

# Consequential electric sector emissions impact measure subgroup

Meeting number 1

Date: 06 February 2025

Time: 9:00 – 11:00 EST

Location: "Virtual" via Zoom

## Attendees

### Technical Working Group Members

1. Simone Accornero, Flexidao
2. Avi Allison, Microsoft
3. Enam Akoetey-Eyiah, I-TRACK Standard Foundation
4. Priya Barua, Clean Energy Buyers Alliance
5. Matthew Brander, The University of Edinburgh
6. Charles Cannon, RMI
7. Yenhaw Chen, Taiwan Institute of Economic Research
8. Jessica Cohen, Constellation Energy Corporation
9. Abhilash Desu, Science Based Targets Initiative (SBTi)
10. Neil Fisher, The NorthBridge Group
11. Emma Konet, Tierra Climate
12. Stephen Lamm, Bloom Energy
13. Holly Lahd, Center for Green Market Activation
14. Gregory Miller, Singularity Energy
15. Yiwon Qiu, Independent
16. Henry Richardson, WattTime
17. Wilson Ricks, Princeton University

### Guests

None present

### GHG Protocol Secretariat

1. Kyla Aiuto
2. Elliott Engelmann
3. Chelsea Gillis
4. Michael Macrae
5. Michael Wagar
6. Kevin Kurkul
7. Nisalyna Bontiff
8. Alejandra Bosch

## Documents referenced

1. GHG Accounting and Reporting on the Impacts of Actions and Market Instruments Standard Development Plan
2. Scope 2 Standard Development Plan

Item	Topic and Summary	Outcomes
1	<b><i>Welcome and goals of meeting</i></b> The Secretariat welcomed members of the subgroup and discussed the goals of the meeting.	N/A
2	<b><i>Overview of AMI workstream</i></b> The Secretariat from the Actions and Market Instruments workstream introduced themselves and provided an overview of the AMI scope of work and expected interaction with the subgroup.	N/A
3	<b><i>Review of timeline and deliverable</i></b> The Secretariat outlined the expected deliverables for the subgroup and discussed the meeting timeline.	See summary of outcomes
4	<b><i>Review accounting and reporting principles from Project Accounting Standard</i></b> The Secretariat presented relevant context about the existing Project Accounting Standard including relevant accounting and reporting principles and key terms.	N/A
5	<b><i>Discussion on purposes and uses of consequential electric sector emission impact measures</i></b> Members discussed the purposes and uses of consequential electric sector emission impact measures.	N/A
6	<b><i>Next steps</i></b> The Secretariat reviewed next steps, including due dates for proposals to be submitted by members and the schedule of upcoming meetings.	See summary of outcomes

## Summary of discussion and outcomes

### 1. Welcome and goals of meeting

#### Summary of discussion

- The Secretariat reviewed the goals of the meeting which include outlining the timeline and deliverables for the subgroup, reviewing the GHG Protocol accounting and reporting principles for consequential emissions accounting and discussing the purposes and uses of consequential emissions accounting for the electric sector.

#### Outcomes (e.g. recommendations, options)

N/A

### 2. Overview of AMI workstream

#### Summary of discussion

- The Secretariat of the Action and Market Instruments (AMI) TWG introduced themselves. They noted that they will join certain, but not all, of the subgroup calls.
- The Secretariat outlined the objectives for the AMI TWG.
- The Secretariat noted that, for the purpose of the AMI TWG, what is commonly referred to as the 'inventory report' would be referred to as the GHG report. This report includes both the inventory and elements that are reported separately such as GHG trades, project-based emission reductions or removals and avoided emissions.
- The Secretariat presented an outline of the draft conceptual hierarchy/framework that is intended to assist in structuring conversations in the AMI TWG.

- The Secretariat briefly summarized stakeholder feedback related to AMI from the 2023 surveys.
- The Secretariat noted the role of this subgroup is to provide sector-specific context on these questions for AMI TWG consideration, outlined the estimated timeline for the AMI TWG deliverables, and noted that a summary of outcomes is expected to be produced by the end of 2025.

Outcomes (e.g. recommendations, options)

N/A

### **3. Review of timeline and deliverables**

Summary of discussion

- The Secretariat highlighted key points from the Scope 2 Standard Development Plan, noting the items from the Phase 1 Scope of Work related to project-level consequential accounting.
- The Secretariat clarified the relationship between the subgroup and the Scope 2 TWG, noting that the subgroup will have regular touch points with the main Scope 2 TWG to provide awareness and the opportunity for feedback.
- The Secretariat clarified that the full Scope 2 TWG is responsible for developing a recommendation to the Independent Standards Board (ISB) related to the inclusion of project accounting in the final Scope 2 standard.
- The Secretariat outlined the subgroups two main deliverables:
  - Part 1: Outline of additional disclosure elements (e.g., statements, categories, etc.) needed to report on consequential measures of GHG emission impacts from electricity sector actions.
  - Part 2: Create a detailed proposal for the AMI TWG on consequential accounting and reporting of electricity sector emissions impacts, including clear methodologies and guidance for calculation
- The Secretariat noted that the recommendation for Part 1 is currently scheduled to be deliverable to the AMI TWG in March, and Part 2 in June.
- The Secretariat presented the timeline of upcoming meetings and highlighted areas of focus.

Outcomes (e.g. recommendations, options)

N/A

### **4. Review accounting and reporting principles from Project Accounting Standard**

Summary of discussion

- The Secretariat noted that the subgroup would use the same decision-making criteria and hierarchy as the Scope 2 TWG but should be aware of where the Accounting and Reporting Principles differ between the Project Accounting Standard and the Corporate Standard.
- The Secretariat outlined additional concepts relevant to project accounting.
- A member noted that since the Guidelines for Grid-Connected Electricity Projects was published in 2005 other methodologies have been developed.
- The Secretariat noted that it is the subgroup's responsibility to consider these methodologies alongside the existing concepts that are foundational to project accounting.

Outcomes (e.g. recommendations, options)

N/A

### **5. Discussion on purposes and uses of consequential electric sector emission impact measures**

Summary of discussion

- The Secretariat presented a summary of the purposes and uses of consequential electric sector emission impact measures developed in the full Scope 2 TWG. The TWG members spent the rest of the meeting discussing these purposes and uses.

- Some members suggested 'target setting' be added as a purpose, highlighting that companies want to track their net impact over time and attributional accounting is not the appropriate method for doing so.
- Members discussed whether a consequential method should be used to inform an attributional target for reducing inventory emissions. Some members thought consequential reporting should be used for assessing the impact of routine decisions made to reduce inventory emissions, whereas others thought the consequential method should be used only to inform discrete, one-off actions.
- Members considered the definition of an 'action', discussing whether a hypothetical choice not to make certain decisions (e.g., choice not to retrofit with energy efficiency measures) would also be considered an 'action'.
- There was discussion on whether marginal emission rate data is the right data source to inform these actions or inactions. A member highlighted that the purposes should be clearly about what the method is trying to do, not the data source being used to achieve that. They suggested removing the references to 'marginal' emissions from the purposes.
- A member noted that a purpose of a consequential method could be as a risk assessment tool.
- Members discussed why the current GHG Protocol standards related to consequential accounting have not been widely adopted by programs setting targets.
- The group broadly agreed on the following purposes of consequential electric sector emission impact measure:
  - Estimate consequential emission impacts of a company's consumption actions in the reporting year.
  - Estimate avoided emissions associated with a company's procurement actions in the reporting year.

Outcomes (e.g. recommendations, options)

N/A

## **6. Next steps**

Summary of discussion

- The Secretariat noted that the next subgroup meeting is on March 6<sup>th</sup>.
- Members were asked to collaboratively develop proposals of what should be included in a consequential impact statement, including the specific elements to be included (e.g. types of projects/activities) and a discussion of boundaries. Proposals should be submitted in PowerPoint format and include a justification for each element to be included in the statement.
- Members were asked to read all submitted proposals prior to the next meeting.

Outcomes (e.g. recommendations, options)

- Members to develop a proposal of a consequential impact statement to be submitted in a PowerPoint format, by February 21<sup>st</sup>.

## **Summary of written submissions received prior to meeting**

N/A