

October 27, 2025



California Air Resources Board
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To Whom It May Concern:

RE: Response to CARB Scope 1 and Scope 2 Emissions Draft Reporting Template

We appreciate the opportunity to provide feedback to the California Air Resources Board (CARB) on the Scope 1 and Scope 2 Emissions Draft Reporting Template.

XBRL US is a nonprofit data standards organization, with a mission to improve the efficiency and quality of reporting in the U.S. by promoting the adoption of business reporting standards. Our organization is a jurisdiction of XBRL International, the nonprofit consortium responsible for developing and maintaining the technical specification for XBRL, which is a free and open data standard widely used around the world for reporting by public and private companies, as well as government agencies.

XBRL is not a product or service, it is an open standard used to improve transparency and accessibility of information. Millions of public and private companies, banks, governments, and utilities report in XBRL today to more than 80 regulators worldwide. Members of XBRL US include accounting firms, public companies, software, data, and service providers, and other nonprofits and standards organizations.

We agree with CARB's proposed plan to provide a free tool that reporting entities can optionally use to prepare and submit their GHG emissions data to satisfy SB 253. We disagree however, with providing the template in a simple Excel spreadsheet.

While Excel spreadsheets can be "locked down" to some extent to reduce the introduction of errors, the process of keying in or cutting and pasting data into a spreadsheet, and the likelihood that multiple versions of the same spreadsheet could become available, will inevitably lead to templates becoming corrupted and errors introduced to reported data.

Data extracted from spreadsheets is also not machine-readable. To make the data publicly accessible, CARB will have to extract the data into a database, review it for accuracy and completeness, and build querying and extraction tools for the public to use. Standing up a system like this will be costly and will require ongoing maintenance and support which ultimately is likely to be borne by reporting companies.

Recommendation: provide an open-source tool that generates digital data

Instead, we recommend that CARB provide an optional open-source template that relies on structured, open data standards to produce digital, machine-readable data. The company can use the tool to input their data into the template, check for accuracy against CARB-provided verification rules, convert the template to digital, automated data in both human- and machine-readable format, and submit to CARB.

Checking rules built into the template will give reporting entities the ability to review and double-check their own data before submission. Validation rules that check that totals and subtotals add, that signage is correct, and that reviews for completeness are successfully conducted, can be incorporated with ease when data is prepared in structured, standardized format.

The template can be provided by CARB as an Excel-based tool like the open-source (free) [application](#) we published in June 2025 ([read how it works and test out the tool](#)), an open-source PDF/A application, or as various XBRL format options such as JSON and XHTML, that produce XBRL data. Because the code is open source, CARB can use XBRL tools at no cost. XBRL tools can contain validation checks that alert companies when data errors are encountered. They use the XBRL taxonomy built by the IFRS Foundation's International Sustainability Standards Board (ISSB).

The [ISSB Taxonomy](#) adheres to the GHG Protocol and the Task Force on Climate-Related Financial Disclosures (TCFD). CARB can create a California-specific "taxonomy layer" to add concepts not already included in the ISSB Taxonomy that are needed to satisfy data requirements of SBs 253 and 261, for example, assurance information and identifiers. The cost of creating the add-on layer is minimal, is a one-time cost, and establishes an approach that is easy to update (change reporting requirements) over time.

The advantage of this approach over the proposed Excel spreadsheet:

- XBRL tools are open-source and can be used by CARB at no cost.
- Sophisticated validation rules can be built in to reduce the chance of introducing mistakes into reported data and eliminate the need for time-consuming review and resolution by data collectors.
- Data produced is more timely, automated, consistent, and less expensive to collect, extract, process and analyze.
- By relying on ISSB standards, CARB can ensure it is always in compliance with the GHG Protocol and TCFD as required in SBs 253 and 261. Additional California-specific terms ensure that all reporting needs for the two bills are appropriately met.
- Data in structured, standardized format produces more accurate, useful results in artificial intelligence programs than unstructured data. (See [AI determinants of success and failure: The case of financial statements.](#))
- Reduces the ongoing cost for CARB to make the data publicly available - CARB will not need to stand up a system to allow querying, data extraction, and analysis for public access because the as-reported data is already machine-readable. CARB merely needs

to post the company submissions publicly, just like the Securities and Exchange Commission (SEC) does today for public company financial reporting.

The image below shows the SEC Electronic Data Gathering and Retrieval (EDGAR) system which posts public company filings in XBRL format on its website within minutes of the filings being submitted to the regulator. Each company 10-K contains financial statements with numeric and narrative facts associated (tagged) with XBRL concepts. CARB could provide the same type of interface for easy public access without the need to provide querying and extraction tools that pull from data in their own database.



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Form	Formats	Description	Accepted	Filing Date	File/Film No
10-K	[html] [text]	Ocean Thermal Energy Corp (0000827099) (Filer) Annual report [Section 13 and 15(d), not S-K Item 405] Accession Number: 0001654954-25-012217 Act: 34 Size: 6 MB	2025-10-24 18:37:01	2025-10-27	033-19411-C 251417158
10-K/A	[html] [text]	FARMER BROTHERS CO (0000034563) (Filer) [Amend] Annual report [Section 13 and 15(d), not S-K Item 405] Accession Number: 0001104659-25-102170 Act: 34 Size: 1 MB	2025-10-24 16:35:02	2025-10-24	001-34249 251416596
10-K/A	[html] [text]	EVI INDUSTRIES, INC. (0000065312) (Filer) [Amend] Annual report [Section 13 and 15(d), not S-K Item 405] Accession Number: 0001174947-25-001294 Act: 34 Size: 520 KB	2025-10-24 16:23:06	2025-10-24	001-14757 251416483
10-K/A	[html] [text]	ASPAC II Acquisition Corp. (0001876716) (Filer) [Amend] Annual report [Section 13 and 15(d), not S-K Item 405] Accession Number: 0001213900-25-102200 Act: 34 Size: 3 MB	2025-10-24 16:20:17	2025-10-24	001-41372 251416450
10-K/A	[html] [text]	American Resources Corp (0001590715) (Filer) [Amend] Annual report [Section 13 and 15(d), not S-K Item 405] Accession Number: 0001477932-25-007744 Act: 34 Size: 10 MB	2025-10-24 16:06:34	2025-10-24	001-38816 251416225
10-K/A	[html] [text]	InMed Pharmaceuticals Inc. (0001728328) (Filer) [Amend] Annual report [Section 13 and 15(d), not S-K Item 405] Accession Number: 0001213900-25-102157 Act: 34 Size: 691 KB	2025-10-24 16:05:26	2025-10-24	001-39685 251416187

Recommendation: allow global companies to submit the same digital report they are required to submit to non-US regulators

Many companies that are already required to report to global regulators such as the European Union (EU) through their Corporate Sustainability Reporting Directive (CSRD) or regulators in countries that have adopted the IFRS Foundation's International Sustainability Standards Board (ISSB), will also need to comply with CARB reporting requirements. These companies should be allowed to submit the same report they have already prepared for non-US regulators. The globally submitted report can be augmented by California-specific terms provided by CARB in the

“taxonomy layer” noted earlier. This mini-taxonomy can be used at the same time as the ISSB Taxonomy when a company prepares their report - ensuring no duplicate reporting.

CSRD requires submitted reports to be prepared in XBRL format. IFRS reporting countries that adopt ISSB standards, are also requiring digital (XBRL) reporting. Allowing companies to submit digital reports in XBRL format that they are already submitting to global regulators will provide these benefits in addition to those noted earlier in this letter:

- Reduces reporting burden on global companies.
- Data from global and non-global entities is consistent and comparable (interoperable) for better analysis and understanding of the corporate climate impact.
- Reduces the cost of data processing and management because when all data is prepared in the same standardized, structured (XBRL) format, it can be combined in the same database, shared, inventoried, queried, extracted, and analyzed together.
- Public companies, banks, and public utilities in the U.S., as well as many non-US companies, already report their financial statement data in XBRL format. When both climate-related disclosures and financial data are in the same structure, it is easier to analyze the data together to better understand causation and conduct more robust, cost-effective analysis.

Recommendation: provide a similar open-source template approach for SB 261

Global companies also prepare sustainability information like that reported in adherence with TCFD, in structured, XBRL format. As noted in [CARB’s Climate Related Financial Risk Disclosures: Draft Checklist](#), minimum reporting requirements for governance, strategy, risk management, metrics and targets, can be identified and prepared in a template for non-global entities. Global entities can submit the same digital, XBRL-formatted report they are already submitting to non-US regulators.

The ISSB Taxonomy contains all the concepts needed to express what is required to be reported for SB 261. For example, below is a screen shot from the ISSB Taxonomy showing the concept *“Management’s role in governance processes, controls and procedures used to monitor, manage and oversee risks and opportunities [text block]”* which is used to capture descriptive text in a report on this topic. Identifying this information in a digitized block of text (that is determined by the company) is significantly easier than reading a full report to determine which information the company deems to be representative of *“management’s role....”*

And while some companies may include information on this topic in multiple areas within a report, the XBRL standard has a mechanism to allow narrative in more than one section of a report to be digitally “stitched together” into a single text block.

Details		Relationships	Tree Locations
Management's role in governance processes, controls and procedures used to monitor, manage and oversee risks and opportunities [text block]			
Properties			
Property	Value		
Name	ManagementsRoleInGovernanceProcessesControlsAndProceduresUsedToMonitorManageAndOverseeRisksAndOpportunitiesExplanatory		
Namespace	https://xbrl.ifrs.org/taxonomy/2024-04-26/ifrs-sds		
Data Type	dtr-2022:textBlockItemType		
XBRL Type	stringItemType		
Substitution Group	xbrli:item		
Period Type	duration		
Abstract	false		
Niltable	true		
Labels			
Type	Lang	Label	
Standard Label	en	Management's role in governance processes, controls and procedures used to monitor, manage and oversee risks and opportunities [text block]	
Documentation	en	The disclosure of management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities (including climate-related risks and opportunities), including information about: whether that role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities (including climate-related risks and opportunities) and, if so, how these controls and procedures are integrated with other internal functions.	
Commentary Guidance	en	All climate-related risks and opportunities are sustainability-related risks and opportunities. Entities should use the element reference to find the appropriate element for tagging.	
References			
Type	Reference		
Disclosure Reference	IssueDate	2023-06-26	
	Name	IFRS	
	Number	S1	
	Paragraph	27	
	Subparagraph	b	
Disclosure Reference	IssueDate	2023-06-26	
	Name	IFRS	
	Number	S2	
	Paragraph	6	
	Subparagraph	b	

The advantage of requiring submissions for SB 261 to also be submitted in XBRL format is that:

- Companies are already accustomed to reporting both numeric and narrative facts in digital, XBRL format.
- Digitizing narrative information makes it significantly easier to extract, query, and compare data across companies.
- Requiring companies to self-identify the information within their reports that represents explanations for topics such as “*Assessment of resilience of strategy and business model in relation to identified risks*” or “*Management's role in governance processes, controls and procedures used to monitor, manage and oversee risks and opportunities*” ensures that data users have the most accurate information about management's approach to climate related issues by removing the guesswork out of identifying the proper data points.

Recommendation: reduce the cost of the program for reporting entities through standards

Data standards programs generate economies of scale through automation that typically results in lower costs for all stakeholders. CARB has estimated ongoing annual costs of \$13.9 million (with a one-time setup cost of \$20.7 million) to implement SBs 253 and 261. Although we do not know what is included in their estimates, other recent regulatory programs that involved standards were less costly.

Public utilities reporting to the Federal Energy Regulatory Commission (FERC) are required to submit Forms 1 and 3-Q (electric utilities), Forms 2, 2-A, and 3-Q natural gas (gas pipeline companies), Forms 6 and 6-Q (oil pipeline companies), Form 60 (centralized service companies) and Form 714 (electric transmitting companies) in XBRL format. Each individual form contains multiple schedules. Form 1 alone, for example, contains over 80 separate schedules.

The program was established in 2021 and cost the FERC \$7.4 million to stand up the program and is estimated to cost \$750,000 per year going forward (not including hardware and hosting costs which likely add around \$250,000). The components of the \$7.4 million cost included:

- Taxonomy representing 11 forms, hundreds of corresponding schedules
- Conversion of ten years of historical data to XBRL - eliminate
- Back-end database
- API for internal and external data extraction
- Forms submission portal
- Validation rules for data quality
- Software to render data into human-readable documents
- Taxonomy development environment for program (business) managers
- Outreach and testing
- Training programs for internal staff, software vendors

Although the components of the proposed CARB program have not been made publicly available, the estimate seems high given the comparison to the FERC program. If the ongoing annual costs can be reduced, it would be beneficial not only to CARB but to the companies paying fees to support the program.

Thank you again for the chance to provide our input. We appreciate all the time and work CARB has put in to providing materials to the public and requesting and reviewing feedback received. We stand ready to discuss our comments at any time. I can be reached at (917) 582-6159 or Campbell.Pryde@XBRL.US.

Sincerely,



Campbell Pryde
President and CEO, XBRL US