

CARB Delays 2026 SB 253 Reporting Deadline, Opens Comment Period on Modified Regulation, and Previews 2027 Requirements

On July 21, 2026, the California Air Resources Board ("**CARB**") held a public workshop previewing the regulatory framework it intends to propose for the 2027 reporting cycle under the Climate Corporate Data Accountability Act ("**SB 253**"). The workshop focused on obligations taking effect in 2027, including Scope 3 emissions disclosure (with a category-by-category phase-in under which only five of 15 Scope 3 categories will be mandatory initially), and third-party assurance of Scope 1 and Scope 2 data. CARB staff characterized the proposals as preliminary concepts, but the level of specificity in the workshop materials signals the staff proposals are well advanced. A formal rulemaking package with proposed regulatory text is expected this fall.

Separately, on June 24, 2026, CARB announced a three-month delay to the inaugural 2026 reporting deadline for Scope 1 and Scope 2 greenhouse gas emissions, moving it from August 10 to November 10, 2026. On July 27, 2026, CARB posted the modified regulatory language for the *Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation* ("**Initial Regulation**") and opened a 15-day public comment period running through August 11, 2026. In-scope entities should use this window to evaluate their readiness and begin building the processes, data infrastructure, and documentation the final rules will demand.

Initial Reporting: Scope 1 and Scope 2 Emissions

On June 24, 2026, CARB issued a notice announcing a three-month delay to the inaugural SB 253 reporting deadline for Scope 1 and Scope 2 greenhouse gas ("**GHG**") emissions. The new anticipated deadline is November 10, 2026. CARB cited the need to provide reporting entities additional time following formal adoption of its Initial Regulation and to "clarify" certain regulatory requirements. In the notice, CARB did not specify what clarifications it may incorporate into the inaugural reporting rulemaking. The Final Package that CARB submitted to the California Office of Administrative Law ("**OAL**") on May 20, 2026, has been withdrawn by CARB to allow for limited further clarifying changes and will be resubmitted.

Modified Regulation Open for Comment

On July 27, 2026, CARB posted the modified regulatory language to the Initial Regulation, which is available for public comment through August 11, 2026. The proposed modifications generally fall into four buckets: (1) scope and applicability exclusions; (2) definitional changes; (3) the fee program; and (4) reporting requirements. Key changes in each category are summarized below.

- **Scope and Applicability**: Narrows the exclusion from SB 253 requirements for entities whose California activity is wholesale electricity sales in interstate commerce.

- **Definitions**: Tightens how revenue and subsidiary status are defined to align with the California Revenue and Taxation Code and Title 17 of the California Code of Regulations and tightens other defined terms to be consistent with various provisions of the California Health and Safety Code.

- **Fee Program**: Defers CARB's written fee determination notice deadline from September 10 to December 10 (to align with the new November 10 reporting deadline and the 30-day post-reporting fee schedule) and clarifies that fee payments may be consolidated at the parent company level.

- **Reporting Requirements**: Extends the 2026 reporting deadlines from August 10, 2026, to November 10, 2026, confirms Scope 3 is no longer required for this year's reporting period, and clarifies how CARB will enforce its requirements for the 2026 reporting year.

Preparing for the 2026 CARB Report

For the methodology for completing 2026 reports, CARB referred to its December 5, 2024, enforcement notice, which clarified that inaugural reports will only require Scope 1 and Scope 2 emissions data in a reporting entity's possession as of that date.

CARB intends to release additional SB 253 guidance by September 1, 2026, including a voluntary online intake platform for emissions reporting and fee-related information, along with an accompanying guidance document and instructional video. The intake platform is designed to streamline reporting entity submissions.

2027 Reporting and Beyond

CARB devoted most of the workshop to previewing the regulatory concepts that staff is developing for a rulemaking package expected in Q4 2026. The key proposals are summarized below.

Using Existing Standards with Clarification for California Regulatory Context

SB 253 requires reporting entities to disclose GHG emissions information in conformance with international sustainability frameworks, with special attention to the Greenhouse Gas Protocol ("**GHG-P**"). To minimize the burden on reporting entities, CARB emphasized its intention to promote interoperability with other climate disclosure programs, including International Financial Reporting Standard S2, EU Corporate Sustainability Reporting Directive, and others, to the greatest extent possible.

CARB broadly categorized the regulatory concepts being evaluated for its rulemaking into three buckets: (1) provisions that implement GHG-P *requirements*, adding clarity and specificity; (2) provisions that implement GHG-P *recommendations* that align with the broader objectives of SB 253; and (3) provisions that address the broader directives of SB 253 and issues unique to California's regulatory context.

Proposed General Requirements for GHG Reporting

CARB's proposed general requirements address the following topics:

- Baseline requirements for disclosing GHG emissions;

- Emissions quantification methodologies;

- Assessment of measurement uncertainty in emissions quantification;

- Missing data identification and data substitution procedures;
- Disclosure of changes to GHG quantification or accounting methods; and
- Recalculation of prior-year data where the cumulative effect of structural and methodological changes exceeds 5 percent of total GHG emissions relative to a reporting entity's base year (i.e., its first reporting year).

Proposed Scope 3 Category-by-Category Phase-In

Rather than requiring the full GHG-P Scope 3 taxonomy at once, CARB proposes to phase in Scope 3 reporting by category. For the 2027 cycle, mandatory Scope 3 reporting would be limited to five of the 15 categories, with the remainder being voluntary:

- **Category 1**: Purchased goods and services;
- **Category 3**: Fuel and energy-related activities;
- **Category 5**: Waste generated during operations;
- **Category 6**: Business travel; and
- **Category 7**: Employee commuting.

CARB selected these five categories because they are the most commonly reported across voluntary and mandatory programs and have well-established data sources and quantification methods. Several categories that often represent significant portions of a company's value-chain emissions—including financed emissions (Category 15), use of sold products (Category 11), and transportation and distribution (Categories 4 and 9)—remain voluntary for 2027. The remaining Scope 3 categories will likely be phased in for mandatory reporting in future years.

Third-Party Assurance Standards for Scope 1 and Scope 2

Beginning with the 2027 reporting cycle, reporting entities would be required to obtain limited assurance over their Scope 1 and Scope 2 emissions, including biogenic CO_2 emissions. CARB proposes allowing entities to select from five recognized assurance standards:

- AA1000 Assurance Standard (AA1000AS v3);
- American Institute of Certified Public Accountants (AICPA) AT-C Section 210;
- International Standard on Assurance Engagements (ISAE) 3410 in conjunction with ISAE 3000 (Revised), for engagements commencing prior to December 15, 2026;
- International Standard on Sustainability Assurance (ISSA) 5000, for engagements commencing on or after December 15, 2026; and
- International Organization for Standardization (ISO) 14064-3:2019, subject to additional accreditation requirements.

CARB has not yet specified the additional accreditation requirements that would apply to auditors using the ISO 14064-3 standard. Additionally, while CARB's proposal ties the assurance engagement to Scope 1 and Scope 2 emissions figures, it remains unclear whether assurance must also cover supporting qualitative

disclosures—such as organizational boundary determinations, calculation methodologies, emission factor selections, and missing-data protocols.

Separately, SB 253 contemplates a step-up from limited to reasonable assurance beginning in 2030. This transition is not addressed in the current rulemaking cycle, but entities should be aware that the higher standard will impose significantly greater evidentiary and procedural demands on assurance engagements.

Reconsidered Treatment of Insurance Companies

Insurance companies were originally exempt from the 2026 reporting cycle under CARB's Initial Regulation to avoid overlap with existing filings submitted to the California Department of Insurance ("**CDI**"). However, pursuant to Board Resolution 26-1, which required CARB staff to evaluate the CDI regime against SB 253's GHG disclosure requirements, staff concluded that CDI-required disclosures do not satisfy SB 253's requirements from 2027 onward because they lack both Scope 3 coverage and third-party assurance.

Beginning with the 2027 reporting cycle, CARB staff propose bringing insurers within SB 253's scope. Under the staff proposal, an insurer could submit its existing CDI report to CARB and supplement it with the additional information needed to meet SB 253's Scope 3 and assurance requirements. The precise mechanics of insurer compliance will be addressed in the forthcoming rulemaking and comment process this fall.

Near-Term Timeline

- **Through August 11, 2026**: CARB's modified regulatory language for the Initial Regulation is open for public comment, after which CARB expects to resubmit the regulation to OAL.
- **August 5 – September 9, 2026**: CARB will hold six sector-specific virtual listening sessions to gather stakeholder input on the 2027 rulemaking concepts.
- **Fall 2026**: CARB's comprehensive 2027 regulatory proposal is expected, accompanied by a formal 45-day comment period.
- **By September 1, 2026**: CARB expects to release implementation guidance for the 2026 reporting cycle (Scope 1 and Scope 2 only), including a voluntary online intake platform, guidance document, and instructional video.
- **Ongoing**: Use of the 2026 reporting intake platform remains voluntary, and CARB's December 2024 enforcement-discretion posture toward good-faith first-year filers remains in effect.

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