GREENHOUSE GAS PROTOCOL

Scope 2 Consequential Subgroup

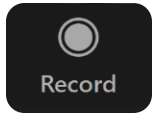
Meeting #4

April, 2025

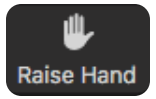
WORLD RESOURCES INSTITUTE

World Business Council for Sustainable Development

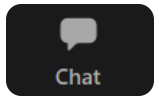
GREENHOUSE GAS PROTOCOL



This meeting is recorded.



Please use the Raise Hand function to speak during the call.



You can also use the chat function in the main control.

Recording, slides, and meeting minutes will be shared after the call.

Be mindful of sharing group discussion time; keep comments as succinct as possible.

Agenda

1. Housekeeping and goals
2. Review of final draft submissions
3. Discussion
4. Part 2 deliverable plan
5. Next steps

GREENHOUSE GAS PROTOCOL

Goals of today's meeting

GREENHOUSE GAS PROTOCOL

GREENHOUSE GAS PROTOCOL

Housekeeping and goals

- Goals of today's meeting
  - Review final submissions and discuss part 1 deliverables
  - Review outstanding issues and schedule for part 2 deliverables

Final Draft Submissions

GREENHOUSE GAS PROTOCOL

Proposal 1: Marginal Emissions Impact

Key elements

- **Induced Consumption**[1] Emissions (IC): emissions caused by a company's demand for electricity
  - total consumption * marginal emissions factors (MEF)
- **Avoided Emissions** (AE): an assessment of emissions avoided caused by procured renewable energy
  - total generation * marginal emissions factors (MEF)
- **Net Impact** (absolute and % basis): derivative metric from above
- Supporting Information: basis for additionality/causality claim for AE values; identification of emission rates used, qualitative impact assessment where applicable

Scope of assessment

- All electricity consumption occurring during reporting period
- Electricity generation during reporting period from all active generation and storage projects that meet (TBD) additionality criteria
- Geographic boundary of assessment – global (may do more local procurement)
- Limited to primary electric-sector impacts, including build and operating margin effects; separate calculation of upstream impacts (e.g., scope 3 category 3).

1. Stakeholders use different names for this calculation (e.g., carbon baseline, carbon footprint, or consumption benchmark).

WORLD RESOURCES INSTITUTE

World Business Council for Sustainable Development

GREENHOUSE GAS PROTOCOL

Proposal 1: Marginal Emissions Impact

Carbon Disclosures (Illustrative) Reported for Prior Calendar Year	
Scope 2	
Location-Based Inventory	__ tons
Market-Based Inventory	__ tons
Marginal Emissions Impact (MEI)*	
Induced Consumption: Benchmark* (IC)	__ tons
Procurement: Avoided Emissions* (AE)	__ tons
Net Impact (absolute and % basis)	__ tons (%)

Note: Required reporting of metrics and level of granularity would depend on data availability, thresholds/exemptions, and transition periods adopted.

* Name TBD

GREENHOUSE GAS PROTOCOL

Proposal 2: Ad-hoc Consequential Guidance

This proposal is complementary to the *Routine Marginal Impact* proposal and is NOT an alternative to that proposal.

Elements of the ad hoc consequential emissions statement

- Baseline scenario emissions/removals for Action A
- Intervention scenario emissions/removals for Action A
- System-wide change in emissions/removals caused by Action A
- Etc…

Scope of assessment

- **Recommended or required:** All actions that could have a potentially significant negative impacts (i.e., increase GHG emissions and/or decrease removals) outside the scope 1, 2 and 3 boundary
- **Recommended:** all actions that could have a potentially significant positive impacts on emissions/removals inside or outside the scope 1, 2 and 3 boundary
- **Geographic boundary of assessment:** all significant sources and sinks that change due to the action assessed

GREENHOUSE GAS PROTOCOL

Proposal 2: Ad-hoc Consequential Guidance

Description of action	Baseline Scenario (tCO_2e)	Intervention Scenario (tCO_2e)	Total Change (tCO_2e)
Long-term PPA with 10 MW wind farm	524,000	5,000	519,000
Engagement with policy-makers on market accessibility in jurisdiction X	Etc.		

GREENHOUSE GAS PROTOCOL

Proposal 3: Routine Consequential Accounting

Elements of the consequential emissions statement

- Total emissions induced/avoided by changes in electricity demand
- Total emissions induced/avoided by changes in electricity procurement
- Impact Score (performance metric) Consequential emissions intensity (lb/MWh) of all changes, relative to highest possible global impact (displacing generation from dirtiest global generation)

Scope of assessment

- **Scope of projects/activities assessed in the emissions statement**: all changes in demand and procurement relative to some baseline, without identification of individual actions (e.g. difference between reporting year total demand and base year total demand on YoY, rolling average, or baseline year basis)
- **Temporal boundary of assessment**: previous year (retrospective)
- **Geographic boundary of assessment**: global

GREENHOUSE GAS PROTOCOL

Proposal 3: Routine Consequential Accounting

Positive values = induced emissions
Negative values = avoided emissions

	Net Change in MWh	Net Emissions Impact	Impact intensity
Demand-side changes	+45 MWh	+42,917 lb CO2	+953 lb/MWh
Supply-side changes	200 MWh	-446,200 lb CO2	-2,231 lb/MWh
Total Change		-403,283 lb CO2	-1,646 lb/MWh
Impact Score (-100 to +100)			+45.7

GREENHOUSE GAS PROTOCOL

Discussion

- Please indicate any remaining areas of concern regarding any of the proposals under consideration
- Please propose any revisions to language that would help you support any of the proposals under consideration
- **Note:** we are mainly concerned with the elements of the disclosure, rather than the calculation details at this stage

Part 2 Deliverable Plan

GREENHOUSE GAS PROTOCOL

Key issues identified for part 2 deliverable

- **Issue 1:** Calculation method and approach
- **Issue 2:** Boundaries
- **Issue 3:** Treatment/definition of additionality
- **Issue 4:** Purposes and uses of data
- **Issue 5:** Temporal and geographic granularity
- **Issue 6:** Emission factors and data types
- **Issue 7:** Feasibility (thresholds, exemptions, etc.)
- **Issue 8:** Worked examples and case studies
- **Issue 9:** Cross-sector applicability

GREENHOUSE GAS PROTOCOL

Key issues identified for part 2 deliverable

- **Issue 1:** Calculation method and approach
- **Issue 2:** Boundaries
- **Issue 3:** Treatment/definition of additionality
- **Issue 4:** Purposes and uses of data

→ **May 1st meeting**

- **Issue 5:** Temporal and geographic granularity
- **Issue 6:** Emission factors and data types
- **Issue 7:** Feasibility

→ **May 22nd meeting**

- **Issue 8:** Worked examples and case studies
- **Issue 9:** Cross-sector applicability

→ **June 12th meeting**

GREENHOUSE GAS PROTOCOL

Detailed list of due dates

April 21st – draft of detailed proposals on issues 1-4

May 1st – subgroup meeting #5

May 12th – draft of detailed proposals on issues 5-7

May 22nd – subgroup meeting #6

June 2nd – draft of detailed proposals on issues 8-9

June 12th – subgroup meeting #7

Next Steps

GREENHOUSE GAS PROTOCOL

Next Steps

- **April 21st –** first draft of detailed proposal on issues 1-4
  - Calculation methods and approach
  - Boundaries
  - Treatment/definition of additionality
  - Purposes and uses of data

- **May 1st meeting**
  - Members should be prepared to discuss issues 1-4 and recommend changes and edits to language submitted by members of the subgroup
  - We do not intend to use polling, but discussion should inform further development of proposals

GREENHOUSE GAS PROTOCOL

Thank you!

If you'd like to stay updated on our work, please subscribe to GHG Protocol's email list to receive our monthly newsletter and other updates.