

Public Workshop

Fee and Covered Entity Regulation and Update on Implementation for California Corporate Greenhouse Gas Reporting and Climate Related Financial Risk Disclosure Programs

The California Air Resources Board (CARB) will hold a virtual public workshop to support the development of California's Corporate Greenhouse Gas Reporting Program, established by Senate Bill (SB) 253 (Wiener, 2023; codified in Health & Safety Code § 38532), and the Climate-Related Financial Risk Disclosure Program, authorized by SB 261 (Stern, 2023; codified in Health & Safety Code § 38533), as amended by SB 219 (Wiener, 2024; amending Health and Safety Code §§ 38532 and 38533).

The workshop will consist of a morning session where staff will present a draft framework for a fee regulation, as authorized by Health and Safety Code § 38532 and 38533. The workshop will also draft definitions needed for determining covered entities, such as "revenue", "doing business in California", and "parent-subsidary" relationships. These definitions are relevant to implementing the statutes, which require first reports due in 2026, as they will which companies will be subject to reporting. Staff will also provide updates on the regulatory development timeline, considerations for assurance requirements under the California Corporate Greenhouse Gas Reporting Program, take input on proposed minimum reporting requirements related to Health & Safety Code § 38533, and discuss phasing in details for Scope 3 emissions in relation to the largest sectors of emissions. Staff will take verbal feedback during the workshop and will open a public docket for written comments. That public docket will be open for three weeks following the workshop. Workshop materials will be posted to the [California Corporate Greenhouse Gas \(GHG\) Reporting and Climate Related Financial Risk Disclosure Programs webpage](#) by 9:30 am on August 20, 2025. For special accommodations or language needs, please

contact climatedisclosure@arb.ca.gov, no later than August 14.

The workshop will be held virtually:

Date: Thursday, August 21, 2025

Time: 9:30 am – 12:30 pm (Pacific Time)

Location: Remote only; [register for virtual attendance](#)

[Register](#)

Background

The California Corporate Greenhouse Gas Reporting Program, authorized by Senate Bill (SB) 253 (Wiener, 2023; codified in Health & Safety Code § 38532), is being developed by the California Air Resources Board (CARB) and will require business entities formed under the laws of California, the laws of any other state of the United States or the District of Columbia, or under an act of the Congress of the United States, with total annual revenues in excess of one billion dollars (\$1,000,000,000) that do business in California (“reporting entities”) to annually disclose their scope 1, 2 and 3 emissions for the prior fiscal year. The Climate Related Financial Risk Disclosure Program authorized by SB 261 (Stern, 2023; codified in Health & Safety Code § 38533) also applies to both public and private U.S. companies that do business in California with annual revenues in excess of \$500 million. This program is also currently under development by CARB and will require companies to publish biennial climate-related financial risk reports. Both programs will support important transparency to help inform consumer and investor decisions. CARB will endeavor to design these programs in a way that minimizes burdens from implementation and compliance.

Real and Increasing Costs of Climate Change Impacts for Californians

The science behind climate change is irrefutable. With the increasing severity and

frequency of drought, wildfire, extreme heat, and other impacts, Californians just have to look out their windows to know that climate change is real and rapidly getting worse. The impacts once thought decades away are happening now. Recent reports detail some of the impacts to the state:

- A 2024 national report ranked California [the worst state for natural disasters fueled by a changing climate](#), with expected annual losses totaling more than \$16 billion statewide.
- Home insurance is [harder and more expensive](#) to get. Seven of California's largest property insurers, State Farm, Allstate, Farmers, USAA, Travelers, Nationwide and Chubb recently limited new homeowners policies in the Golden State — raising questions about the stability of the California home insurance market.
- During an 11-year period, [exposure to wildfire smoke](#) caused more than 50,000 deaths in California and more than \$400 billion in economic impacts.
- During seven extreme heat events over the past decade, California experienced [\\$7.7 billion in losses](#).