

To the Point

CARB provides reporting guidance and proposes changes to climate disclosure regulation

CARB said the intake platform is intended to simplify required first-year reporting and streamline the fee implementation process.

What you need to know

- ▶ The California Air Resources Board (CARB) opened a voluntary submission platform and provided guidance on submitting information required for the first year of reporting under the California Corporate Data Accountability Act (SB-253).
- ▶ CARB also proposed limited modifications to its initial regulation to extend the initial reporting deadline for Scope 1 and Scope 2 GHG emissions under SB-253 to 10 November 2026 from 10 August 2026 and to clarify certain reporting requirements. Limited assurance is still not required for the first year of reporting.
- ▶ The implementation of California's climate-related financial risk disclosure law (SB-261) remains paused following an injunction issued by the US Court of Appeals for the Ninth Circuit. The injunction is pending appeal.

Overview

CARB opened a **voluntary intake platform** on 1 September 2026 for reporting entities to submit their Scope 1 and Scope 2 greenhouse gas (GHG) emissions and provide required fee contact information to comply with the California Greenhouse Gas Reporting and Climate Financial Risk Disclosure Initial Regulation (**initial regulation**) for the 2026 reporting period. CARB said the intake platform is intended to simplify required first-year reporting and streamline the fee implementation process.

CARB also proposed modifications to its initial regulation on 27 July 2026, including a three-month extension of the initial reporting deadline for Scope 1 and Scope 2 GHG emissions under SB-253 to 10 November 2026 from 10 August 2026. The proposed amendments also



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would clarify certain reporting requirements, including how CARB would enforce the regulations and what it would accept as a submission under SB-253 for the 2026 reporting year. The comment period for the proposed modifications ended on 11 August 2026.

The proposed modifications would not change the fundamental framework of the initial regulation, which established a fee structure to cover the cost of program administration and defined key terms in the legislation that are used to determine whether an entity is subject to the reporting requirements.

CARB said future rulemaking would address assurance requirements, further enforcement provisions, the recurring reporting deadline and reporting templates. CARB shared certain proposals during a July public workshop and has hosted listening sessions on them.¹ CARB is expected to issue a formal proposal this fall.

The injunction issued by the US Court of Appeals for the Ninth Circuit on the implementation of SB-261, which requires disclosures on climate-related financial risks and the measures used to reduce and adapt to those risks, remains in effect. This preliminary injunction does not apply to SB-253, which requires disclosures of Scope 1 and Scope 2 GHG emissions.

Key considerations

Scoping definitions

The proposed modifications to the initial regulation would clarify that revenue and whether an entity is doing business in California are evaluated at the individual business entity level when determining whether an entity is subject to SB-253 or SB-261. Intercompany transactions between business entities within the same combined reporting group would be excluded when determining an entity's revenue.

SB-253 and SB-261 apply to both public and private entities that do business in California and have more than \$1 billion and \$500 million in annual revenue, respectively. The revenue thresholds apply to an entity's total revenue, not only its California revenue. An entity is required to consider the lesser of its prior two fiscal years' revenue to determine whether it is in scope. The initial regulation defines revenue consistently with the definition of gross receipts in the California Revenue and Taxation Code.²

Under the initial regulation, an entity is considered to be doing business in California if it actively engages in any transaction for financial gain in the state and either (1) is organized or commercially domiciled in California or (2) has California sales exceeding either an inflation-adjusted threshold (i.e., \$757,070 for 2025) or 25% of the entity's total sales. Entities whose only business in California is the presence of teleworking employees are not in scope.

SB-253 reporting clarifications

SB-253 requires in-scope entities to annually disclose Scope 1, Scope 2 and Scope 3 emissions in accordance with the GHG Protocol and obtain assurance over those disclosures.

The proposed modifications would extend the initial deadline for reporting Scope 1 and Scope 2 GHG emissions under SB-253 to 10 November 2026 from 10 August 2026. This deadline would apply to all entities, regardless of their fiscal year end. The deadline for subsequent reporting has not been determined and is subject to future rulemaking. Entities will begin reporting Scope 3 emissions in 2027.

Under the proposed deadline, entities would have at least nine months after their fiscal year end to compile the necessary emissions data and submit their report. Entities with a fiscal year ending between 1 January 2026 and 1 February 2026 would report data from the fiscal year

ending in 2026. Entities with a fiscal year ending between 2 February 2026 and 31 December 2026 would report data from the fiscal year ending in 2025. CARB also said limited assurance on these emissions disclosures is not required in the first year of reporting.

CARB also proposed other limited updates to clarify certain reporting requirements, including linking the definition of a subsidiary in the initial regulation to the definition provided in section 95833 of the California Code of Regulations. The clarifications would also incorporate concepts from CARB's December 2024 Enforcement Notice into the regulation to explain how CARB would enforce the regulations and what it would accept as a submission under SB-253 for the 2026 reporting year.

The proposed modifications would further clarify that entities that were not collecting or planning to collect data as of the date of the Enforcement Notice would not be required to submit Scope 1 and Scope 2 GHG emissions data in 2026. Instead, these entities would be required to submit a statement of non-reporting on their letterhead to CARB saying that they did not submit a report because they "did not possess Scope 1 or Scope 2 emissions information and [were] not collecting information on or before December 5, 2024."³

For entities that do not submit a statement of non-reporting, CARB has said that the acceptable formats for 2026 reporting include:

- ▶ Submitting an existing annual report that includes Scope 1 and Scope 2 GHG emissions
- ▶ Submitting existing Scope 1 and Scope 2 data reported to other programs or voluntary initiatives
- ▶ Using CARB's draft Scope 1 and Scope 2 template for reporting Scope 1 and Scope 2 data

CARB's draft template and memo⁴ issued in October 2025 includes guidance on submitting Scope 1 and Scope 2 emissions data in the first year of reporting for entities in the scope of SB-253. The template, which is voluntary in 2026, is intended to help entities meet the reporting requirements.

How we see it

CARB is continuing the rulemaking process for the proposed modifications. While the modifications will not become final until the California Office of Administrative Law approves the rulemaking package, we do not expect significant changes.

Entities should be prepared to submit information to CARB either through the voluntary intake platform or CARB's email address.

Implementation fees

SB-253 and SB-261 require in-scope entities, including in-scope subsidiaries included in a parent's report, to pay CARB an annual flat fee, based on the total annual program costs and the number of entities required to report under the laws. An entity in the scope of both laws will need to pay both fees.

Beginning in calendar year 2026 and for each calendar year thereafter, CARB expects to invoice the fee assessment by 10 December. This revised deadline reflects the proposed change to move the reporting deadline to 10 November and is consistent with the initial regulation's requirement that fees be assessed 30 calendar days after the reporting deadline.

Entities not collecting, or planning to collect, emissions data as of the Enforcement Notice date would not be required to report Scope 1 and Scope 2 emissions in 2026.

Voluntary intake platform

CARB opened a voluntary intake platform on 1 September 2026 and provided guidance on submitting information required for the first year of reporting under SB-253. The guidance includes a [document](#) intended to assist entities in preparing and submitting 2026 emissions reports, as well as a [video tutorial](#) about the intake platform.

Entities can use the platform to submit required contact information for 2026 fee assessments. The platform also includes optional fields for submitting Scope 1 and Scope 2 GHG emissions reports directly to CARB and for providing supplemental information about reported emissions (e.g., methodologies, data sources, emission factors, organizational boundaries, disaggregated emissions data, significant assumptions). Entities that plan to submit a statement of non-reporting in 2026 can also notify CARB through the platform. Any emissions reports and statements of non-reporting submitted through the platform will be made publicly available.

Use of the platform is optional in the first reporting year. Entities may submit reports and billing information for fee assessments through the platform or by email to CARB at climatedisclosure@arb.ca.gov.

Next steps

- ▶ Entities should refer to the approved initial regulation and proposed modifications published on CARB's website and continue preparing for compliance.
- ▶ Entities should continue to monitor the ongoing challenges to these laws, including the appeal being considered by the US Court of Appeals for the Ninth Circuit.
- ▶ Entities should continue to track developments related to the California climate disclosure laws and consider providing feedback on future proposed regulations.

Endnotes:

- ¹ [CARB Climate Disclosure Meetings and Workshops](#).
- ² [California Revenue and Taxation Code Section 25120\(f\)\(2\)](#).
- ³ [Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation – Appendix A-1: 15-Day Proposed Regulation Text](#).
- ⁴ [Posted for Public Comment: Draft Reporting Template for Scope 1 and Scope 2 Greenhouse Gas Emissions Pursuant to Health and Safety Code § 38532](#).

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