

# The Greenlining Institute (Monica Palmeira)

Comments from The Greenlining Institute on the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation Implementing Senate Bills 253 and 261

February 9, 2026

Chair Lauren Sanchez  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Comment on the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation Implementing Senate Bills 253 and 261**

Dear Chair Sanchez,

On behalf of The Greenlining Institute (“Greenlining”), we appreciate the opportunity to provide comments to the California Air Resources Board (“CARB”) in response to the Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation (“Proposed Initial Regulation”). Greenlining submits the below comments and recommendations in strong support of a robust and effective approach to implementation of SB 253 and SB 261, further cementing CARB and California’s climate leadership in a time of retrenchment and backslides.

Founded in 1993, Greenlining is committed to building a just economy that is inclusive, cooperative, sustainable, participatory, fair, and healthy. We work towards a future where communities can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. The effects of emissions and our rapidly changing climate are not equal. Communities of color and low-income communities experience climate-related impacts and disasters with both less preparedness and less resources to recover. They are also far more likely to live in areas exposed to excessive emissions, contributing to poorer health outcomes and higher susceptibility to climate disasters than wealthier, whiter communities.

We can not make informed decisions on how to address the climate crisis without accurate data on what is contributing to it. This Proposed Initial Regulation paves a critical path forward for corporations to support California’s climate leadership. Establishing this foundation of information sharing will help CARB and the State of California build better and more equitable solutions to the climate crisis.

With these goals in mind, Greenlining supports much of what is in the Proposed Initial Regulation. This includes the proposed fee structure, penalties, and deadlines. We see these as essential to ensuring timely, consistent, and enforceable implementation of SB 253 and SB 261.

A clear, entity-based fee structure will enable CARB to sustain the staffing and capacity necessary to operate these programs, while transparent and specific penalties with firm deadlines establish regulatory certainty for participating companies. Although some regulated entities have raised concerns about initial compliance burdens and assurance timelines, the phased approach to the verification requirements creates an important balance between flexibility and the need to preserve the integrity of the disclosure framework over time.

Our primary recommendation for CARB is to **reconsider the proposed exemption of insurance companies from SB 253 reporting requirements**. While SB 261 explicitly excludes insurers, SB 253 does not, and extending that exemption is inconsistent with the enabling statute and legislative intent. Insurers are corporate entities doing business in California, generating revenue, and having real impacts on the environment via their underwriting and investment decisions. Existing disclosure regimes under the California Department of Insurance and the National Association of Insurance Commissioners Climate Risk Disclosure Survey are, at present, insufficient in their scope and jurisdiction to effectively substitute for the full scope of reporting under SB 253, specifically under the Metrics and Targets pillar of Scope 3 emissions. This is especially critical because this pillar is where much of the insurance industry's impacts are likely to be found.

Exempting insurers would create a major blind spot in California's overall, multi-agency climate disclosure system at a time when the state is facing an acute insurance availability and affordability crisis driven by climate-related disasters. Including insurers under SB 253 implementation would generate materially new information for regulators, investors, and the public, and would align California with emerging standards such as the Partnership for Carbon Accounting Financials for insurance-associated emissions.

Once again, we appreciate the opportunity to provide the above comments and recommendations with a priority towards timely implementation, maximum transparency, and critical accessibility of reported data, and commend CARB on their leadership in this rulemaking. We look forward to timely and robust implementation of these critical laws.

Sincerely,

Monica Palmeira  
Associate Director for Economic Equity  
The Greenlining Institute