



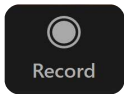
*Draft for TWG discussion*

# Scope 2 Technical Working Group Meeting

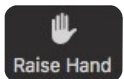
Meeting #6

January 16, 2025

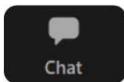




This meeting is recorded.



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. Goals of today's meeting
2. Formation of subgroup on consequential electric sector emissions impact measures
3. Timeline, process, & key milestone targets
4. Plan for moving to detailed revisions
5. Aligning on purposes, uses, and claims of each scope 2 method
6. Next steps

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# Goals of today's meeting

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## Goals of today's meeting

### 1. Project Accounting

- Launch of subgroup on consequential electric sector emissions impact measures

### 2. Timeline

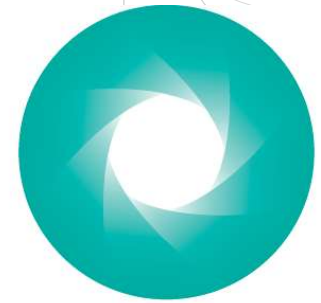
- Understand Scope 2 TWG timeline through 2026 and key milestones

### 3. Develop recommendation on purposes, use and claims for ISB feedback

- TWG alignment on the purposes, intended uses, and claims of each reporting method
- Set expectations for revisions to each method using the purposes, uses and claims as 'north star'

# Subgroup on consequential electric sector emissions impact measures

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## Formation of subgroup to develop recommendations on consequential electric sector emissions impact measures

- **Purpose**

- To develop recommendations for the consequential quantification and reporting of GHG emission impacts from a reporting organization's electricity sector actions.

- **Objectives**

- Provide focused, actionable recommendations to advance consequential accounting measures.
- **Part 1:** Outline of additional disclosure elements (e.g., statements, categories, etc.) needed to report on consequential measures of GHG emission impacts of electricity sector actions.
- **Part 2:** Create a detailed proposal for the Actions and Market Instruments (AMI) TWG on consequential accounting and reporting of electricity sector emissions impacts, including clear methodologies and guidance for calculation.

## Formation of subgroup to develop recommendations on consequential electric sector emissions impact measures

- **Implementation Framework**
  - Composition: Subset of Scope 2 TWG members
  - Frequency: Regular subgroup meetings facilitated by the Scope 2 & AMI secretariats, with ISB coordination as needed.
- **Approach**
  - Adhere to GHGP Decision-making Criteria and Hierarchy
  - Provide focused recommendations on consequential quantification and reporting of electricity sector emission impacts, supporting the AMI TWG as they determine how to integrate these into recommendations to the ISB.
- **Deliverables**
  - **Part 1: March 2025** - Outline of additional disclosure elements (e.g., statements, categories, etc.) needed to report on consequential measures of GHG emission impacts of electricity sector actions.
  - **Part 2: June 2025** - Deliver a detailed proposal for the AMI TWG on consequential accounting and reporting of electricity sector emissions impacts, including clear methodologies and guidance for calculation.
- **Please email the secretariat if you are interested in joining this subgroup.**



# Timeline, process, & key milestone targets

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## Draft Scope 2 Timeline

*Pending GHG Protocol Governance update, to be provided on January 14<sup>th</sup>.*






# Plan for moving to detailed revisions

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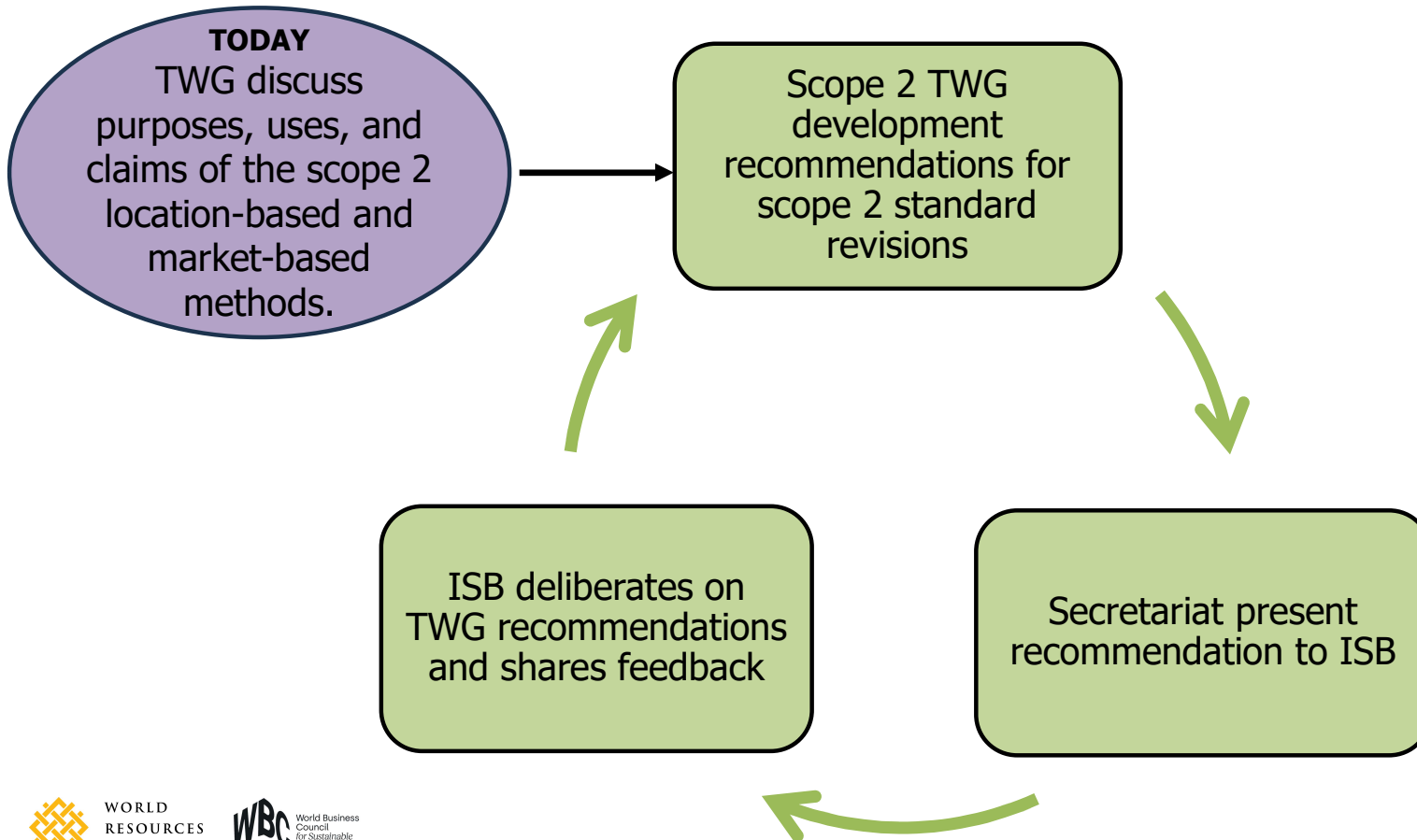


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## Plan for moving to detailed revisions

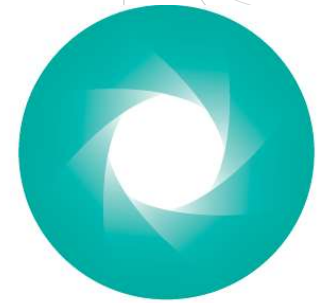
-  Review and discuss high-level proposals submitted by stakeholders 
-  Alignment on 'north star' purposes, internal/external uses and claims of each method **Today**
-  TWG members to start introducing draft revisions to scope 2 standard on Phase 1 topics **Starting next meeting**
-  Continued deliberation and refinement of detailed revisions for each method using purposes, uses and claims as 'north star' **Feb-Jun 2025**

## Revision development and ISB feedback process



# Aligning on purposes, uses, and claims of each scope 2 method

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## Goal of setting the 'north star' on purposes, uses and claims of each method

**Meeting goal:** Aligning on the purposes, uses, and claims of the scope 2 location-based and market-based methods consistent with the GHG Protocol's Mission and Vision.

### GHG Protocol Vision

*Pending GHG Protocol Governance update, to be provided on January 14<sup>th</sup>.*

### GHG Protocol Mission

*Pending GHG Protocol Governance update, to be provided on January 14<sup>th</sup>.*

### Scope 2 inventory 'north star'

*Purposes, internal/external uses, and claims of the scope 2 reporting methods*

## Process for discussing the 'north star'

### This meeting

1. Using table 4.1 from the Scope 2 Guidance as a template, TWG to provide feedback on the purposes, uses, and claims of the location- and market-based method
2. TWG members to react to each other's comments in Miro
3. Identify where there is alignment across comments

### After this meeting

4. Secretariat to update table 4.1 and share additional recommendations with ISB



## Revising Scope 2 Guidance Table 4.1

	Location-Based Method	Market-Based Method
<b>Definition</b>	A method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries	A method to quantify the scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own
<b>How method allocates emissions:</b>	Emission factors representing average emissions from energy generation occurring within a defined geographic area and a defined time period	Emission factors derived from the GHG emission rate represented in the contractual instruments that meet Scope 2 Quality Criteria
<b>Where method applies:</b>	To all electricity grids	To any operations in markets providing consumer choice of differentiated electricity products or supplier-specific data, in the form of contractual instruments
<b>Most useful for showing:</b>	<ul style="list-style-type: none"> <li>GHG intensity of grids where operations occur, regardless of market type</li> <li>The aggregate GHG performance of energy-intensive sectors (for example, comparing electric train transportation with gasoline or diesel vehicle transit)</li> <li>Risks/opportunities aligned with local grid resources and emissions</li> </ul>	<ul style="list-style-type: none"> <li>Individual corporate procurement actions</li> <li>Opportunities to influence electricity suppliers and supply</li> <li>Risks/opportunities conveyed by contractual relationships, including sometimes legally enforceable claims rules</li> </ul>
<b>What the method's results omit:</b>	<ul style="list-style-type: none"> <li>Emissions from differentiated electricity purchases or supplier offerings, or other contracts</li> </ul>	<ul style="list-style-type: none"> <li>Average emissions in the location where electricity use occurs</li> </ul>

	Location-based	Market-based
<b>Purposes</b>		
<b>Internal uses (by reporting entity)</b>		
<b>External uses (by users of GHG report)</b>		
<b>Appropriate claims supported by the method</b>		

Scope 2 Guidance, table 4.1, p. 26

## Developing recommendation on consequential electric sector emissions impact measures

	Location-Based Method	Market-Based Method
<b>Definition</b>	A method to quantify scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries ;	A method to quantify the scope 2 GHG emissions of a reporter based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own
<b>How method allocates emissions:</b>	Emission factors representing average emissions from energy generation occurring within a defined geographic area and a defined time period	Emission factors derived from the GHG emission rate represented in the contractual instruments that meet Scope 2 Quality Criteria
<b>Where method applies:</b>	To all electricity grids	To any operations in markets providing consumer choice of differentiated electricity products or supplier-specific data, in the form of contractual instruments
<b>Purposes</b>	<ul style="list-style-type: none"> <li>• GHG intensity of grids where operations occur, regardless of market type</li> <li>• The aggregate GHG performance of energy-intensive sectors (for example, comparing electric train transportation with gasoline or diesel vehicle transit)</li> <li>• Risks/opportunities aligned with local grid resources and emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Individual corporate procurement actions</li> <li>• Opportunities to influence electricity suppliers and supply</li> <li>• Risks/opportunities conveyed by contractual relationships, including sometimes legally enforceable claims rules</li> </ul>
<b>Internal uses</b>		
<b>External uses</b>		
<b>Claims supported</b>		
<b>What the method's results omit:</b>	<ul style="list-style-type: none"> <li>• Emissions from differentiated electricity purchases or supplier offerings, or other contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Average emissions in the location where electricity use occurs</li> </ul>

*Scope 2 Guidance, table 4.1, p. 26*

Consequential electric sector emissions impact measures

**Legend:** Existing text    Suggested by Secretariat

## Collaborative whiteboard discussion using Miro

- Link shared via email with TWG members in advance of meeting

### **Instructions:**

#### **Step 1: Adding your feedback**

1. Using the 'Sticky note' feature from the left side of the Miro, add a sticky note to insert your feedback. You can also use the pre-populated sticky notes, or duplicate existing sticky notes using Copy+Paste.
2. On the yellow sticky notes, write any suggested changes to the summarized existing text (turquoise sticky notes). You can also use yellow sticky notes to suggest entirely new text for consideration.
3. You can link sticky notes to each other by selecting the sticky note and clicking the blue circles to draw an arrow.

#### **Step 2: Evaluating each others' feedback**

1. Double click on others' sticky notes, then click the smiling face/emoji icon to find the Thumbs Up and Thumbs Down icons.
2. Add a Thumbs Up or Thumbs Down to sticky notes to indicate agreement or disagreement with others' comments.

# Next steps

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## Plan for reviewing revisions to the location- and market-based methods

- **Posting Revisions:** Suggested redlines and rationale slides will be posted to SharePoint on a rolling basis as they are received, allowing TWG members to both submit and refine revisions over time.
- **Initial Submission date:** Location-based method revisions submitted after January 14<sup>th</sup> will still be equally considered but may not be directly reflected in the meeting materials distributed on the 22<sup>nd</sup> for the January 29<sup>th</sup> TWG meeting. The same approach will apply to market-based method revisions provided after the January 29<sup>th</sup> initial submission date.
- **Review Expectations:** TWG members should review all posted location-based method revision materials before the January 29<sup>th</sup> meeting
- **Facilitated Discussions:** The Secretariat will identify emerging consensus and areas needing further collaboration
- **Ongoing Review:** Meetings through June will provide ongoing opportunities to further develop and refine content
- **Meeting Focus:**
  - January 29<sup>th</sup>: First review of location-based method revisions.
  - February 19<sup>th</sup>: First review of market-based method changes.

**Next meeting: Wednesday, January 29<sup>th</sup>, 09:00 EST/15:00 CET/22:00 CST**

## 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.

