Updated Informative Digest

Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

Sections Affected:

Proposed amendments to California Code of Regulations, title 17, division 3, chapter 1, subchapter 10, subarticles 1, 2, 4 and 5, sections 95101, 95102, 95103, 95104, 95105, 95106, 95107, 95110, 95111, 95112, 95113, 95114, 95115, 95116, 95117, 95118, 95119, 95120, 95121, 95122, 95123, 95124, 95130, 95131, 95132, 95133, 95150, 95152, 95153, 95156, and 95157. Proposed adoption of California Code of Regulations, title 17, division 3, chapter 1, subchapter 10, article 2, subarticle 2, sections 95125, 915126, and 95127.

Documents Incorporated by Reference (Cal. Code Regs., tit. 1, § 20, subd. (c)(3)):

The following documents would be incorporated in the regulation by reference as specified by section:

- ASTM International. (April 2021). D4806-21: Standard Specification for Denatured Fuel Ethanol for Blending with Gasolines for Use as Automotive Spark-Ignition Engine Fuel. Incorporated in section 95102(a), "Fuel ethanol"
- ASTM International. (July 2022). C150/C150M-22: Standard Specification for Portland Cement. Incorporated in section 95102(a), "Cement"
- ASTM International. (July 2023). C595/C595M-23: Standard Specification for Blended Hydraulic Cements. Incorporated in section 95102(a), "Cement"
- ASTM International. (September 2023). C1157/C1157M-23: Standard Performance Specification for Hydraulic Cement. Incorporated in section 95102(a), "Cement"
- 40 C.F.R. §§ 98.440-98.449. (November 29, 2013). Code of Federal Regulations, 7-1-2023 Edition. *https://www.govinfo.gov/content/pkg/CFR-2023-title40-vol23/pdf/CFR-2023-title40-vol23-part98-subpartRR.pdf*Incorporated in section 95125
- California Energy Commission (CEC). (April 2017*). Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition Revised.* Available at: *https://efiling.energy.ca.gov/getdocument.aspx?tn=217317*
- California Independent Systems Operator (CAISO). (May 01, 2026). CAISO Fifth Replacement Tariff, Section 33 - Extended Day Ahead Market as of May 01, 2026. *https://www.caiso.com/documents/section-33-extended-day-ahead-market-as-of-may-1-2026.pdf*

Background and Effect of the Proposed Regulatory Action:

The Global Warming Solutions Act of 2006 (Assembly Bill (AB) 32, Nunez, Stats. 2006, ch. 488) requires California to cut greenhouse gas (GHG) emissions to 1990 levels by 2020, to continue and maintain reductions beyond 2020, support investment in clean and efficient technologies, and improve air quality and public health. In 2016, the Legislature passed and Governor Brown signed Senate Bill (SB) 32 (California Global Warming Solutions Act of 2006: emissions limit, Pavley, Stats. 2016, ch. 249), which mandates a 40% reduction below 1990 levels by 2030. The 2022 Scoping Plan for Achieving Carbon Neutrality (2022 Scoping Plan; CARB, December 2022) lays out a path to achieve targets for carbon neutrality and reduce anthropogenic GHG emissions by 85% below 1990 levels no later than 2045, as directed by AB 1279 (The California Climate Crisis Act, Muratsuchi, Stats. 2022, ch. 337). AB 1207 (Climate change: market-based compliance mechanism: extension), Irwin, Stats. 2025, ch. 117) extends the Cap-and-Invest Program (formerly Cap-and-Trade Program) to January 1, 2046, to support further climate action and achieve the 2045 targets. SB 905 (Carbon sequestration: Carbon Capture, Removal, Utilization, and Storage Program, Caballero, Stats. 2022, ch. 359) works together with AB 1279 to accelerate the deployment of carbon management technologies to meet the 2045 targets.

One of the requirements of AB 32 is that CARB must adopt a GHG reporting regulation. To comply with this requirement, the Board approved the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (reporting regulation or MRR) at its December 2007 Board meeting. The initial reporting regulation became effective on January 2, 2009. Under the program, approximately 800 facilities and entities annually submit to CARB their GHG emissions data reports, the majority of which are verified as accurate and complete by CARB-accredited third-party verifiers. Information about the program can be found at: *http://www.arb.ca.gov/our-work/programs/mandatory-greenhouse-gas-emissions-reporting*.

The Board subsequently approved amendments to the reporting regulation in 2010, 2012, 2014, and 2017 to support Cap-and-Trade Regulation (now renamed Cap-and-Invest Regulation) data requirements, align with the Western Climate Initiative (WCI) reporting structure, streamline and avoid duplicate GHG reporting, integrate AB 32 Cost of Implementation (COI) Fee Regulation reporting requirements, and collect additional information to support CARB's various climate change programs, such as the statewide GHG emissions inventory.

Since the Board's 2017 action, CARB staff has identified additional requirements and clarifications to the reporting regulation to be heard at the Board's May 28, 2026, hearing. These amendments are needed to support the Cap-and-Invest Regulation, to ensure that reported GHG emissions and product data are accurate and complete to support California's GHG reduction programs, and further clarify the regulation and reporting requirements

Objectives and Benefits of the Proposed Regulatory Action:

The purpose of the proposed amendments to the reporting regulation is to carry out the goals of AB 32, SB 32, and AB 1279 and maintain a robust and accurate GHG reporting program. The data submitted by reporters under the reporting regulation allow CARB staff to track the emissions from reporting entities over time, demonstrating California's progress in reducing GHG emissions.

The proposed amendments support the Cap-and-Invest Program with the highest quality of data by improving clarity for reporting entities as to their reporting requirements, collecting additional information for more complete and accurate GHG emissions estimates. This supports continued, robust methods for reporting emissions and product data to support the statewide greenhouse inventory program and emissions reduction programs that directly improve the health and welfare of California residents, worker safety, the state's environment, and CARB's Cap-and-Invest Program.

CARB staff has proposed amendments to the regulations to:

- Align with and support California's Cap-and-Invest Regulation, including allocation and the calculation of compliance obligations.
- Ensure that reported GHG emissions and product data are accurate and complete to support California's GHG emissions reduction programs, including the statewide GHG emissions inventory.

The proposed amendments to the reporting regulation are necessary to ensure complete and accurate GHG reporting by clarifying reporting requirements and including additional or modified definitions reflecting the other modifications. The proposed amendments do not change the overall reporting structure or requirements of the reporting regulation. These proposed amendments improve upon, clarify, and add to the existing requirements.

Summary of Proposed Amendments

The proposed amendments to MRR are technical changes and clarifications to existing requirements that ensure the accuracy and completeness of reported GHG emissions and product data. The proposed changes include amendments to ensure accurate accounting of, and to appropriately address and minimize the potential for emissions leakage resulting from, imported electricity transfers within the California Independent System Operator's (CAISO) Western Energy Imbalance Market (WEIM), including amendments addressing GHG emissions accounting related to CAISO's Extended Day Ahead Market (EDAM) tariff.

In addition, proposed amendments add requirements to account for electricity imports from Energy Storage Systems (ESS), require reporting of emissions from geologic carbon dioxide sequestration facilities, require reporting of emissions from biorefineries consistent with petroleum refineries, require reporting of imported cement products and emissions, require reporting of emissions from imported hydrogen and in-state producers of hydrogen utilizing electricity, clarify and improve the existing point of regulation for importers of liquefied petroleum gas (LPG), expand the point of regulation to capture suppliers of biofuels that are delivered outside the bulk terminal system, streamline verification requirements related to site visits and verifier rotation, and include other minor amendments to ensure accurate GHG accounting and consistency with the Cap-and-Invest Program and to simplify reporting and verification requirements.

Description of Regulatory Action

On January 20, 2026, CARB released the Notice of Public Hearing (45-Day Notice) and Staff Report: Initial Statement of Reasons for Rulemaking (Staff Report), titled "Public Hearing to Consider the Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions," for public review, and made all supporting references available to the public. The 45-Day Notice comment period began on January 23, 2026, and closed on March 9, 2026. CARB received a total of 332 written comments. Many of the comments were not relevant to the MRR amendments.

On April 14, 2026, CARB released a Notice of Public Availability of Modified Text and Availability of Additional Documents and Information (15-Day Notice), which presented additional modifications to the regulatory text after consultation with stakeholders. CARB received a total of 127 written comments during the comment period, which closed on May 4, 2026. Similarly, many of the comments were not relevant to the MRR 15-day changes.

On May 28-29, 2026, CARB held a public hearing to consider approving the Proposed Amendments. After considering staff's presentation of the Proposed Amendments, environmental analysis, and all public comments received, the Board approved Resolution 26-6, which approved the Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions for adoption.

Comparable Federal Regulations:

The U.S. Environmental Protection Agency (U.S. EPA) currently requires mandatory GHG reporting under the Mandatory Reporting of Greenhouse Gases Rule (40 C.F.R. § 98). While U.S. EPA has proposed eliminating various reporting requirements under that rule, U.S. EPA's proposal is not final at this time.[1] The proposed amendments are consistent with existing federal law. The proposed amendments to the reporting regulation were developed to minimize to the greatest extent possible any redundant State and federal reporting, while also ensuring that CARB is collecting the necessary additional information required by California's various GHG programs, including the Cap-and Invest Regulation, COI Fee Regulation, and the statewide GHG inventory.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):

The proposed regulation is consistent and compatible with existing State regulations.

During the process of developing the proposed regulatory action, CARB conducted a search of any similar regulations on this topic and concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

[1] 90 Fed Reg. 44591 (Sept. 16, 2025).