

Consequential electric sector emissions impact measure subgroup

Meeting number 3

Date: 20 March 2025

Time: 10:00 – 12:00 ET

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. Jessica Cohen, Constellation Energy Corporation
8. Abhilash Desu, Science Based Targets Initiative (SBTi)
9. Stuti Dubey, DRECs Initiative
10. Neil Fisher, The NorthBridge Group
11. Emma Konet, Tierra Climate
12. Stephen Lamm, Bloom Energy
13. Gregory Miller, Singularity Energy
14. Yiwon Qiu, Independent
15. Henry Richardson, WattTime
16. Wilson Ricks, Princeton University
17. Matthew Konieczny, Watershed

Guests

None present

GHG Protocol Secretariat

1. Kyla Aiuto
2. Elliott Engelmann
3. Michael Macrae
4. Fui Yee Ng
5. Alejandra Bosh
6. Kevin Kurkul

Documents referenced

1. Consequential subgroup Part 1 Proposal submission #3

Item	Topic and Summary	Outcomes
1	<i>Welcome and goals of meeting</i> The Secretariat welcomed members and discussed the meeting goals.	N/A
2	<i>Overview of last meeting</i> The Secretariat highlighted areas of agreement and disagreement on TWG member Proposal 1 (routine reporting) and 2 (ad hoc assessments) from the previous meeting.	N/A
3	<i>Proposal 3 and Discussion</i> The Secretariat shared a summary of a newly submitted member proposal that was observed to build on Proposal 1 and Proposal 2. TWG members raised questions that require further discussion to: <ul style="list-style-type: none"> • Clarify baseline selection. • Clarify whether impacts should be reported in the year the action occurs or over the lifetime of the project • Clarify how to integrate uncertainty analysis and reporting. • Explore the establishment of a public database for marginal emission rate data. 	N/A
4	<i>Next steps</i> The next meeting is on April 10th at 10AM EDT. The Part 1 deliverable for the subgroup is due on April 3 rd , in order to be incorporated into meeting materials for April 10 th .	The Secretariat noted they will share a template for TWG members to fill out for the Part 1 deliverable.

Summary of discussion and outcomes

1. Welcome and goals of meeting

Summary of discussion

- Secretariat noted the goals of the meeting to recap on areas of agreement and divergence from Meeting 2, as well as reviewing new submitted materials.
- Secretariat noted that the Actions and Market Instruments workstream has asked the subgroup to consider how the proposal would have cross-sector applicability, or whether the proposal is scope 2 electric sector specific.

Outcomes (e.g. recommendations, options)

N/A

2. Overview of last meeting

Summary of discussion

- Secretariat highlighted areas of agreement and disagreement on Proposal 1 and 2 from previous meeting
 - General areas of agreement
 - Marginal rates for avoided and induced emissions can provide distinct insights useful for decision-making.

- Applying this methodology to projects is valuable, despite questions about implementation.
 - There is a need for clarity in defining induced and avoided emissions to inform reporting standards.
 - General areas of disagreement
 - Summing 'induced emissions': Some participants argued that summing all induced emissions (i.e., multiplying an organization's total load times marginal emission rates) is important for understanding a company's overall impact. Others criticized this approach, stating it could create a distorted view since not all megawatt hours (MWh) are on the margin and if performed may mean something other than "induced emissions".
 - Confusion remained about the meaning and implications of summed emissions numbers.
 - Whether to net induced and avoided emissions numbers, and what is meant by a company achieving net 0 from this approach.
 - Overall, the discussion emphasized the importance of clear definitions and understanding in emissions reporting for stakeholders.

Outcomes (e.g. recommendations, options)

N/A

2. Proposal 3: Routine assessments, with reduced scope on demand side

Summary of discussion

- Secretariat shared a summary of a newly submitted proposal from a TWG member that is intended to build on Proposal 1 (routine) and Proposal 2 (ad hoc).
 - Similar to Proposal 1, it considers emissions impacts from both demand and supply sides.
 - There is emphasis in this proposal on evaluating actual actions taken rather than focusing on all induced and avoided emissions. It also looks at actions on an ad hoc basis rather than total load.
 - It proposes evaluating changes against a baseline (either a base year or year-over-year), rather than applying a marginal rate.
 - For addressing marginal emission rate uncertainty, the proposal suggests averaging a range of marginal rates to accommodate uncertainties in their calculation.
 - The proposal author added clarity into the discussion that the proposal aims to simplify existing methods that are seen as outdated and complex, such as those described in the *2007 Guidelines for Quantifying GHG Reductions from Grid-Connected Electricity Projects*. The goal of the proposal is to maintain the essence of consequential accounting while making it more accessible to users.
- The working group discussed the merits of proposal 3, which centered on questions on its calculation approach and differences between proposals 1 and 3.
 - Concerns were raised regarding the complexity of Proposal 3 compared to the routine reporting approach of Proposal 1.
 - Questions were raised about how to incorporate emission estimate uncertainty in the proposals received so far, acknowledging the unverifiable nature of estimates in these methods. Suggestions included representing a range of estimated outcomes using visual aids, such as box and whisker plots, and incorporating multiple emission factor sources.
 - A member proposed creating a publicly accessible database for various methods, including location and market-based method approaches.
 - Debate centered on the calculation approach for proposals 1 and 3. For Proposal 1, the calculation consists of multiplying all load and 'Additional' generation by marginal emission factors. For Proposal 3, the calculation applies to the demand and supply side of a company's operations but focuses only "actions".
 - Questions arose about the timing of project assessments—whether these should occur in the year of construction or be reported annually.

- The uncertainty in consequential analysis compared to other methods (i.e., location-based and market-based attributional methods) was highlighted as a unique element for further consideration.
- More discussion was determined to be necessary on the process of choosing a baseline, particularly in relation to impacts being counted either in a single year or over a project's lifetime.
- Consideration was suggested for how to make decisions regarding project siting and which plants are on the margin to measure emission impacts accurately.
- The key difference highlighted between Proposal 1 and Proposal 3 was that Proposal 3 focuses on the delta between emissions impacts between years, whereas Proposal 1 considers aggregate load in a company's operations.
- There was discussion on the need for near real-time data on marginal emissions rates for accurate decision-making regarding load management.
- There continued to be emphasis on the need to create a framework that is adaptable for different approaches while supporting advanced companies without neglecting the broader audience.
- A suggestion was made for TWG members affiliated with the Emissions First Partnership (EFP) to share their firsthand experiences with the technical challenges with implementation of their proposal, beyond questions of where to report the information on emission impacts.
- It was determined that clarification is needed on the duration for which companies can claim credit for their actions—over the project's lifecycle or just the year of action.
- The working group highlighted several areas for future discussions, including:
 - Clarifying the baseline selection.
 - Clarifying whether impacts should be reported in the year the action occurs or over the lifetime of the project.
 - Clarifying how to integrate uncertainty analysis and reporting.
 - Exploring the establishment of a public database for marginal emission rate data.

Outcomes (e.g. recommendations, options)

- N/A

3. Discussion

Summary of discussion

- The Secretariat encouraged consideration of how the proposed framework could apply to different sectors of the economy, such as fuel consumption e.g., sustainable aviation fuel (SAF).
- While encouraging the group to consider whether and how there may be similar approaches applied outside the electric sector, the Secretariat also placed emphasis on the importance of addressing complex higher-level questions in these proposals without seeking technical solutions at this stage (Part 1 of the deliverable).
- There was general agreement that while aligning with broader considerations is not mandatory, doing so could improve the proposals' effectiveness and relevance.
- Secretariat noted that not all of the discussion questions would need to be addressed before the part 1 proposal goes to the Actions and Market Instruments working group, but that many are helpful in guiding additional considerations.
- The discussion returned to the topic of 'netting' to which some TWG members suggested that users of the GHG Protocol could make the decision on whether to net and the role of the GHG Protocol is just to provide the guidance.
- Other TWG members shared the perspective that the goal should be elevating the importance of ad hoc consequential assessments, potentially using the language of 'should' rather than 'may' in reporting requirements.
- There was a comment on the overlap with the Land Sector and Removals draft guidance, which does strongly recommend consequential assessments for actions that are being considered, including the recommendation that actions should not be taken that reduce inventory emissions if they don't also reduce emissions at the system-wide level.

Outcomes (e.g. recommendations, options)

- TWG should consider any other sectors in which marginal benefits might be applicable in the similar way that they are in the electric sector.

4. Next steps

Summary of discussion

- Next meeting is on April 10th.
- Part 1 deliverable to AMI on April 3rd to be incorporated into meeting materials for April 10.
- Part 1 deliverable should focus on what reporting elements to include.
- The Secretariat noted it will be creating a template for TWG members to fill out, which will include the decision-making criteria and hierarchy.

Outcomes (e.g. recommendations, options)

- N/A

Summary of written submissions received prior to meeting

N/A