Scope 2 TWG Meeting Minutes

Meeting number 7

Date: 29 January 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. Priya Barua, Clean Energy Buyers Alliance
4. Matthew Brander, The University of Edinburgh
5. Stephen Buskie, WBCSD
6. Charles Cannon, RMI
7. Yenhaw Chen, Taiwan Institute of Economic Research
8. Jules Chuang, Mt. Stonegate Green Asset Management Ltd
9. Jessica Cohen, Constellation Energy Corporation
10. James Critchfield, EPA
11. Killian Daly, EnergyTag
12. Abhilash Desu, Science Based Targets Initiative (SBTi)
13. Neil Fisher, The NorthBridge Group
14. Aileen Garnett, Genesis Energy Limited
15. Andrew Glumac, CDP
16. Matthew Gray, TransitionZero
17. Svend Brun Fjendbo Hansen, Ørsted
18. Peggy Kellen, Center for Resource Solutions
19. Emma Konet, Tierra Climate
20. Stephen Lamm, Bloom Energy
21. Lissy Langer, Technical University of Denmark (DTU)
22. Kelly Lichter, PepsiCo
23. J. Andrea Méndez Velásquez, Atmosphere Alternative
24. Gregory Miller, Singularity Energy
25. Alex Perera, WRI
26. Yiwen Qiu, Independent
27. Henry Richardson, WattTime
28. Wilson Ricks, Princeton University
29. Alexandra Styles, HIR Hamburg Institut Research
30. Devon Swezey, Google
31. Kae Takase, Renewable Energy Institute
32. Linda Wamune, Energy Peace Partners
33. Sophia Wang, Gilead Sciences

Guests

None present

GHG Protocol Secretariat

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

Documents referenced

1. Mentimeter polling

Item	Topic and Summary	Outcomes
1	***Welcome and goals of meeting*** The Secretariat welcomed members of the TWG and discussed the goals of the meeting, which include polling members on various criteria for the location-based method.	N/A
2	***Context for consideration*** The Secretariat presented some relevant context from prior meetings, including purposes of the location-based method, the decision-making criteria, and an indicative poll taken on required reporting methods.	N/A
3	***Summary of key issues raised in revisions*** The Secretariat reviewed location-based method revisions submitted by members of the TWG.	N/A
4	***Issue polling*** The Secretariat polled members of the TWG on 11 questions related to criteria, hierarchies, and requirements of the location-based method.	See summary of outcomes
5	***Next steps*** The Secretariat reviewed next steps, including due dates for revisions and the schedule of upcoming meetings.	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 goals of the meeting which include polling the group on key issues and starting to align on areas of convergence and further understanding context on areas of divergence.

Summary of discussion

N/A

Outcomes (e.g. recommendations, options)

N/A

2. Context for consideration

Summary of discussion

- The Secretariat recapped feedback on the location-based method purposes discussed at meeting #6 and indicated that this feedback will be shared with the ISB.
- The Secretariat briefly revisited the decision-making criteria and reviewed the assessment discussed in meeting #3 of the existing location-based method, as well as a proposal to increase the temporal and geographic granularity of the location-based method.
- The Secretariat reviewed a prior indicative poll of the TWG on the required reporting methods for scope 2.

Outcomes (e.g. recommendations, options)

N/A

3. Summary of key issues raised in revisions

Summary of discussion

- The Secretariat reviewed location-based revision submissions sent in by the working group members and asked if there were any clarifications needed by the group.

Outcomes (e.g. recommendations, options)

N/A

4. Issue polling

Summary of discussion

- The Secretariat presented five issues for polling during the meeting, including:
  - Defining the necessary criteria for location-based emission factor selection
  - Using hierarchies for emission factor selection or a single requirement
  - Defining the location-based emission factor hierarchies
  - Within hierarchies, requiring, recommending, or allowing the most precise data available
  - Using estimated vs. actual activity data
- The Secretariat reviewed the four proposals received from TWG members and discussed how each proposal suggested answers to the five polling issues.
- Issue 1: 'Defining the necessary criteria for location-based emission factor selection'
  - The Secretariat reviewed each of the four proposals submitted by members and addressed how each approached the necessary criteria for location-based emission factor selection.
  - Members discussed the importance of including criteria on temporal granularity, spatial granularity, and whether production or consumption-based emissions factors are specified.
- Issue 2: 'Using hierarchies for emission factor selection or a single requirement'
  - The Secretariat noted that three of the proposals suggested hierarchies for temporal and spatial boundaries, and two of the proposals suggested a combination of requirements and hierarchies for whether consumption or production-based emission factors should be used.
  - A member noted that if comparability is considered to be a foundational purpose of the location-based method, then requiring a single level of conformance is necessary, rather than a hierarchy.
  - A member asked for clarification about how consumption-based data is calculated. They raised a concern that use of consumption-based data would introduce market data (transactions of attributes) into the location-based method.
  - Some members indicated support for requiring all reporters in the same location to use the same emission factor.
  - A member raised a concern that a hierarchy may incentivize reporters to use lower granularity emission factors by claiming that other data is not available.
  - The working group discussed the interaction between hierarchies and "should" or "shall" language.

- Issue 3: 'Defining the location-based emission factor hierarchies'
  - The Secretariat addressed how each of the four proposals proposed handling hierarchies.
  - Members discussed the hierarchy for spatial granularity, and in particular differences between national and grid balancing areas.
  - Members noted that the existence of better data is a key consideration in determining which levels of granularity should be included in hierarchies and asked whether GHG Protocol could take an active role in facilitating or monitoring databases for calculation.
  - A member noted the importance of hierarchy levels being consistent across location-based and market-based methods and consequential accounting and reporting.

    - A member commented that some organizations are not going to be able to deal with more granular data even if it is available, e.g. nodal.
    - Members discussed the significance of removing national as a level of spatial boundary, as outlined in one of the proposals. One member noted that in some nations there is nothing more granular available than a national emission factor even when this does not reflect a single grid, so some flexibility to allow for this may be necessary.

- Issue 4: 'Within hierarchies, requiring, recommending, or allowing the most precise data available'
    - The Secretariat reviewed how each of the four proposals approached "should" "shall" or "may" language within spatial and temporal hierarchies.
    - Members of the working group discussed differences between "available" and "accessible" as it relates to emission factor datasets and questioned whether data being available necessarily meant it was accessible for all companies to use.
    - Some members argued that the word "available" should be inclusive of accessibility, and that only datasets that were both available and accessible would be subject to any "shall" language.
    - Some members also raised the issue of activity data availability and questioned whether all companies would be able to access the data needed to calculate emissions.
    - Members asked for clarification on what "shall" "should" and "may" mean and asked whether there is data available on whether should or shall language drives actions of corporate reporters.
    - Members discussed the option of using thresholds to determine requirements, rather than apply shall or should language to all reporters equally.
    - Members discussed a threshold of 5GWhs, under which companies would not be subject to the highest level of granularity in the temporal emission factor hierarchy.
    - Members discussed phase-in periods, and whether this would relieve some of the feasibility concerns raised by other members of the TWG.
- Issue 5: 'Using estimated vs. actual activity data'
    - The Secretariat reviewed how two of the proposals addressed the issue of using estimated load profiles of less temporally granular actual activity data to achieve a higher temporal precision.
    - Members discussed considerations with regard to the availability of profiled load data, and that this concept is widely used in other industries.
- Members discussed the situation where the spatial granularity of the most precise temporal dataset does not match the most precise spatial granularity available.
- Several members suggested that spatial granularity should take precedence over temporal granularity in these situations.
- One member indicated a preference for consumption-based emission factors, and then spatial granularity above temporal granularity.
- One member suggested that the Scope 2 Guidance revise language to encourage target setting using location-based data.
- Members discussed the intricacies of reporting emissions from energy storage, and raised questions related to the criteria and hierarchies discussed.

<u>Outcomes (e.g. recommendations, options)</u>

- Issue 1: Are temporal boundaries a necessary criterion?
    - Yes: 29
    - No: 0
    - Need more information: 0
- Issue 1: Are spatial boundaries a necessary criterion?
    - Yes: 29
    - No: 0
    - Need more information: 0

- Issue 1: Is defining data as either production or consumption-based a necessary criterion for selecting emission factors for the location-based method?
    - Yes: 25
    - No: 2
    - Need more information: 4

- Issue 2: For spatial boundaries, should there be a requirement to use one specific level of precision, or should there be a hierarchy?
    - Hierarchy depending on data availability: 27
    - One specific level of precision: 4
    - Need more information: 1
- Issue 2: For temporal boundaries, should there be a requirement to use one specific level of precision, or should there be a hierarchy?
    - Hierarchy depending on data availability: 29
    - One specific level of precision: 0
    - Need more information: 1
- Issue 2: For consumption vs. production-based data, should there be a requirement to use one specific level of precision, or should there be a hierarchy?
    - Hierarchy depending on data availability: 30
    - One specific level of precision: 0
    - Need more information: 2

- Issue 3: For temporal boundaries, which levels should be included?
    - Sub-hourly: 13
    - Hourly: 27
    - Daily: 18
    - Monthly: 25
    - Annually: 26
- Issue 3: For spatial boundaries, which levels should be included?
    - Nodal: 5
    - Sub-grid: 12
    - Grid balancing area: 26
    - Regional or subnational: 28
    - Interconnect: 21
    - National: 26

- Issue 4: the most precise spatial boundary for which emission rate data are available:
    - Shall be used: 22
    - Should be used: 5
    - May be used: 2
    - Only data with specific precision should be used: 1
    - Need more info: 1
- Issue 4: the most precise temporal boundary for which both activity data and emission rate data are available:
    - Shall be used: 20
    - Should be used: 7
    - May be used: 3
    - Only data with specific precision should be used: 1
    - Need more info: 1

- Issue 5: when actual hourly activity data is not available, activity data estimates using hourly profiles...
    - Shall be used: 9
    - Should be used: 5
    - May be used: 13
    - Shall not be used: 0
    - Need more information: 4

An opportunity was provided to several TWG members were unable to attend the meeting to share their polling preferences asynchronously. Please see the final presentation materials for a complete analysis of all feedback.

5. Next steps

Summary of discussion

- The Secretariat reviewed next steps, which include:
    - Posting revisions for further redline edits
    - The due date for market-based revisions has been extended to January 31st
    - The expectation that all members review all revisions
    - That the Secretariat will start to identify areas of consensus
    - That the next meeting will take place on February 19th
    - That the next iteration of location-based revisions are due on February 12th
    - That the second iteration of market-based revisions will be due March 5th
    - First subgroup meeting on consequential electricity sector emissions impact measured is scheduled for Thursday 6th February

Outcomes (e.g. recommendations, options)

If any members are interested in joining the subgroup please let the Secretariat know as soon as possible.

Summary of written submissions received prior to meeting

N/A