

Articles + Publications | December 17, 2024

CARB Solicits Public Input on Greenhouse Gas and Climate Risk Disclosure Laws

WRITTEN BY

Shawn J. Zovod | Jason L. Langford | Melissa Horne | Liz Glusman | David I. Meyers

On December 16, 2024, the California Air Resources Board (CARB) requested public feedback to "help inform its work to implement" the Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Act (SB 261) (see our summary of these 2023 laws here). The "information solicitation" was issued shortly after California State Senator Scott Wiener and Senator Henry Stern, who authored the bills, penned a letter to CARB expressing their frustration with CARB's apparent lack of momentum in advance of a July 2025 statutory deadline to adopt regulations governing the greenhouse gas (GHG) and climate risk disclosures that large entities "doing business in California" must make beginning in 2026. CARB is accepting comments in response to the solicitation for 60 days, through February 14, 2025.

This is the first opportunity companies potentially subject to these laws have had to comment on CARB's implementation of the controversial climate disclosure requirements. While CARB is requesting any feedback relevant to implementing SB 253 and SB 261, it has posed questions about 13 specific topics in its solicitation, including whether to adopt the interpretation of "doing business in California" found in the California tax code, and how CARB should track parent/subsidiary relationships to assure companies that report under a parent are clearly identified and included in any reporting requirements. Notably, CARB is not specifically requesting comment on whether subsidiaries that do not independently meet the reporting thresholds should be covered or excluded from the laws. Many of the questions in the solicitation seek basic background information on GHG reporting, including the appropriate timeframes and frequency of reporting, when data is available from prior years, and what software systems are used for reporting. CARB's information request seeks similar input on the mechanics of climate-related financial disclosures.

CARB's solicitation indicates it is trying to quickly get up to speed on the GHG and climate-disclosure landscape. Companies with real-world information regarding the challenges and issues associated with assembling and reporting information on GHG emissions and climate-related risks can help shape CARB's decision-making as it begins to develop draft regulations, and should strongly consider providing feedback in response to the solicitation. Additionally, companies that have questions regarding the scope and applicability of SB 253 and 261 have the opportunity to make CARB aware of open questions not addressed by the legislation and to suggest reasonable solutions for consideration by CARB as it builds out its climate-related disclosure program.

RELATED INDUSTRIES + PRACTICES

- Corporate
- Environmental + Natural Resources