

Scope 2 TWG Meeting Minutes

Meeting number 12

Date: 16 April 2025

Time: 9:00 – 11:00 EDT

Location: "Virtual" via Microsoft Teams

Attendees

Technical Working Group Member

1. Enam Akoetey-Eyiah, I-TRACK Standard Foundation
2. Avi Allison, Microsoft
3. Matthew Brander, The University of Edinburgh
4. Pete Budden, NRDC
5. Charles Cannon, RMI
6. Jules Chuang, Mt. Stonegate Green Asset Management Ltd.
7. Jessica Cohen, Constellation Energy Corporation
8. Killian Daly, EnergyTag
9. Abhilash Desu, Science Based Targets Initiative (SBTi)
10. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
11. Pengfei Fan,
12. Neil Fisher, The NorthBridge Group
13. Aileen Garnett, Genesis Energy Limited
14. Andrew Glumac, CDP
15. Zoe Godijn, Rio Tinto
16. Hannah Hunt, Heineken
17. Marine Iriart, Gobierno de Cordoba
18. Emma Konet, Tierra Climate
19. Matthew Konieczny, Watershed
20. Erik Landry, GRESB
21. Lissy Langer, Technical University of Denmark (DTU)
22. Irina Lazzerini, United Nations Development Programme (UNDP)
23. Kelly Lichter, PepsiCo
24. Alain Mahieu, ENGIE
25. J. Andrea Méndez Velásquez, Atmosphere Alternative
26. Gregory Miller, Singularity Energy
27. Gisele Morgado, DNV
28. Yiwen Qiu, Independent
29. Henry Richardson, WattTime
30. Wilson Ricks, Princeton University
31. Alexandra Styles, HIR Hamburg Institut Research
32. Devon Swezey, Google
33. Kae Takase, Renewable Energy Institute
34. Linda Wamune, Energy Peace Partners
35. Sophia Wang, Gilead Sciences

Guests

None present

GHG Protocol Secretariat

1. Kyla Aiuto
2. Chelsea Gillis
3. Michael Macrae
4. Elliott Engelmann
5. Michaela Wagar

Documents referenced

Item	Topic and Summary	Outcomes
1	<i>Welcome and goals of meeting</i> The Secretariat welcomed attendees and reviewed the agenda and goals for the meeting.	N/A
2	<i>Check-in on timeline and goals for updates</i> Secretariat provided an overview of the timeline between April and June. Secretariat reiterated a critical objective of this work is to support robust accounting and reporting that also enables ambitious climate action.	N/A
3	<i>Update on consequential subgroup deliverable</i> The Secretariat briefly summarized the three proposals discussed by the subgroup and provided an overview of the timeline.	N/A
4	<i>Review process for consolidated drafts</i> The Secretariat thanked TWG members for their contribution to the draft proposals. TWG members were asked to provide comments directly into a consolidated draft to be available on SharePoint, adhering to the instructions shared in this slide deck.	N/A
5	<i>Issue 6: Purposes, uses and claims (for LB and MB)</i> The TWG discussed proposed updated definition, purposes, uses and claims for the location- and market-based methods.	N/A
6	<i>Next steps</i> The Secretariat shared next steps, including the next meeting date of April 30 th , and comments on consolidated draft revisions due May 2 nd .	N/A

Summary of discussion and outcomes

1. Welcome and goals of meeting

Summary of discussion

- The Secretariat welcomed attendees, reviewed logistics, and confirmed that minutes and resources would be shared post-call.
- The Secretariat welcomed three new TWG members, Zoe Godijn, Marine Iriart and Pete Budden.
- The Secretariat reviewed the agenda.
- Goals for the meeting included a check-in on the TWG timeline, sharing an update on consequential subgroup deliverable, sharing the review process for consolidated drafts, and discussing purposes, uses and claims for location-based and market-based method to ensure proposed language is aligned with what the methods achieve.

Outcomes (e.g. recommendations, options)

N/A

2. Check-in on timeline

- Secretariat provided an overview of the timeline between April and June.

- Two meetings in April intended to support TWG members in providing comments on the consolidated drafts by May 2nd.
- May 14th meeting will review consolidated draft feedback and potentially run polling to help inform further edits.
- June 4th will review feedback from ISB to help finalize a recommendation.
- June 25th TWG voting on final phase one recommendation for the ISB.
- Secretariat reiterated a critical objective of this work is to support robust accounting and reporting that also enables ambitious climate action. The diversity of solutions to do this includes both the TWG work to advance updates on location- and market-based method and in parallel the subgroup developing a complementary framework to quantify electric sector emission impacts.
- A member raised a question about “grandfathering” (e.g., how existing contracts might be treated in the revisions). The Secretariat highlighted that this is a crosscutting topic under consideration across all Corporate Standard revisions and emphasized that implementation will take time following the standard’s publication in 2027.

Outcomes (e.g. recommendations, options)

N/A

3. Update on consequential subgroup deliverable

Summary of discussion

- The subgroup is at the end of Part One and transitioning to Part Two, which is to build out a more comprehensive proposal to be sent to the AMI TWG and the ISB.
- The subgroup has reviewed and discussed three proposals. Proposals one and two received the majority of support and will serve as the focus for work moving forward.
- The Secretariat briefly summarized the three proposals.
- The Secretariat clarified that the subgroup’s Part One and Part Two deliverables are the remit of the subgroup and will be shared with the AMI TWG.
- The Scope 2 TWG have the remit of anything that is proposed to be included in the Scope 2 Standard.
- The Secretariat outlined the discussion topics for the next few subgroup meetings.

Outcomes (e.g. recommendations, options)

N/A

4. Review process for consolidated drafts

Summary of discussion

- The Secretariat thanked TWG members for their contribution to the draft proposals.
- The Secretariat will now take the proposals and prepare a consolidated draft to be shared with TWG members via the internal SharePoint drive.
- TWG members were asked to provide comments directly into the draft adhering to the instructions shared in this slide deck.
- Members were encouraged to build on the directional polling of the group rather than revisiting foundational issues and all revisions should continue to build and align with Decision Making Criteria and Hierarchy.

Outcomes (e.g. recommendations, options)

N/A

5. Issue 6: Purposes/Uses and Claims

- The Secretariat highlighted the Decision-Making Criteria and Hierarchy are intended to ensure alignment with *all* criteria. Where tradeoffs are necessarily the criteria should be viewed in the hierarchical order they are presented.
- The Secretariat clarified that the three criteria on the slide are the summarized version of the more detailed five decision-making criteria that can be viewed in the governance documents.
- The Secretariat noted that this meeting will focus on discussion rather than polling.

Location-based method purposes and uses:

- The Secretariat outlined the proposed updated definition for the location-based method and the purposes and uses that were revised, clarified or reinforced. TWG were invited to comment on the changes.
 - There was discussion on adding the phrase “proportionally allocated emissions”. Some members thought this was important to acknowledge that the method explicitly chose this method of allocation. Some members thought that it was already assumed and using more technical wording could create confusion.
 - A member noted the phrasing on enabling risk and opportunity assessments is circular, suggest deleting the second half of the sentence.
 - A member questioned what language has been added to the method that supports the purpose of abatement planning.
 - A proposal author noted that the language of abatement planning came from moving away from the existing purpose of “decision-making” as they didn’t want to imply it was about consequential accounting.
 - A member noted that the phrase ‘informing decisions where grid average data is relevant’ is vague and it should specify what actions it is relevant for, suggesting examples such as for policy engagement or for reducing electricity consumption.
 - There was a discussion about whether siting decisions based on grid intensity are also relevant actions within abatement planning under the location-based method. This language was originally removed from the proposal due to previous TWG feedback.
 - A member noted they think policy engagement is appropriate for a purpose of the location-based method.

Market-based method purposes and uses:

- The Secretariat outlined the TWG-member proposed updates to the definition of the market-based method and highlighted the purposes and uses that had been revised, clarified or reinforced. TWG were invited to comment on the changes.
 - A member questioned the accuracy of indicating there is a ‘physical relationship’ and suggested that the language should be changed to clarify that the market-based method is based on contractual relationship with some physical elements.
 - A member raised concern whether the current proposal for market-based accounting is aligned with the inventory principles, sharing their perspective that to have an accurate value chain inventory, a causal relationship is needed between the reporting entity and the emission rate they’re reporting.
 - A member responded that if a reporter is just using the residual mix factor (RMF), then what they are reporting is not based on a contractual relationship but based on the physically delivered electricity to the reporter.
 - There was discussion on whether the wording ‘electricity procurement’ should be changed to ‘certificate procurement’ as procurement usually refers to the attributes and not the actual electricity.
 - Some members raised caution about making this change as certificates are not the overall intention of this method, which is still about procuring clean energy.
 - There was discussion about whether the purpose needs to more explicitly talk about the aggregational theory of change that the market-based method intends to achieve. Some members suggested the purpose of accelerating the growth of the mix of resources necessary to deliver clean energy should be emphasized.
 - A member noted it would be useful to specify “energy attribute certificates” to avoid a mix-up with offset certificates from carbon markets.

- A member proposed the following language:
 - LBM "allocates" based on proportion of load within "boundaries" in order to reflect, as closely as possible, the physical emissions associated with that load.
 - MBM "allocates" based on contractual relationships within "boundaries" in order to reflect the emissions of the associated energy attributes. (The boundaries are established for MBM in order to fulfil the multiple purposes of constraining the market sufficiently for signals AND to tie it to the reality of physical deliverability.)

Location-based method claims

- The Secretariat noted that there is no specific section in the current Scope 2 Guidance that discusses what claims are appropriate to make about inventory totals using each method. Instead, the discussion of claims shows up in various contexts throughout the Guidance.
- The Secretariat emphasized that the GHG Protocol is not the arbiter of claims and regulatory bodies within most jurisdictions across the world set their own rules on claims. The Secretariat shared that the purpose of today's conversation about appropriate claims made using each method is intended to act as a gut-check on how proposed changes may be applied and leveraged (both positively and negatively) by reporting organizations.
- A member highlighted that across the location- and market-based method the word matching may not always be appropriate because if a reporter is not using sufficiently granular data, then the organization's inventory is not going to be "matched".
- There was discussion about whether the spatial boundaries for the location- and market-based method should be the same or if the basis and rationale for setting these boundaries are different.
- A member noted that referring to 'aggregate physical demand' may not reflect the role of the timing aspect of the location-based method as the timing of demand is also a key input.

Market-based method claims

- There was discussion about what "use" means in the context of the market-based method. Some members suggested that this is referring to "within the boundary conditions" and others suggested claim should be about "matching" not "use."
 - One member emphasized they have concerns about strong use claims based on the current proposals.
- There was discussion about the concept of causality and a member's interest in introducing a causality requirement into the market-based method to demonstrate a real-world relationship between a reporter and the power being delivered to them. A member questioned whether market-based accounting represents an inventory or is a performance metric.
 - Some members noted that TWG poll results indicated that 78% of TWG members did not agree with a requirement for causality tests for the market-based method.
- A member questioned whether there is potential misalignment between what the accounting rules create and the claims and purposes they are purported to achieve and raised issue with the order of discussion in addressing purposes within the revision process.
 - The Secretariat highlighted that the TWG had begun discussions on the purposes and uses of each method within Meeting #6 on January 16th before moving into methodological improvements in Meetings #7 through today.
 - A member raised that they did not feel there was sufficient alignment on the purposes and uses before the group agreed on the changes to the accounting rules.
- A member noted that the language stating 'in the absence of purchases, the residual mix' is unclear if this specifically refers to voluntary purchases or also standard supply service mix.
- A member emphasized the importance of noting that the location- and market-based method claims only relate to inventory emissions increasing or decreasing, not about changes to atmospheric emissions.
- A member suggested that it would be valuable to be able to make different claims based on different types of data used, as claims are different depending on the data precision used, the correlation between matched emission factors to data, and causality or other additional criteria layered onto the basic requirements.

Outcomes (e.g. recommendations, options)

N/A

6. Next steps

Summary of discussion

- The Secretariat noted the next meeting is April 30th at 09:00 EDT/15:00 CEST/ 23:00 CST.
- TWG members are requested to begin providing feedback on the consolidated proposal draft once it is posted. The instructions are on slide 14 of this meeting's presentation and comments are requested to be provided by May 2nd.

Outcomes (e.g. recommendations, options)

N/A

Summary of written submissions received prior to meeting

N/A