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California SB 253 First-Filing Quick Reference | Scope 1 & Scope 2 Baseline

Current version — Nov 2, 2026. Update history: https://bcesg.org/california-sb-253-first-filing-compliance-checklist/
Operative Initial Regulation Approved by OAL Oct 12, 2026 (17 CCR §96075 et seq.)

OPERATIVE STATUS • DEADLINE LOCKED • DUE NOVEMBER 10, 2026 — DUE: NOV 10, 2026

On **October 12, 2026**, the California Office of Administrative Law (OAL) approved CARB's Initial Regulation for SB 253, and the regulation took effect the same day. This is an approved, operative filing obligation, not a proposed rule. Covered companies have a locked deadline of **on or before November 10, 2026**.

1. THE FILING IN ONE TABLE — APPROVED REGULATORY BASELINE

ITEM	APPROVED RULE REQUIREMENT (17 CCR §96075–96088)	STATUTORY / REGULATORY BASIS
Who Files	U.S.-organized business entities (corps, LLCs, partnerships) with total annual revenue > $1 billion that do business in California.	HSC §38532(b)(2); 17 CCR §96076(a)
First Deadline	**November 10, 2026** (First Scope 1 & Scope 2 report due to CARB).	Approved Initial Regulation (eff. Oct 12, 2026)
Scopes Required	**Scope 1 and Scope 2 emissions only.** Scope 3 (value chain) is *not* required this cycle; begins 2027 per statute.	HSC §38532(b)(1)(A); 17 CCR §96076(b)
Data Year	Prior fiscal year, determined by the **February 1 rule** (§96076(c)). Calendar-year filers report FY 2025.	17 CCR §96076(c)
How to File	CARB Voluntary 2026 Report Intake Platform *or* email to `climatedisclosure@arb.ca.gov`. Platform is voluntary.	CARB Guidance (Sept 1, 2026)
Accepted Formats	Existing annual report with Scope 1/2, existing data reported to other programs/voluntary initiatives, or CARB Draft Template (voluntary).	CARB Guidance (Sept 1, 2026)
Assurance Posture	Limited assurance is statutory standard from 2026, but **CARB accepts 2026 filings with or without assurance**.	HSC §38532; CARB 2026 Enforcement Posture
Annual Fee	Formula-based program cost recovery per reporting entity. CARB issues notices **by Dec 10**, payable within **60 calendar days**.	17 CCR §96081(a)–(b)
Penalty Ceiling	Up to **$500,000 per reporting year** for nonfiling, late filing, or failure. Daily offenses accrue separately for unpaid fees.	HSC §38532; 17 CCR §96084
Records Retention	Keep California tax records supporting applicability determination for **5 years** (produce upon request).	17 CCR §96076(d)

2. APPLICABILITY ARCHITECTURE — THREE DETERMINING TESTS

A. Revenue Test (> $1B) — RTC §25120(F)(2)

- **Gross receipts** definition controls per RTC §25120(f)(2).
- **Lesser of two previous fiscal years:** One spike year above $1B does not pull an entity in; one soft year below $1B does not let it out.
- **Entity-by-entity application:** Tested at individual business entity level.
- **Intercompany exclusion:** Revenue inside the same combined reporting group is excluded.

B. Doing Business in CA — RTC §23101

- Must satisfy RTC §23101(a) (actively engaging in transaction for financial gain)...
- **AND** meet either the §23101(b)(1) or §23101(b)(2) factor-presence sales/property test.
- **Wholesale electricity carve-out:** Wholesale power sales in interstate commerce excluded from (b)(2) sales test.
- **Self-determination:** CARB does not approve status; entities determine applicability.

C. Group Consolidation — SB 219 RELIEF

- **Parent-level election:** Reports may be consolidated at the parent-company level.
- A covered subsidiary does not need to file separately if its parent files a consolidated report including it.
- **Fee note:** Fee is still assessed per covered entity, though parent may pay on consolidated basis.

3. THE FIVE STATUTORY EXCLUSIONS — WHO IS OUT

Excluded Entities (Outside the Scope of SB 253) — EXEMPT

- **1. Tax-Exempt Nonprofits:** Tax-exempt nonprofit or charitable organizations.
- **2. Insurance Entities:** Regulated by CA Dept of Insurance, or in the business of insurance in any other state.
- **3. Government Entities:** Federal, state, local government entities, and companies majority-owned (>50%) by government.

Activity-Based Carve-Outs — CARVE-OUTS

- **4. Wholesale Electricity Only:** Entities whose sole California activity is wholesale electricity transactions in interstate commerce.
- **5. Payroll / Telework Only:** Entities whose sole California business is employee compensation or payroll expenses, including teleworking employees.

4. WHICH FISCAL YEAR GOES IN THE FIRST FILING — THE FEBRUARY 1 RULE

17 CCR §96076(C) FISCAL YEAR SELECTION FORMULA

• **Branch A (FY Ends On or Before Feb 1):** Fiscal year ends on or before February 1 in a calendar year → report the fiscal year **ending in the current calendar year**.
• **Branch B (FY Ends After Feb 1):** Fiscal year ends after February 1 → report the fiscal year **ending in the previous calendar year**. *(Entity may elect its most recent preceding FY if data is available).*

FISCAL YEAR END DATE	RULE BRANCH APPLIED	REQUIRED 2026 REPORTING YEAR	ELECTIVE ALTERNATIVE / PRACTITIONER NOTES
December 31 (Calendar Year)	Branch B (Ends after Feb 1)	**Fiscal Year 2025** (Ended 12/31/2025)	Standard calendar-year reporting baseline.
June 30 (Mid-Year Filer)	Branch B (Ends after Feb 1)	**FY Ended June 30, 2025**	*May elect FY ended June 30, 2026* if complete data is ready.
January 31 (Winter Filer)	Branch A (Ends on/before Feb 1)	**FY Ended January 31, 2026**	Ends in current calendar year under first branch of rule.
September 30 (Q3 Filer)	Branch B (Ends after Feb 1)	**FY Ended Sept 30, 2025**	*May elect FY ended Sept 30, 2026* if complete data is ready.

5. THE NO-DATA DOOR, STATED PRECISELY — FIRST-CYCLE ENFORCEMENT DISCRETION

Carried Forward from CARB Dec 5, 2024 Enforcement Notice (17 CCR §96076): For the Nov 10, 2026 report only, covered entities navigate two explicit pathways. This is an *enforcement discretion posture*, not an exemption.

Option A: Determinable Data — STANDARD FILING

Submit Scope 1 and Scope 2 emissions from prior fiscal year that **can be determined from information the entity already possessed or was already collecting on or before December 5, 2024**.

- Report what existing utility bills, fuel records, or systems support.
- Encouraged to include methodological context and data sources.

Option B: Letterhead Non-Reporting — DISCRETION DOOR

Submit a **statement of non-reporting on company letterhead** stating the entity is not submitting because it did not possess Scope 1/2 info and was not collecting it on or before Dec 5, 2024.

- Submit via platform or email **before Nov 10, 2026**.
- **Not an exemption:** Entity remains covered, owes annual fee, and must build complete inventory for next cycle.

6. HOW TO FILE IN 2026 — ROUTES, FORMATS & DEFENSIBILITY PACK

Submission Route — VOLUNTARY TOOLS

• **Intake Platform:** CARB 2026 Report Intake Platform is voluntary; carries emissions, contact, and billing info.
• **Direct Email:** Plain email with emissions report and contacts to `climatedisclosure@arb.ca.gov`.

Accepted Formats — PRAGMATIC FORMATS

• Existing annual sustainability/ESG report.
• Data reported to other programs (CDP, etc.).
• CARB Draft Scope 1 & 2 Reporting Template.
• Scope 2 grid factors: EPA eGRID 2023, Cornerstone eGRID 2024, or other credible source.

Methodology Context — DEFENSIBILITY

Encouraged context provides audit defensibility:
• Organizational boundaries (GHG Protocol).
• Emission factors and calculation methodologies.
• GWP values, gas disaggregation, assumptions.

7. CRITICAL TIMELINE & FIVE-YEAR AUDIT DEFENSE

DATE / MILESTONE	REGULATORY REQUIREMENT	ACTION REQUIRED
November 10, 2026	First Scope 1 and Scope 2 reporting deadline to CARB.	Submit via platform or email; archive submission timestamp.
By December 10, 2026	CARB issues annual fee determination notices to covered entities.	Verify billing contact; process formula-based fee assessment.
Within 60 Days of Notice	Annual implementation fee payment deadline (late payments accrue daily penalties).	Remit fee payment; record proof of payment in corporate file.
November 10, 2031	**Five-Year Statutory Record Retention Rule:** Retain all CA tax records and applicability proofs.	Maintain sealed Five-Year Compliance File (gross receipts, nexus, boundary memos).