

Scope 2 TWG Meeting Minutes

Meeting number 14

Date: 14 May 2025

Time: 9:00 – 11:30 EDT

Location: "Virtual" via Zoom

Attendees

Technical Working Group Members

1. Enam Akoetey-Eyiah, I-TRACK Standard Foundation
2. Avi Allison, Microsoft
3. Priya Barua, Clean Energy Buyers Alliance
4. Matthew Brander, The University of Edinburgh
5. Charles Cannon, RMI
6. Yenhaw Chen, Taiwan Institute of Economic Research
7. Jules Chuang, Mt. Stonegate Green Asset Management Ltd.
8. Jessica Cohen, Constellation Energy Corporation
9. Killian Daly, EnergyTag
10. Abhilash Desu, Science Based Targets Initiative (SBTi)
11. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
12. Pengfei Fan, EPPEI
13. Neil Fisher, The NorthBridge Group
14. Andrew Glumac, CDP
15. Matthew Gray, TransitionZero
16. Hannah Hunt, Heineken
17. Mariné Iriart, Secretaria de Transición Energética - Gobierno de Córdoba
18. Peggy Kellen, Center for Resource Solutions
19. Emma Konet, Tierra Climate
20. Matthew Konieczny, Watershed
21. Stephen Lamm, Bloom Energy
22. Erik Landry, GRESB
23. Lissy Langer, Technical University of Denmark (DTU)
24. Kelly Lichter, PepsiCo
25. Alain Mahieu, ENGIE
26. J. Andrea Méndez Velásquez, Atmosphere Alternative
27. Gregory Miller, Singularity Energy
28. Gisele Morgado Duarte da Paz, DNV Det Norske Veritas
29. Alex Perera, WRI
30. Yiwen Qiu, Independent
31. Henry Richardson, WattTime
32. Alexandra Styles, Hamburg Institut
33. Henrik Sundberg, H&M Group
34. Devon Swezey, Google
35. Kae Takase, Renewable Energy Institute
36. Linda Wamune, Energy Peace Partners
37. Sophia Wang, Gilead Sciences

Guests

None present

GHG Protocol Secretariat

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

Documents referenced

None

| 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>Alternative proposal pathway</i> The Secretariat shared the process for submitting alternative proposals to be shared with the ISB alongside the main proposal. These proposals should reflect ideas that are substantially different from the views reflected in the revision proposal based on TWG polling and ISB pulse checks. Sharing these alternative positions enables transparency and ensures the ISB has a complete view of the range of perspectives when considering the package of revisions for public consultation. | N/A |
| 3 | <i>Phase-in for new requirements</i> The Secretariat provided context on how phase-ins of any new requirements will be treated across the GHG Protocol revised standards. | N/A |
| 4 | <i>Time matching requirements for LBM</i> The Secretariat reviewed the process thus far in developing the proposed requirement to use hourly accounting for quantifying location-based scope 2 emissions, provided that hourly metered data is available and hourly emission factors are accessible. A poll was conducted to confirm the recommendation to allow, but not require, the use of hourly estimates of activity data for the location-based method. | See poll results. |
| 5 | <i>Time matching requirements for MBM</i> The Secretariat reviewed the process thus far in developing the proposed requirement to use hourly accounting for quantifying market-based scope 2 emissions for companies over a certain electricity consumption threshold, while allowing continued practice of monthly and annual accounting for companies below the threshold. Polls were conducted to determine how to define this threshold, including whether any exemptions should exist. | See poll results. |
| 6 | <i>Deliverable markets for market-based claims</i> The Secretariat led discussion on the details of defining deliverability in the context of the market-based method. A poll was conducted to determine whether there should be any exemptions to meeting deliverability requirements in pursuit of an alternative contractual instrument. | See poll results. |
| 7 | <i>Legacy clause</i> The Secretariat led discussion on the proposed inclusion of a legacy clause within the consolidated revision draft as a means of protecting existing contractual arrangements. A poll was conducted to determine whether any legacy clause should be included. | See poll results. |
| 8 | <i>Next steps</i> The Secretariat shared next steps, including the next meeting date of , and comments on | N/A |

Summary of discussion and outcomes

1. Welcome and goals of meeting

- The Secretariat welcomed attendees, reviewed logistics, and confirmed that minutes and resources would be shared post-call. The Secretariat reviewed the agenda.
- Goals for the meeting include having a shared understanding of pathway for providing alternative proposals, and to do final indicative polling to inform recommendations on key issues there is still divergence on, including time matching requirements for the location- and market-based methods, load-based thresholds for application of the most precise matching requirements, as well as treatment of existing contracts through a legacy clause. Discussion of additional details on application of a deliverability requirement for the market-based method will also be prioritized.

Summary of discussion

N/A

Outcomes (e.g. recommendations, options)

N/A

2. Alternative proposal pathway

Summary of discussion

- Secretariat thanked members for providing extensive comments on the consolidated draft proposal.
- Secretariat recognizes there are alternative perspectives to the key revisions that have been proposed within the revision draft, and a process has been established for sharing these alternative positions with the ISB alongside the main proposal. Sharing these alternatives promotes transparency and provides the ISB with a fuller understanding of the range of views as they consider the package of revisions for public consultation.
- If TWG members would like to propose an alternative position to the revision proposal, they are invited to provide a brief submission (1-3 pages). These proposals should reflect ideas that are substantially different from the views reflected in the consolidated revision proposal. The submission should include:
 - A short summary of the approach
 - A rationale for the alternative including if there has been any polling already on the topic.
 - Optionally include a suggested implementation pathway
 - A brief statement of the author's overall view of the consolidated draft.
- Following a detailed instruction email shared with the TWG on May 1st, members were invited to begin submitting alternatives following this TWG meeting. Submissions will be due by Friday May 23rd to ensure the Secretariat can share them prior to the June 4th TWG meeting.
- The Secretariat clarified that these alternative proposals will not be integrated into the revision draft but shared separately to ensure the ISB has a complete understanding of TWG member perspectives, including sustained opposition on a topic outcome recommendation.
- As applicable, TWG members were encouraged to work collaboratively in drafting alternative positions.

Outcomes (e.g. recommendations, options)

N/A

3. Phase-in for new requirements

Summary of discussion

- The Secretariat provided context on how phase-ins of any new requirements could be treated across the GHG Protocol revised standards.
 - The Corporate Standard revision process indicates finalization by the end of 2027, after which there is active consideration underway on a phase-in period for the new standard and its updated requirements.

- The timeline for which the revised Standard would become the required version for users is currently being considered by the ISB and SC. The decision needs to be taken across all workstreams (Corporate Standard, Scope 2, Scope 3, and Actions and Market Instruments) and in coordination with key external GHG accounting and reporting programs.
- A member questioned whether after the standard is finished both the 2015 standard and the new updated standard will both be able to be used in parallel until a specific date. The Secretariat confirmed that this question is still under consideration and has yet to be addressed by the ISB and SC.

Outcomes (e.g. recommendations, options)

N/A

4. Time matching requirements for LBM

Summary of discussion

- The Secretariat highlighted relevant poll results from meeting #7.
- The Secretariat noted that revisions based on these poll results may mean that available activity data (i.e., not estimated or profiled) sets the required accounting interval and that this could result in only a small number of companies using hourly accounting in the location-based method.
- A member clarified that the intention for their original location-based proposal was that both activity data and the emission factor set the accounting interval.
- There was discussion around what 'availability' means for activity data.
 - A member suggested there's a limitation in companies being able to integrate hourly activity data into their systems.
 - A member noted that the current framing of 'available' may have a perverse incentive of companies avoiding access to more granular activity data.
 - A member questioned whether the standard should require companies to disclose and justify why they're not using an hourly load profile in cases where actual hourly metered data isn't available. Another member noted that in order to justify it they would likely need the hourly data anyway.
 - A member noted that the intention is that all companies could move up the hierarchy over time.
- There was discussion on if there's a benefit in having a consistent approach between the market-based and location-based method.
 - A members suggested that having them be consistent makes it more feasible.
 - Some members suggested consistency between the methods is not necessary. It was suggested there are fewer integrity concerns related to reporting scope 2 at a lower granularity under the location-based method than the market-based method.

Outcomes (e.g. recommendations, options)

- **Question 1.** Considering these definitions, should using estimated activity data be required in order to meet the most precise EF accessible?
 - a. Yes, estimated hourly activity data shall be used if actual hourly activity data is unavailable. (13)
 - b. No, estimated hourly activity data may be used, but the most precise actual activity data sets the requirement. (27)

** Includes asynchronous poll responses submitted by TWG members absent from meeting.*

5. Time matching requirements for MBM

Summary of discussion

- The Secretariat highlighted relevant poll results from meeting #7 and #8.
- The Secretariat summarized the proposal for hourly matching and the proposed exemption to this requirement based on load thresholds.
- There was discussion about how to use profiled data for monthly or annual EACs.

- A member suggested if you purchase 50% of the EACs a project produces in a month, you would get to claim 50% of its production in each hour of that month.
 - Members suggested it may be useful to have more language around how to do this in the revision draft.
- There was discussion about how the TWG reached this proposal for the market-based method and the process to date.
 - The Secretariat recapped that the proposed recommendation follows the logic of the polls conducted throughout previous meetings to date.
 - A member noted their concerns about the difference between this proposal and the current requirements.
- There was discussion about hourly matching requirements for Green Tariffs
 - Some members agreed that hourly matching would be required to claim an emission factor for a Green Tariff product from a supplier, for those companies which the hourly matching requirement would apply to.
- There was discussion about hourly matching requirements for Standard Supply Service
 - A member noted their concerns about not being able to claim SSS if a reporter doesn't have hourly data.
 - A member noted that they see issues with an allowance to claim SSS on a less granular basis as it may contain a lot of variable renewables but suggested that other interpretations are worth discussing.
 - A member clarified that reporting organizations who do not consume electricity volumes above the proposed threshold would not be required to hourly match, thus could claim SSS on a monthly or annual claim.
- There was a discussion about the feasibility of implementing the threshold requirement
 - A member noted concerns about feasibility when a company has multiple sites.
 - A member noted that it would be helpful to have visualizations of what this looks like in practice.
 - Some members considered the impact for reporters if generators don't want to provide hourly EFs.
- A member noted that the load threshold should be at least 8.76 GWh per year or greater as this would be the equivalent to 1 MWh of average demand per hour which is the standard size of a REC.
- The Secretariat presented data from CDP indicating the number of reporting companies that would be included in a load-based exemption threshold and the amount of total electricity covered.
 - Some members questioned if the number of companies reporting to CDP accounts for a small percentage of total companies.
- There was discussion on the impact of setting a load-based threshold by organization, site or facility.
 - Some members noted that there could be vagueness with requiring it by site. If it was at a site or facility-level organizations might add more meters to split it up.
 - A member noted concern with having a large number of sites, noting it could have the perverse incentive of site not wanting to install EV charges etc.
 - A member noted that this threshold is meant to capture larger, more sophisticated organizations, thus the threshold should be larger.
- There was discussion on whether companies who would be required to hourly match per the threshold should be required to do so for all consumed electricity, or whether there should be any amount excluded from that requirement.
 - A member clarified that 5b is what is currently being proposed as the concept.
 - A member noted that allowing any exemption might allow cherry picking, enabling the most difficult load to cover to do annual matching.
 - The Secretariat noted that if a specific amount was exempt from hourly matching, there would need to be a stronger definition of what exactly could be exempt.

Outcomes (e.g. recommendations, options)

- **Question 2. Whether a threshold is needed.** Should a threshold be used for differentiating the requirement for hourly matching under the market-based method?
 - a. Yes, a threshold should be used. Companies with larger electricity consumption volumes should be required to hourly match to claim a specific emission rate toward their market-based inventory total. Companies with smaller electricity consumption volumes should be able to count monthly

and annually matched load with contractual instruments toward a market-based inventory total. (35)

- b. No, no threshold should be used. All companies, regardless of electricity consumption volumes, should be required to hourly match load with contractual instruments if they wish for claims to count toward their market-based inventory total. (7)

- **Question 3. Where it applies (level of application).** At what aggregation level should a threshold be applied?
 - a. Facility - refers to a single utility meter or billing address. (3)
 - b. Site – refers to a contiguous or functionally integrated operation under common control. (16)
 - c. All company load within a grid region - total electricity use across all sites/facilities under common control within the same deliverability-aligned region. (21)
 - d. Other (4)
- **Question 4.** What should the threshold be. What threshold of electricity consumption volume is appropriate for determining which companies are required to apply the hourly matching requirement? (use majority poll result for level of application as defined in previous poll result)
 - a. Less than 5 GWh/year (1)
 - b. 5 GWh/year (10)
 - c. 10 GWh/year (12)
 - d. Greater than 10 GWh/year (14)
 - e. N/A. No threshold should be used. (5)
- **Question 5. How it applies (partial or full exemption).** Is load up to a certain amount exempted, or must all load be accounted for on an hourly basis if the company load is over a certain threshold? (e.g., If a company consumes 100 GWhs of electricity annually in the region, do they need to match all GWhs hourly, or can they exempt 5 GWhs from the hourly requirement?)
 - a. All load must be accounted for on an hourly basis if company load is over threshold. (21)
 - b. Up to the threshold can be exempted. (16)
 - c. N/A. No threshold should be used. (5)

* Includes asynchronous poll responses submitted by TWG members absent from meeting.

6. Deliverable markets for market-based claims

Summary of discussion

- The Secretariat outlined what the proposed methodology is for demonstrating deliverability.
- There was discussion about the Secretariat's proposed text changes
 - A member noted that the changed text for methodology 2 is inaccurate. The Secretariat noted that the different interpretation was unintentional, and the change will be reversed.
 - A member noted just because prices are similar doesn't mean that there is actually transmission between the regions and suggested caution around using price differentials to indicate deliverability.
 - A member noted that in rewriting the language, it should be made clearer which is lower.
 - The Secretariat noted that a one size fits all will never work for electricity markets, so the second and third options are for more sophisticated companies and reflect options used in similar programs already.
 - A member noted that these definitions need to be specific with a bulleted list of regional examples that apply to the definition, and that this list needs to be kept updated.
- There was a discussion about the first methodology for evidencing deliverability.
 - The Secretariat clarified that these multiple methods are not all required but instead each serves as an option.

- A member noted the complexity of the descriptions and that a specific list or map should be developed that reporters can use. The secretariat reiterated that the nature of the standard revision process requires starting with technical or detailed discussions after which effort would be made to provide simplified descriptions, graphical or tabular references, etc.
- A member noted that we should look at data on flows of electricity between countries
- The Secretariat walked through the flowchart for proposed methodology for demonstrating deliverable boundaries.
- There was discussion on the use of synchronous grid boundaries or national borders. A member clarified the definition of a synchronous grid.
- A member asked for an example of where we have to decide between national borders or a synchronous grid boundary.
- A member asked for the difference between the operationally integrated grid and synchronous grid. A member noted that operationally integrated grids may not apply to Southeast Asia.
- The Secretariat overviewed the other proposed methodologies for demonstrating deliverable boundaries when a company elects to not use the geographic boundary.

Proposal for exemption to deliverability in pursuit of an alternative contractual instrument

- The Secretariat outlined the proposed exemption and noted that the exemption assumes the absence of a consequential metric for companies to report.

Outcomes (e.g. recommendations, options)

- **Question 6.** Should companies be allowed to exercise a volumetric exemption (e.g., 5 – 10%) to the Scope 2 Quality Criteria 5 in pursuit of an alternative contractual instrument?
 - a. Yes (10)
 - b. No (17)
 - c. Only if there is no emissions impact reporting framework (e.g., from the consequential subgroup). (7)
 - d. Need more information (6)

** Includes asynchronous poll responses submitted by TWG members absent from meeting.*

7. Legacy clause

Summary of discussion

- The Secretariat reiterated earlier comments made about a legacy clause allowance.
- A member noted that the exemption should be related to load, not to a specific contract(s).
- A member asked whether a reporter moving from below the exemption threshold to above would also trigger implementation of a legacy clause.
- A member noted that the intent here is to allow any contracts that have been executed prior to implementation of the new standard to be honored using the standard applied at the time. Companies should not be retroactively penalized for these contracts.
- A member questioned whether there would be a cap on legacy exemptions.

Outcomes (e.g. recommendations, options)

- **Question 7.** Should a legacy clause be included to exempt existing contracts from meeting revised Scope 2 Quality Criteria?
 - a. Yes (27)
 - b. No (4)
 - c. Need more information (6)
- **Question 8.** If a legacy clause is included, should companies be required (shall), recommended (should), or allowed (may) to disclose contracts for which they have applied the clause?
 - a. Companies shall disclose contracts for which they have applied the clause (18)
 - b. Companies should disclose contracts for which they have applied the clause (10)

- c. Companies may disclose contracts for which they have applied the clause (3)
- d. Need more information (5)

** Includes asynchronous poll responses submitted by TWG members absent from meeting.*

1. Next Steps

Summary of discussion

- The next meeting date is June 4, 2025.
- The Secretariat noted that a revised draft is planned to be shared between June 11th and June 18th.
- The Secretariat clarified that the TWG won't be asked to provide further comments between seeing the draft and voting on June 25th.
- The Secretariat noted that the voting on June 25th will be related to both the overall draft as well as some specific questions on topics.

Summary of written submissions received prior to meeting

N/A