

UPDATED

VOTE NO ON SB 260 (WIENER)

The California Chamber of Commerce and the organizations listed below **OPPOSE SB 260(Wiener)**, as amended August 15, 2022 and request your “NO” Vote.

Senate Bill 260 is an unworkable, dangerous, and costly mandate that will do nothing to stop the climate crisis while hurting California businesses and lead to increased costs of goods and services for Californians.

SB 260 requires the California Air Resources Board (CARB) to adopt regulations requiring the reporting of greenhouse gas emission data throughout the entire supply chain to include activities such as business travel, employee commutes, procurement, waste, and water usage, regardless of location. These types of emissions, also known as “Scope 3” emissions, are the result of activities from assets not owned or controlled by the reporting entity and encompass activities both upstream and downstream of a company’s main operations. We oppose for the following reasons:

Inaccurate and Incomplete Emissions Data to Drive California Climate Policy

The GHG protocol itself indicates that there is a tradeoff between accuracy and/or completeness but cannot achieve both. There are over 80 emissions factor databases. Two companies with similar Scope 3 emissions may report significantly different data depending on the company and/or methodology used.

- Supply chains are multilayered. A company may have detailed information on its direct suppliers’ emissions but that is only the first level. You also need data on your suppliers’ suppliers, and their suppliers, and their suppliers, and data quality grows poorer with each step. It is also expected that there will be double counting of emissions between shared supply chains within industries.

Premature - Attempts to expand a federal policy prior to the Securities and Exchange Commission (SEC) Rulemaking process, which is expected to be finalized by December of this year. Further, there are initial inconsistencies and conflicts between **SB 260** and the SEC proposal.

- **SB 260** includes both public and private companies while the SEC limits scope to public companies.
- SEC guidance includes “safe harbor language” and requires only information that is material to investors.
- CALPERS has urged the SEC to only consider Scope 3 data if there is a material issue.
- The guidance will continue to be a moving target as Scope 3 data accuracy is currently impossible.

Costly and Distracting – Not only is this costly to California businesses, but this is also costly to CARB who is charged with verifying information. The Department of Finance is also Opposed to this measure. This is a distraction from the meaningful GHG programs in the State.

- CARB estimates this bill will cost nearly \$15 million over the next three years and millions more ongoing.
- The Department of Justice (DOJ) Office of the Attorney General, estimates this bill will cost approximately \$800,000 General Fund starting in 2025-26 and ongoing.
- Existing GHG reduction programs include –
 - Cap and Trade, Low Carbon Fuel Standard, Short-Lived Climate Pollutants, Sustainable Communities and Climate Protection (SB 375), Advanced Clean Cars Program, Building Decarbonization

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CALIFORNIA CEMENT MANUFACTURERS ENVIRONMENTAL COALITION (CCMEC)

