

February 9, 2026

California Air Resources Board
Clerk's Office
1001 I Street
Sacramento, California 95814

Re: Public Comment on Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation

Dear California Air Resources Board (CARB):

We appreciate the opportunity to comment on CARB's "Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation" ("Proposed Regulation").¹ We are legal scholars affiliated with the Elisabeth Haub School of Law at Pace University and Stanford Law School.² Our scholarship focuses on the role of the legal industry in global climate change.³ As part of this work, we study law firms' "advised emissions"—the greenhouse gas (GHG) emissions associated with projects and matters on which lawyers advise.⁴

We write to urge CARB to clarify how this Proposed Regulation, the Climate-Related Financial Risk Act (S.B. 261), and the Climate Corporate Data Accountability Act (S.B. 253) apply to U.S. law firms. As we explain below, it appears that at least some large U.S. law firms may be considered "reporting" entities for S.B. 253 under the Proposed Regulation.⁵ We therefore request that CARB (1) develop a list of law firms that are "covered" and "reporting" entities for S.B. 261 and S.B. 253, respectively; and (2) publish this list separately or update CARB's existing "Preliminary List of Reporting/Covered Entities" to include law firms and other limited liability partnerships or professional corporations.⁶

¹ *Notice of Public Hearing to Consider the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation*, CAL. AIR RESOURCES BOARD (Dec. 23, 2025), <https://ww2.arb.ca.gov/rulemaking/2025/california-corporate-greenhouse-gas-reporting-and-climate-related-financial-risk> [https://perma.cc/XZD2-TKPE].

² This document does not purport to present the views, if any, of Elisabeth Haub School of Law at Pace University, Pace University, Stanford Law School, or Stanford University. The authors' information is included in the signature.

³ See Camila Bustos, *Representing Climate Wreckers*, 33 N.Y.U. ENV'T L.J. 157 (2025); Camila Bustos, *The Role of Lawyers and Law Firms*, in THE OXFORD HANDBOOK OF CLIMATE CHANGE AND PRIVATE LAW 3-4 (Douglas Kysar & Ernest Lim eds., forthcoming 2026); Alisa White, *Advised Emissions*, STAN. ENV'T L.J. (forthcoming 2026), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5376346. When they were law students, Professors Bustos and White also co-authored and developed the methodology for the first Law Firm Climate Change Scorecard. LAW STUDENTS FOR CLIMATE ACCOUNTABILITY, THE 2020 LAW FIRM CLIMATE CHANGE SCORECARD (2020), <https://www.ls4ca.org/scorecard> [https://perma.cc/TCZ6-KRN2].

⁴ See Tracy Hester, *Can Counselors Be Complicit?*, 41 ENV'T L.F. 38 (2024); *The Impact of Climate Change on Solicitors*, THE LAW SOCIETY (Apr. 19, 2023), <https://www.lawsociety.org.uk/topics/climate-change/impact-of-climate-change-on-solicitors> [https://perma.cc/5GQN-4YMR].

⁵ We decline to comment further at this time on how S.B. 261 may apply to law firms.

⁶ *Posted: Preliminary List of Reporting/Covered Entities and Stakeholder Survey*, CAL. AIR RESOURCES BOARD (Sep. 24, 2025, at 14:54 PT), <https://content.govdelivery.com/accounts/CARB/bulletins/3f42d2c> [https://perma.cc/JN54-GK5D].

It appears that at least some large U.S. law firms may be reporting entities for S.B. 253, based on the Proposed Regulation.⁷ S.B. 253 defines a “reporting entity” as a “partnership, corporation, limited liability company, or other business entity formed under the laws of this state, 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) and that does business in California.”⁸ This definition explicitly covers partnerships and corporations, which are typical U.S. law firm structures.⁹ In California, for example, a law firm can be structured as a Professional Corporation or Limited Liability Partnership (LLP).¹⁰

Some large U.S. law firms may also meet the next part of the “reporting entity” definition: they have “total annual revenues in excess of one billion dollars.”¹¹ The Proposed Regulation defines “revenue” as “gross receipts,” per Section 25120(f)(2) of the California Revenue and Taxation Code.¹² As CARB has noted in an FAQ, “[r]evenue considers total gross receipts, regardless of whether the revenue was generated within California.”¹³ At the time of writing this comment, the authors do not have access to law firms’ exact gross receipts from their tax filings for purposes of this definition.¹⁴ But the publicly available data suggests that the annual gross receipts of some large U.S. law firms may be in excess of \$1 billion. The Am Law 100 reports that, in 2024, fifty-eight law firms in the United States had gross revenue of \$1 billion or more.¹⁵

At least some of the large U.S. law firms with over \$1 billion in annual revenue may do business in California, meeting the final part of the “reporting entity” definition.¹⁶ The Proposed

⁷ Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation, § 96072(a)(5), (11) [hereinafter *Proposed Regulation*].

⁸ CAL. HEALTH & SAFETY CODE § 38532(b)(2); *Proposed Regulation* § 96072(a)(11) (same).

⁹ See Lynn Bai & Sarah Harden, *Limited Liability Partnerships: An (Overlooked) Hole in the Shield*, 23 U. PA. J. BUS. L. 862 (2021) (“At least eighty-five percent of the top 350 law firms in the U.S. are formed as LLPs . . .”).

¹⁰ See CAL. CORPORATIONS CODE § 16953; Cal. Bar, tit. 3, R. 3.150-3.161, <https://www.calbar.ca.gov/legal-professionals/rules/rules-state-bar/title-3-programs-and-services/chapter-3-law-corporations>. In California, law firms may not adopt a Limited Liability Company (LLC) structure. See CAL. CORPORATIONS CODE § 17375 (preventing LLCs in California from “render[ing] professional services”).

¹¹ CAL. HEALTH & SAFETY CODE § 38532(b)(2).

¹² *Proposed Regulation* § 96072(a)(13).

¹³ *California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Programs: Frequently Asked Questions About Regulatory Development and Initial Reports*, CAL. AIR RESOURCES BOARD, (Nov. 17, 2025),

https://ww2.arb.ca.gov/sites/default/files/classic/FAQs%20Regarding%20California%20Climate%20Disclosure%20Requirements_Nov.pdf [https://perma.cc/Z375-VEYH].

¹⁴ See *id.* (“To determine the gross receipts, entities should reference their corporate tax filings.”); *SB 253/261/219 Public Workshop: Update on California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Programs*, CAL. AIR RESOURCES BOARD (Nov. 18, 2025),

https://ww2.arb.ca.gov/sites/default/files/classic/SB%20253%20261%20Nov%20Workshop%20slides_v2.pdf (describing total revenue as gross receipts listed on a partnership’s Form 565 tax filing with California’s Franchise Tax Board).

¹⁵ *The 2025 Am Law 100: Ranked by Gross Revenue*, LAW.COM (Apr. 15, 2025),

<https://www.law.com/americanlawyer/2025/04/15/the-2025-am-law-100-ranked-by-gross-revenue/>. In 2023, fifty-four firms posted gross revenue of \$1 billion or more. *The 2024 Am Law 100: Ranked by Gross Revenue*, LAW.COM (Apr. 16, 2024), <https://www.law.com/americanlawyer/2024/04/16/the-2024-am-law-100-ranked-by-gross-revenue/>.

We include both years because the Proposed Regulation states that an “entity’s revenue amount shall be determined by the lesser of the entity’s two previous fiscal years of revenue.” *Proposed Regulation* § 96072(a)(11).

¹⁶ CAL. HEALTH & SAFETY CODE § 38532(b)(2).

Regulation defines “doing business” as “actively engaging in any transaction for the purpose of financial or pecuniary gain or profit.”¹⁷ For-profit law firms are “doing business” through their sale of legal services. The Proposed Regulation further defines doing business in California as “doing business” and either: (1) the business entity is “organized or commercially domiciled” in California or (2) the business entity’s sales in California exceed the lesser of 25% of total sales or an inflation-adjusted threshold amount—\$735,019 in 2024 dollars.¹⁸ We anticipate that some large U.S. law firms may meet one or both of these criteria. For one example, the law firm Gibson, Dunn & Crutcher LLP, which reported gross revenue of over \$3.5 billion in 2024, may be organized or commercially domiciled in California as it appears to be headquartered and have its primary place of business in Los Angeles.¹⁹ At this time, the authors do not have access to California sales data for large U.S. law firms reporting over \$1 billion in gross annual revenue. But, based on the extent of their revenue, it stands to reason that at least some of these firms may have annual sales of over \$735,019 in California.

Finally, none of the applicability exceptions listed in Section 96071(b) of the Proposed Regulation appear to apply to for-profit U.S. law firms. We further note that other professional service providers, including multiple consulting companies, already appear on CARB’s “Preliminary List of Reporting/Covered Entities.”²⁰

Altogether, this analysis suggests that at least some large U.S. law firms may be reporting entities for S.B. 253. We therefore request the following from CARB: (1) develop a list of law firms that are “covered” or “reporting” entities for S.B. 261 and S.B. 253, respectively; and (2) publish this list separately or update CARB’s existing “Preliminary List of Reporting/Covered Entities” to include law firms and other limited liability partnerships or professional corporations.²¹ As S.B. 253 states, “California investors, consumers, and other stakeholders deserve transparency from companies regarding their greenhouse gas (GHG) emissions to inform their decisionmaking.”²²

¹⁷ *Proposed Regulation* § 96072(a)(7); CAL. REVENUE & TAXATION CODE § 23101(a).

¹⁸ *Proposed Regulation* § 96072(a)(8); CAL. REVENUE & TAXATION CODE § 23101(b)(1), (2); *see* CAL. AIR RESOURCES BOARD, *supra* note 14 (describing “inflation adjusted thresholds of seven hundred thirty-five thousand and nineteen (\$735,019)” in sales); *see Doing Business in California*, STATE OF CAL. FRANCHISE TAX BOARD (Nov. 27, 2025), <https://www.ftb.ca.gov/file/business/doing-business-in-california.html> [https://perma.cc/NKV9-WDS2]. The term “sales” includes the “gross amounts realized” for “the performance of services.” CAL. REVENUE & TAXATION CODE § 25120(f). Please note that the threshold amount of sales is adjusted for inflation annually.

¹⁹ *The 2025 Am Law 100: Ranked by Gross Revenue*, LAW.COM (Apr. 15, 2025), <https://www.law.com/americanlawyer/2025/04/15/the-2025-am-law-100-ranked-by-gross-revenue/>; *see The Monitor*, GIBSON DUNN (Apr. 5, 2023), <https://themonitor.gibsondunn.com/privacy-statement/> [https://perma.cc/VD8Z-RJMM] (a Gibson Dunn publication identifying “registered office at 333 South Grand Avenue, Los Angeles, CA 90071-3197”); *Registration Statement Pursuant to the Foreign Agents Registration Act of 1938*, GIBSON, DUNN & CRUTCHER (Sept. 4, 2024 at 17:15 ET), <https://efile.fara.gov/docs/7454-Registration-Statement-20240904-1.pdf> [https://perma.cc/YT3K-AS63] (listing Los Angeles, California office as location of primary business address); *Gibson Dunn & Crutcher LLP*, THE LAW SOCIETY, <https://solicitors.lawsociety.org.uk/office/496085/gibson-dunn-crutcher-llp> [https://perma.cc/YMA7-DD2R] (last visited Feb. 7, 2026) (listing Gibson Dunn’s “[h]ead office” as the office in Los Angeles, California); *Gibson, Dunn & Crutcher*, FORBES (Dec. 17, 2025 at 06:30 ET), <https://www.forbes.com/companies/gibson-dunn-crutcher/> [https://perma.cc/K3A5-AJL4] (listing the firm as “[h]eadquartered in Los Angeles”).

²⁰ CAL. AIR RESOURCES BOARD, *supra* note 6 (listing consulting groups including The Boston Consulting Group, Atlas Technical Consultants, and others).

²¹ *Id.*

²² Climate Corporate Data Accountability Act, CAL. HEALTH & SAFETY CODE § 38532 S.B. 253 § 1(e).

This entails transparency from all reporting entities, including any U.S. law firms that meet the statutory and regulatory requirements.

We conclude with a note on different types of GHG emissions from law firms. Some of law firms' GHG emissions stem from their business operations, including natural gas and refrigerant losses from firm offices, purchased electricity, and vehicle and air travel for business purposes.²³ But the bulk of law firms' GHG emissions are indirect, *advised emissions*—the greenhouse gas emissions associated with projects and matters on which lawyers advise.²⁴ These are also known as “[s]erviced emissions”—GHG emissions “arising from or impacted by client activities that are informed or enabled by the advice or services of a professional service provider.”²⁵ Professional service providers include law firms, consultants, and advertisers, among others.

Law firms currently provide indispensable services to fossil fuel and other GHG-emitting projects, including advising on project finance and permitting. Without these legal services, those projects would not operate and produce GHG emissions. Law firms' advised emissions have recently come under greater scrutiny internationally, as the Law Society of England and Wales has issued guidance stating that, “For lawyers, the most significant GHG emissions associated with [their] organisation[s] are likely to be emissions associated with the matters upon which they advise”²⁶ These advised emissions could ultimately be considered scope 3 GHG emissions, as they are downstream emissions from the use of the law firm's sold product—legal services for fossil fuel and other GHG-emitting projects.²⁷ Advised emissions are an emerging topic, and we look forward to future opportunities to engage with CARB on the topic.

In sum, we believe that law firms and the legal industry in California could benefit from additional guidance on how the Proposed Regulation, S.B. 261, and S.B. 253 apply to law firms. We look forward to your response.

Sincerely,

Alisa White

LLM Teaching Fellow and Lecturer in Law
Environmental Law & Policy Program
Stanford Law School
aewhite@stanford.edu

Camila Bustos

Assistant Professor of Law
Elisabeth Haub School of Law, Pace University
cbustos@law.pace.edu

²³ See, e.g. FRESHFIELD SECR CARBON FOOTPRINT REPORT, FRESHFIELDS LLP (Aug. 15, 2025), <https://www.freshfields.com/globalassets/about-us/rb/reports/freshfields-secr-carbon-footprint-report-2024-2025.pdf> [<https://perma.cc/PD78-PVLE>] (a law firm reporting their Scope 1, 2, and 3 GHG emissions under the United Kingdom's Streamlined Energy & Carbon Reporting for May 2024 to April 2025).

²⁴ THE LAW SOCIETY, *supra* note 4. We hope to provide additional comments on advised emissions quantification when CARB releases it draft regulations on Scope 3 emissions reporting for S.B. 253.

²⁵ *The Serviced Emission Hub*, OXFORD NET ZERO, <https://netzeroclimate.org/research/serviced-emissions-hub/> [<https://perma.cc/JPN2-KPZH>] (last visited Feb. 7, 2026); see also UN RACE TO ZERO, CATALYSING CLIMATE ACTION: THE ROLE OF PROFESSIONAL SERVICE PROVIDERS IN REALIZING A NET-ZERO FUTURE 6-7, 9-11, 16-17 (2024) (noting that “Serviced Emissions are likely to be the main type of GHG emissions associated with [Professional Service Providers]”).

²⁶ THE LAW SOCIETY, *supra* note 4.

²⁷ See GREENHOUSE GAS PROTOCOL, CORPORATE VALUE CHAIN (SCOPE 3) ACCOUNTING AND REPORTING STANDARD 5 (2013) (identifying “use of sold products” as part of Scope 3 emissions); *id.* at 36 (summarizing GHG Protocol Category 11 as emissions from the “[e]nd use of goods and services sold by the reporting company”); *id.* at 48.