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Authors:

Thierry R. Montoya

CARB Posts Draft SB 253 Scope 1 and 2 Reporting Template: What Regulated Companies Should Do Now

The California Air Resources Board (CARB) has posted a draft Scope 1 and Scope 2 greenhouse gas (GHG) reporting template for Senate Bill (SB) 253 that standardizes first-year disclosures while CARB completes its rulemaking. It is voluntary for the 2026 filing cycle. CARB is also accepting written comments through October 27, 2025.

Who Is Covered

SB 253 applies to U.S. companies with more than $1 billion in annual revenue that do business in California. The disclosures are entity-wide and global—covering a company's worldwide operations, not just its California facilities. Covered entities will publicly report Scope 1 and Scope 2 emissions beginning in 2026 for the prior fiscal year. Scope 1 means direct GHG emissions from sources the company owns or controls (e.g., stationary combustion, vehicle fleets, process, and refrigerants). Scope 2 means indirect GHG emissions from purchased or acquired electricity, steam, heat, or cooling consumed by the company. At CARB's workshop on August 21, 2025, staff proposed a June 30, 2026 initial due date for reporting Scope 1 and 2 emissions, subject to rulemaking.

What CARB Released

CARB released a short memo explaining the template's purpose, structure, and questions for which it is seeking comment, together with the draft reporting template. Use of the template in 2026 is optional, and staff will refine the format and instructions during rulemaking.

How the Draft Template Is Organized

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The draft follows GHG Protocol concepts and CARB data needs. Sections include: Organization Information; Third-Party Verification; Inventory Boundary; Scope 1 and Scope 2 Disclosure; Methodology; De minimis/Minor Sources; California Mandatory Reporting Regulation (MRR) fields (if applicable); and Emission Reductions (if applicable). Optional fields capture a base year and later-year entries to support trend analysis.

Decision-Useful Data Fields

The template requests at least one intensity or efficiency metric (e.g., emissions per revenue), the company's NAICS sector at the two-digit level, the sources and years for global warming potentials and emission factors, a brief description of calculation methods, and, where applicable, MRR facility identifiers to align with CARB databases. "NAICS sector" refers to the top-level industry classification under the North American Industry Classification System; the two-digit code denotes the sector (for example, 22 Utilities; 31–33 Manufacturing) and supports comparability across peers. "MRR identifiers" are the unique CARB-issued numeric codes—Facility ID (and, where relevant, Supplier ID)—assigned under the MRR to tracked facilities and certain fuel or electricity suppliers; using these IDs lets CARB and verifiers cross-reference SB 253 disclosures with existing MRR records.

Topics Where CARB Seeks Input

- **Disclosure by source versus by gas:** The draft organizes Scope 1 and 2 by emission source (e.g., fuel, electricity, refrigerants) and allows gas-by-gas detail if available.
- **Organizational boundaries:** The template permits equity share, financial control, or operational control. CARB seeks comment on whether a single approach would improve comparability.
- **Emission-reduction initiatives:** An optional section captures reductions tied to direct contracts for renewable electricity or renewable gas and invites suggestions for other initiatives or targets to include.

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Comment Window and Next steps

CARB's public docket remains open through October 27, 2025. The template is voluntary for 2026 and will likely be revised during rulemaking. CARB's program page will post updates and additional materials as they become available.

Practical Steps for Covered Companies

- Map systems to the template. Surface boundary, de minimis, verification, and data-source gaps before assurance.
- Fix boundary and metrics. Select operational control, financial control, or equity share, and choose at least one sector-appropriate intensity metric.
- Lock in methods and factors. Document the GWP version and emission-factor sources for FY 2025 and implement controls to evidence those choices.
- Coordinate identifiers. Align facilities with California MRR identifiers—i.e., the CARB Facility ID (and any applicable Supplier ID) used in MRR submissions—to simplify cross-referencing and assurance.
- Calendar the due date. Build an internal review and third-party verification schedule to meet the proposed June 30, 2026 filing date, subject to rulemaking.

How We Can Help

Frost Brown Todd's environmental practice advises reporting entities on SB 253 and SB 261 readiness, including GHG Protocol-aligned method selection, entity and facility scoping, data hierarchies, assurance preparation, and drafting of board-level controls and disclosures. We can also translate CARB's draft template into a client-specific checklist that identifies the underlying records required for limited or reasonable assurance, by source and site. For more information or assistance, contact the author or any attorney with the firm's Environmental Practice Group.

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