

Scope 2 TWG Meeting Minutes

Meeting number 9

Date: 5 March 2025

Time: 17:00 – 19:00 EST

Location: "Virtual" via Zoom

Attendees

Technical Working Group Members

1. Simone Accornero, Flexidao
2. Enam Akoetey-Eyiah, I-TRACK Standard Foundation
3. Avi Allison, Microsoft
4. Priya Barua, CEBA
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. James Critchfield, EPA
10. Killian Daly, EnergyTag
11. Abhilash Desu, Science Based Targets Initiative (SBTi)
12. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
13. Pengfei Fan, China Electric Power Planning & Engineering Institute (EPPEI)
14. Neil Fisher, The NorthBridge Group
15. Aileen Garnett, Genesis Energy Limited
16. Andrew Glumac, CDP
17. Matthew Gray, TransitionZero
18. Svend Brun Fjendbo Hansen, Ørsted
19. Peggy Kellen, Center for Resource Solutions
20. Emma Konet, Tierra Climate
21. Matthew Konieczny, Watershed
22. Holly Lahd, Center for Green Market Activation
23. Stephen Lamm, Bloom Energy
24. Erik Landry, GRESB
25. Lissy Langer, Technical University of Denmark (DTU)
26. Kelly Lichter, PepsiCo
27. Gregory Miller, Singularity Energy
28. Alex Perera, WRI
29. Yiwon Qiu, Independent
30. Henry Richardson, WattTime
31. Wilson Ricks, Princeton University
32. Alexandra Styles, HIR Hamburg Institut Research
33. Devon Swezey, Google
34. Kae Takase, Renewable Energy Institute
35. Linda Wamune, Energy Peace Partners
36. Sophia Wang, Gilead Sciences

Guests

None present

GHG Protocol Secretariat

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

Documents referenced

1. Mentimeter polling

Item	Topic and Summary	Outcomes
1	<i>Welcome and goals of meeting</i> The Secretariat welcomed members of the TWG and discussed the goals of the meeting, which include sharing feedback from the ISB, and polling the group on issue #2.	N/A
2	<i>Feedback from ISB</i> The Secretariat shared initial non-binding feedback from the ISB related to scope 2 issues, including the need to incentivize ambitious climate action, the treatment of attributional and consequential emissions metrics, support for the concept of physical deliverability in the scope 2 inventory, and concerns related to global feasibility of the standard.	N/A
3	<i>Issue 2: Treatment of standard supply service and voluntary procurement</i> The Secretariat polled the working group on several questions related to the concept of standard supply service, and whether additional restrictions should be incorporated for voluntary procurement. The working group discussed issues related to the polling questions.	N/A
4	<i>Next steps</i> The Secretariat shared next steps including the next working group meeting on March 19 th , and a deadline for the next round of market-based revisions due on April 4 th .	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 shared that the two main goals for the meeting include sharing feedback from the ISB and beginning polling on issue #2.

Summary of discussion

N/A

Outcomes (e.g. recommendations, options)

N/A

2. Feedback from ISB

Summary of discussion

- The Secretariat described the context of feedback from the ISB, noting the information shared summarizes initial feedback from some ISB members and is for informational purposes only. It does not represent a formal ISB decision or the consensus of the entire ISB. The points shared reflect the Secretariat's interpretation of the discussion and should not be considered final or binding.
- The Secretariat highlighted five areas of feedback from the ISB:
 - The need to incentivize ambitious climate action
 - Clarity on attributional and consequential accounting in the context of the MBM
 - Interest in a what a model comprehensive GHG report could look like for the electric power sector, inclusive of scope 2 inventory and consequential metrics.
 - Support for the concept of physical deliverability in the inventory
 - Ensuring global feasibility

- Members asked for clarification on feedback from the ISB related to situations where physical connection to projects is not possible. One member highlighted that physical deliverability is not possible to achieve in many parts of the world and stressed that additional incentives are needed to incentivize ambitious actions rather than additional restrictions. The Secretariat noted that the ISB's feedback focused on the need to have a broad view how consider these situations across a comprehensive GHG report and reiterated that the ISB indicated interest in both inventory and consequential emissions measures, and that consequential measures may fill some of the gaps raised by members in their questions.
- There was discussion how the ISB is considering companies that cannot necessarily meet the threshold of "best practice" in the context of ensuring global feasibility. One member asked whether the ISB is considering the GHG Protocol's role in facilitating feasibility by collecting and publishing emission factors and other data. The Secretariat noted that this is an area that will be further explored with the ISB moving forward.
- Members asked for guidance about how to use this ISB feedback moving forward. The Secretariat reiterated that these are early deliberations by the ISB and do not represent anything binding, but that the working group should take feedback into consideration as further revisions are proposed.

Outcomes (e.g. recommendations, options)

N/A

3. Issue 2: Treatment of standard supply service and voluntary procurement

Summary of discussion

- The Secretariat provided a description of issue 2a, the treatment of standard supply service and the order of operations and issue 2b, whether additional restrictions on voluntary procurements in market-based scope 2 inventories should be considered followed by an overview of some existing language from the Scope 2 Guidance on the topic of standard supply service and supplier-specific emission factors.
- The Secretariat shared that there is some initial alignment in proposed changes from multiple TWG member author groups, including:
 - An aligned definition of standard supply service.
 - That standard supply service should remain a foundational component of market-based accounting.
 - The ability of companies to opt in to claim the pro-rata share of standard supply service.
 - If a company decides not to claim their pro-rata share, the unclaimed portion of standard supply service should be ineligible for other reporters to claim.
- Members discussed the definition of standard supply service, and arguments for and against unclaimed pro rata shares being ineligible for other reporters. One member asked for clarification on the types of entities covered under standard supply service, and how reporting organizations can determine which of their suppliers are subject to this categorization.
- One member noted that supplier-delivered emission rates are already in the emission factor hierarchy in the Scope 2 Guidance, and further clarity would help claims being made using these emission rates.
- Members discussed feasibility concerns related to implementing this concept in inventories, including one note that standard supply service may be more complicated in certain jurisdictions and geographies than others.
- The Secretariat polled the working group:
 - Poll 1: Should reporting entities have the right to claim the pro rata share of Standard Supply Service (SSS) CFE deliverable to their facilities?
 - Yes - 25
 - No - 1

- Need more information - 3
 - Poll 2: If a reporter doesn't opt-in to claim their pro rata SSS CFE, should it be eligible for voluntary claims in the MB inventories of other companies?
 - Yes - 0
 - No - 30
 - Need more information – 0
- The Secretariat reviewed the concept of the order of operations of standard supply service and voluntary procurement and asked the TWG for questions or clarifications on the subject.
- Members asked for clarity on the order of operations options, and implications for companies achieving 100% renewable energy.
- The Secretariat polled the working group:
 - Poll 3: If the pro rata share of SSS CFE is 20% of a reporter's load, what % of its load should a reporter need to voluntarily procure to reach 100% CFE?
 - 80% of its load - 27
 - 100% of its load - 1
 - Other - 1
 - Need more information – 3
- The Secretariat reviewed issue 2b, on additional restrictions on voluntary procurement.
- Options for additional restrictions that have been proposed include:
 - Incrementality criteria
 - Grid-based limit
 - Bundled procurements
 - Causality tests
 - No further restrictions
- Members discussed the concept of creating scarcity in the market for eligible voluntary procurement through additional scope 2 requirements:
 - One member noted that additional restrictions should not be necessary given that other restrictions the TWG has previously discussed, including time and location matching, already create enough scarcity to drive changes in the generation resource mix.
 - Another member responded by saying that in many grids the portion of existing CFE on the grid is very high, and so additional restrictions may be necessary to create adequate scarcity.
- Members surfaced differences between "performance accounting" and inventory accounting as it relates to additional restrictions on voluntary procurement.
- Members discussed the concept of "meaningful financial relationships" between buyers and projects or energy attribute certificates, and whether these relationships are required in an attributional inventory context.
- The following questions were explored with the TWG:
 - If a company discloses zero scope 2 emissions under the MBM, what is an accurate interpretation of that number considering temporal and spatial deliverability, allocation of standard supply service, and each of the following restrictions on voluntary procurement:
 - Question 4: If voluntary procurement meets criteria that indicates it contributes to incremental CFE generation
 - "The generation serving the company's load has zero emissions"
 - "100% of the company's electricity consumption is matched with deliverable CFE generation"
 - "The company's consumption is met by deliverable CFE that it caused to exist"
 - "The company's CFE procurement has helped reduce emissions from the deliverable power supply"
 - Question 5: If voluntary procurement meets causality tests
 - "The generation serving the company's load has zero emissions"

- “100% of the company’s electricity consumption is matched with deliverable CFE generation”
- “The company’s consumption is met by deliverable CFE that it caused to exist”
- “The company’s CFE procurement has helped reduce emissions from the deliverable power supply”
- Question 6: If voluntary procurement has no additional restrictions (beyond temporal and spatial deliverability)
 - “The generation serving the company’s load has zero emissions”
 - “100% of the company’s electricity consumption is matched with deliverable CFE generation”
 - “The company’s consumption is met by deliverable CFE that it caused to exist”
 - “The company’s CFE procurement has helped reduce emissions from the deliverable power supply”
- Members asked for clarity on the polling question related to the differences between incrementality and causality. Members responded that incrementality refers to the age of a facility, while causality refers to the extent to which a company has caused a project to exist.
- The Secretariat previewed polling questions for the next working group meeting, on additional topics related to voluntary procurement.
- One member asked for a definition of causality, and how it would be implemented.
- One member asked for clarity on whether upcoming poll #9 applies to only voluntary procurement or standard supply service as well.
- One member noted that there are downsides to causality or incrementality tests related to market liquidity.

Outcomes (e.g. recommendations, options)

N/A

Next steps

Summary of discussion

- The Secretariat reviewed next steps, which included:
 - The next working group meeting takes place on Wednesday, March 19th at 9:00 EST/15:00 CET/ 22:00 CST.
 - Next iteration of market-based redline changes due by April 4th
 - Working group members were asked to continue engagement through Miro.
 - Working group members should continue to review all location- and market-based revisions submitted by others and posted to the shared folder.

Outcomes (e.g. recommendations, options)

N/A

Summary of written submissions received prior to meeting

N/A