhouse gas emissions report.

The second reason was that the financial auditing community issues “opinions” on the reasonable assurance of their clients’ financial statements, and that it is best practice for the greenhouse gas and financial auditing communities to use the same vocabulary to the extent possible. This is particularly important as jurisdictions increasingly move towards integrated reporting regimes where climate-related financial disclosures are made using

such standards as the Task Force on Climate-related Financial Disclosures (TCFD). TCFD was a primary influence on the standards published by the International Sustainability Standards Board (ISSB) in 2023 as S1 and S2. The ISSB by the way is part of the International Financial Reporting Standards (IFRS) Board. IFRS standards are used by nearly all major companies around the world except those based in the United States which use very similar financial reporting standards called “Generally Accepted Accounting Principles” (GAAP).

California’s new Climate-Related Financial Risk Disclosure Program is implementing Senate bills 253, 261, and 219 which emphasize the connection between financial reporting and climate risk reporting. One of the main purposes of Senate bills 253, 261, and 219 is to provide decision-useful information to investors and to the public. It is therefore advantageous for the Industrial Strategies Division to align its regulatory language with common practice in financial and climate disclosure. Adopting this proposed change to vocabulary will avoid unnecessary confusion by the intended users of financial disclosure verification opinions.

We note that CARB’s definition of “material misstatement” supports this change. The definition reads in part ““Material misstatement” means any discrepancy, omission, or misreporting, or aggregation of the three, identified in the course of verification services that leads a verification team *to believe* that the total reported covered emissions (metric tons of CO₂e) or reported covered product data contains errors greater than 5%, as applicable, in an emissions data report” (emphasis added). We maintain that a “belief” should result in an “opinion” rather than a “statement.” This position is further reinforced in CARB’s definition of “reasonable assurance,” which reads: “Reasonable assurance” means *a high degree of confidence* that submitted data and statements are valid (emphasis added). This definition of reasonable assurance, which is consistent with financial reporting standards and ISO’s international standard on greenhouse gas validation and verification, stops short of promising “absolute” assurance.

2. Requested Change: Delete the definition of “verification statement” and add a new definition for “verification opinion.

New definition for verification opinion: “Verification opinion means a formal written declaration issued by a verification body that provides confidence that a reporting entity’s emissions data is free from material misstatement and conforms to the requirements of this article. This definition applies to an emissions data verification opinion and to a product data verification opinion.”

3. Modify the “Material Misstatement Assessment” equations in 95131(b)(12).

There has been an inherent logical flaw in the “material misstatement assessment” equations since its publication in the initial regulation. The numerator of this equation is

based on data sampled for discrepancies, omissions and misreporting. Thus, the numerator is usually a subset of total emissions reported, especially when verifiers are verifying data from larger organizations. However, the denominator of the equation is “total covered emissions.” Thus, in every case where a verifier does not sample 100% of the reported emissions, the result of working this equation will understate the percentage of material misstatements found in the sample.

The obvious fix to this problem is to redefine the denominator as “Total reported covered emissions [or product data] included in the sample”.

Kind regards,



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Managing Director