

Actions and Market Instruments Meeting Minutes

Meeting number 1.02

Date: 04 December 2024

Time: 09:00 – 11:00 ET

Location: "Virtual" via Zoom

Attendees

Technical Working Group Members

1. Ana Isabel Aubad Lopez, Atmosphere Alternative
2. Ana Carolina Avzaradel Szklo, VCMi - Voluntary Carbon Markets Integrity Initiative
3. István Bart, Environmental Defense Fund
4. Anastasia Behr, UL Solutions
5. Andres Casallas, World Business Council for Sustainable Development
6. Jonathan Crook, Carbon Market Watch
7. Cynthia Cummis, Deloitte & Touche
8. Thomas Day, NewClimate Institute
9. Christopher Duck, Climate Impact Partners
10. Nermin Eltouny, Integral Consult
11. Michael Gillenwater, Greenhouse Gas Management Institute
12. Tim Hamers, ERGaR - European Renewable Gas Registry
13. Grant Ivison-lane, CIBO Technologies
14. Yaning Jin, SinoCarbon Innovation and Investment Co., Ltd.
15. Injy Johnstone, University of Oxford
16. Timothy Juliani, WWF US
17. Joni Jupesta, IPB University, Indonesia
18. Hiromi Kawamata, The Japan Iron and Steel Federation
19. John Kazer, Carbon Trust
20. Aditya Mishra, Proforest
21. Hans Näsman, CDP
22. Inken Ohlsen, AP Moller Maersk
23. Thuy Phung, PepsiCo
24. Jason Pierce, Eastman
25. Patric Puetz, Smart Freight Centre
26. Steven Rosenzweig, General Mills
27. Kai Nino Streicher, SustainCERT SA / Value Change Initiative
28. William Tyndall, AJW Inc.
29. Emma van de Ven, Rabobank
30. Emma Watson, Science Based Targets initiative

Guests

None Present

GHG Protocol Secretariat

1. Natalia Chebaeva
2. Claire Hegemann
3. Iain Hunt
4. Kevin Kurkul
5. Michael Macrae
6. David Rich
7. Michaela Wagar

Documents referenced

1. None

Item	Topic and Summary	Outcomes
1	<i>Introduction</i> The Secretariat presented the agenda and key housekeeping items were highlighted, including rules and expectations around the sharing of information, Zoom meeting logistics, member updates, and responses to feedback submitted in response to meeting 1.01. Additionally, the Secretariat presented information on working group overlap and introduced the concept of working definitions.	No specific outcomes.
2	<i>Background & level setting</i> The Secretariat presented on the history and structure of GHG Protocol reporting as level-setting for the future conversations of the working group.	No specific outcomes.
3	<i>Use cases</i> The Secretariat introduced 'use cases' as a framework around which to discuss and understand corporate GHG reporting. The working group then participated in an activity to collectively identify and prioritize relevant use cases for corporate GHG accounting and reporting.	- Members submitted and provided feedback on 63 use cases as part of the whiteboard activity. - The Secretariat will review, condense, and recirculate the list of use cases with the working group for further feedback.
4	<i>Next steps</i> Time was made available at the end of the meeting to field remaining questions from TWG members. A recap of next steps was provided to conclude the meeting.	The Secretariat will share a feedback form for working group members. The Secretariat will share additional materials in advance of the next working group call.

Summary of discussion and outcomes

1. Introduction

- The Secretariat presented the agenda and key housekeeping items were highlighted, including rules and expectations around the sharing of information, Zoom meeting logistics, member updates, and responses to feedback submitted in response to meeting 1.01. Additionally, the Secretariat presented information on working group overlap and introduced the concept of working definitions.

Summary of discussion

- No points of discussion were raised by working group members.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

2. Background & level setting

- The Secretariat presented on the history and structure of GHG Protocol reporting as level-setting for the future conversations of the working group. The Secretariat additionally highlighted active processes and identified two key issues to center the work of the group: that 'reported separately' is insufficient, and the need for a cohesive vision of corporate GHG reporting.

Summary of discussion

- A member asked whether the reporting topics being presented applied only to inventories or whether they also applied to the product reporting, and suggested that the Product Standard should remain relevant for future working group discussions.
 - A member noted that product-level information can currently be included in a corporate inventory report separate from the corporate inventory.
- A member noted that certain types of instruments were not invented until after the publishing of the Scope 3 Standard.
- A member suggested that all intervention/consequential outputs should be classified as avoided emissions rather than emission reductions.
- A member suggested that alignment with ISO working group 14064-1 should be a priority of the working group.
- A member requested clarity on the definition and bounds of 'reporting element'.
 - The Secretariat noted that this will be defined clearly as the workstream process continues.
- A member requested clarity on whether interventions can be used to adjust average emission factors within an inventory.
 - The Secretariat noted that any calculation based on counterfactual scenarios are project-based reductions that must be reported separately, but that the nuance of topic will be explored further within the workstream.
 - A member noted that any 'netting' is currently not allowed in a corporate inventory.
 - A member suggested that the use of counterfactuals is a future-oriented prediction of performance whereas emission factor adjustments are comparisons of historical inventories.
 - A member noted that intervention/project accounting can be conducted ex post as well as ex ante.
 - Members suggested that ex post analysis can be integrated into inventory through an adjusted emission factor if boundaries align.
 - A member shared [a blog from the Greenhouse Gas Management Institute](#) that explores baselines and avoided emissions.
- Members suggested that understanding and defining instruments and actions relative to the inventory boundary will be a key topic for the working group.
 - Members suggested that traceability will also be a key topic for understanding what may be included within a physical inventory.
 - A member noted that the topic of traceability within the Land Sector and Removals Guidance is important for defining principles for market-based instruments.
 - A member suggested that these topics could be used to provide a classification system for instruments.
- A member asked whether relevant draft text from the Land Sector and Removals Guidance will be made available to this group when necessary.
 - The Secretariat noted that they will evaluate when text is needed and work to make that available to the group.
- A member asked whether 'reported separately' as presented is different than dual reporting in scope 2.
 - A member suggested that the concepts are distinct.
- A member suggested that group should work to produce guidance that is resilient to the potential for future introduction of new types of instruments.
 - The Secretariat suggested that the intention is to develop guidance that is based in accounting and reporting principles that are resilient to new market innovations, as best is possible.

- A member asked whether there will be an effort to align this working group with the outputs of the scope 2 working group related to the market-based method.
 - The Secretariat noted that there will be close coordination within the Secretariat to understand how the workstreams are developing. While full alignment will be encouraged, in the event of divergent approaches the Secretariat will provide an explanation of the reasons for divergence.
 - A member suggested that it would be strange for electricity to follow different rules than other commodities.
 - The Secretariat suggested that this would be a topic for further discussion, and that evidence-based assessments will be conducted to determine whether electricity is a unique commodity that could or should have unique rules.
- A member suggested that the group should consider not just topics for inclusion in accounting and reporting but also topics for exclusion.

Outcomes (e.g. recommendations, options)

- No specific outcomes.

3. Use cases

- The Secretariat introduced 'use cases' as a framework around which to discuss and understand corporate GHG reporting. The working group then participated in an activity to collectively identify and prioritize relevant use cases for corporate GHG accounting and reporting.

Summary of discussion

- A member shared [a blog from the Greenhouse Gas Management Institute](#) that explores the purpose of corporate GHG accounting.
- A member suggested that the AIM Platform piloting process may provide use cases that could be used as inputs to working group discussion.
- A member noted that the example use cases were primarily focused on data, and questioned whether it would be beneficial to generalize further to include actions companies are taking to manage emissions.
 - The Secretariat confirmed that the presented list was originally data-focused, but that the working group would be working on assembling a broader list of use cases.
- A member suggested that the use case exercise may be aided by separating users, uses, and measured data.
- Question 1: Which of these use cases can and should be facilitated and/or prioritized by the GHG Protocol?
 - Some members noted difficulty in accessing the activity or effectively voting on the question prompts.
 - The Secretariat noted that this was an initial brainstorming activity, and that there would be additional opportunities for feedback from members.
 - Some members suggested alternative platforms on which to host future working group brainstorming activities.
 - A member noted confusion regarding why many members had expressed preference for prioritizing use cases related to product accounting given the overall focus on corporate rather than product accounting.
 - Some members suggested that while the corporate inventory remains the overall focus, product-level emissions are highly relevant and in some cases inputs to corporate inventories. As a result, these members suggest that product accounting should be considered as part of the broader discussion of instruments.
- Question 2: Which should be facilitated and/or prioritized by other actors within the programmatic ecosystem?
 - A member suggested that mandatory reporting must be a primary use case of GHG Protocol to maintain relevance.

- A member questioned what approach the GHG Protocol should take if mandatory reporting rules in one jurisdiction are in conflict with those in another jurisdiction.
- A member noted difficulty in identifying any use cases that they believe should not be present on the overall list.
- Question 3 and 4: Which use cases are and are not being effectively facilitated?
 - Some members noted frustration from stakeholders that the impacts of actions are not currently well reflected in the inventory and noted further that their organizations or stakeholders are considering introducing separate reporting of impacts and actions via intervention accounting.

Outcomes (e.g. recommendations, options)

- Members submitted and provided feedback on 63 use cases as part of the whiteboard activity.
- The Secretariat will review, condense, and recirculate the list of use cases with the working group for further feedback.

4. Next steps

- The Secretariat highlighted the December 13th deadline for written feedback from TWG members on meeting content.
- The next meeting was scheduled for Wednesday, January 15th at 9 am ET.

Summary of discussion

- A member asked whether an update on the timeline for standards revisions could be provided.
 - The Secretariat noted that an update will be given at the next meeting.
- A member expressed concern about the pace of progress that is possible with the current schedule of one meeting per month, and asked whether the Secretariat expects that more conversation will happen in between meetings.
 - The Secretariat noted that the scheduling may be revisited, and that the feedback forms and slack channel will be used to continue progress outside of the scheduled meetings.

Outcomes (e.g. recommendations, options)

- The Secretariat will share a feedback form for working group members.
- The Secretariat will share additional materials in advance of the next working group call.

Summary of written submissions received prior to meeting

The following notes reflect opinions submitted by one member:

- The member suggested that a key focus for the group is balancing the potentially conflicting objectives of comparability, incentivization of investment and inventory integrity. The member suggested that producing multiple reports may alleviate these potential conflicts, but that it may also introduce usability problems for both reporters and those interpreting the reports.
- The member suggested that facilitating mandatory reporting programs should be a priority use case for GHG Protocol reporting.
- The member suggested that comparability and benchmarking are a use case that should be closely examined in the context of market instruments, given the uniqueness and specificity of many instruments.
- The member suggested that the ability to audit and assure is an important use case to examine, especially relative to any intervention-based accounting claims.
- The member requested clarity on whether definitions will be reviewed for alignment and consistency with IFRS S2 and ESRS definitions.