

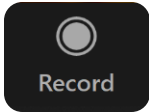


# Scope 2 Consequential Subgroup

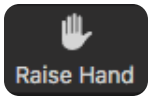
## Meeting #2

March 6, 2025

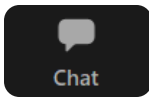




This meeting is recorded.



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. Housekeeping & goals for meeting
2. Overview of submitted materials
3. Discussion and polling
4. Next steps



## GREENHOUSE GAS PROTOCOL

# Goals of today's meeting



## GREENHOUSE GAS PROTOCOL

## Housekeeping and goals

- Goals of today's meeting
  - Review submissions
  - Discussion on elements of the consequential disclosure statement
  - Align on any changes/edits moving forward

## Notes for today's discussion

### Focus on elements and scope of the disclosure

- Calculation details will be worked out in our Part 2 deliverable
- However, material considerations should be resolved at this stage

### Keep decision-making criteria in mind

- Scientific integrity, accounting and reporting principles, support for decision-making, supports GHG programs, and feasibility
- Final part 2 deliverable will include an analysis against the DMC

# **Overview of submitted materials**

## Proposal #1 Purposes

1. Estimate electric-sector emissions impacts of a company's electricity consumption
2. Estimate electric-sector emissions impacts of a company's procurement actions (generation and storage)
3. Identify and prioritize consumption and procurement actions that reduce emissions to the atmosphere
4. Establish and report progress toward abatement and goal setting targets related to consequential emissions impact of consumption and procurement actions



## Proposal #1: Routine reporting

- Elements of disclosure statement
  - Avoided emissions values
  - Induced emissions values
  - Net impact (induced minus avoided)
  - Basis for additionality/causality for avoided emissions values
  - Emission rates used
- Applicability
  - All electricity consumption
  - All generation (including storage) from projects with “additional” claim

## Proposal #1: Routine reporting

- Temporal boundary – reporting year (ex post)
- Geographic boundary – none
  - Shall “net” at a global level
  - Should/may “net” at more granular geographic levels
- Lifecycle treatment – limited to electric sector impacts
- Granularity – data hierarchy for temporal and geographic, with priority for more granularity
- Operating and build margins assessed

# Statement structure examples for proposal #1

Illustrative Statement 1	
Avoided emissions	___ tons
Induced emissions	___ tons
Net impact	___ tons
Additionality basis	Description project 1
	Description project 2
	Description project 3
	Description project 4
	Description project 5
Emission rates	Emission rate 1
	Emission rate 2
	Emission rate 3
	Emission rate 4
	Emission rate 5

Illustrative Statement 2			
Source	Emissions	Additionality basis	Emission factor
Consumption 1	(+/-) tons	N/A	Rate
Consumption 2	(+/-) tons	N/A	Rate
Consumption 3	(+/-) tons	N/A	Rate
Project 1	(+/-) tons	Description	Rate
Project 2	(+/-) tons	Description	Rate
Avoided emissions total			___ tons
Induced emissions total			___ tons
Net impact			___ tons

Supplemental disclosure?

## Proposal #2 Purposes

1. Ex ante (forward-looking) assessment to inform decision-making/abatement planning.
2. Ex post (backward-looking) evaluation of past interventions.
3. Assess whether interventions aimed at reducing electric-sector emissions may have counterproductive effects that undermine or outweigh the intended reduction benefit.
4. For assessments of products/services – to inform decision-making by a. impact investors; b. climate opportunity investors; c. buyers/consumers.

## Proposal #2: Ad-hoc assessments

- Assessment of the total lifetime system-wide change in emissions/removals caused by electric-sector interventions (including products, projects, policies and actions )
- Elements of disclosure statement
  - Baseline scenario emissions/removals
  - Intervention scenario emissions/removals
  - Net change (intervention scenario – baseline scenario)
- Applicability
  - Electricity generation & storage projects counted toward inventory or routine consequential claims for which there are significant risks of counter-productive secondary effects
  - Load shifting and reduction interventions for which there are significant risks of counter-productive secondary effects
  - Material policy-level interventions
  - Electric-sector products, e.g. technologies developed and produced by the reporting company

## Proposal #2: Ad-hoc assessments

- Temporal boundary – period of time that intervention causes a change in emissions/removals (ex post and/or ex ante)
- Geographic boundary – none
- Sources/sinks – all sources and sinks

# Discussion

## Discussion questions proposal #1

- What information does calculating the induced emissions value from all of a reporting organization's consumption tell us? Does it make sense to sum all marginal impacts across a company's operations?
- Limiting induced and avoided emissions assessments to the reporting year may violate the Project Protocol accounting and reporting principle of completeness.
- Limiting induced and avoided emissions assessments to only electric sector impacts may violate the accounting and reporting principle of relevance and completeness.
- An intervention (PPA, EE project, EV charging, etc....) executed by a reporting company may show up in their scope 2 MB value, their routine consequential emissions report, and their ad-hoc consequential emissions report. Are there valid concerns of assessing these impacts three times?
- Are there potential concerns with treating storage as exclusively a generation asset?
- Proposal #1 does not evaluate impacts relative to a baseline, does this create potential scientific integrity concerns?



## Discussion questions proposal #2

- Clarification on scope of system-wide emissions impacts assessed. Does system-wide include land use changes? Upstream supply chain impacts?
- How is risk of counter-productive secondary effects determined for projects? Does this lead to potential cherry-picking?
- Does this group intend to define which secondary effects “shall” “should” or “may” be included in an analysis, or will this be done on a case-by-case basis?

# Next Steps

## Next Steps

- **March 12<sup>th</sup>** – due date for edits to part 1 deliverable.
  - Edits should incorporate key discussion topics from today’s meeting.
  - Edits should be delivered in the same format as the first round of proposals.
- **March 20<sup>th</sup> meeting** – members should be prepared to vote on and finalize all elements of the part 1 deliverable.

## 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.

