

Scope 2 TWG Meeting Minutes

Meeting number 10

Date: 19 March 2025

Time: 10:00 – 12:00 EDT

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. Stephen Buskie, WBCSD
7. Charles Cannon, RMI
8. Yenhaw Chen, Taiwan Institute of Economic Research
9. Jules Chuang, Mt. Stonegate Green Asset Management Ltd.
10. Jessica Cohen, Constellation Energy Corporation
11. Killian Daly, EnergyTag
12. Abhilash Desu, Science Based Targets Initiative (SBTi)
13. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
14. Pengfei Fan, China Electric Power Planning & Engineering Institute (EPPEI)
15. Neil Fisher, The NorthBridge Group
16. Aileen Garnett, Genesis Energy Limited
17. Andrew Glumac, CDP
18. Svend Brun Fjendbo Hansen, Ørsted
19. Peggy Kellen, Center for Resource Solutions
20. Emma Konet, Tierra Climate
21. Matthew Konieczny, Watershed
22. Stephen Lamm, Bloom Energy
23. Erik Landry, GRESB
24. Lissy Langer, Technical University of Denmark (DTU)
25. Kelly Lichter, PepsiCo
26. J. Andrea Méndez Velásquez, Atmosphere Alternative
27. Gregory Miller, Singularity Energy
28. Alex Perera, WRI
29. Yiwen 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
5. Kevin Kurkul
6. Fui Yee Ng

Documents referenced

1. Mentimeter polling

Item	Topic and Summary	Outcomes
1	<i>Welcome and goals of meeting</i> The Secretariat welcomed attendees and reviewed the goals for the meeting, including polls on the location-based method structure and questions on additional restrictions for the market-based method.	N/A
2	<i>Location-based: EF Hierarchy, certificate sales, and next steps</i> The Secretariat reviewed past deliberations on the location-based method and polled the working group on two proposals for location-based emission factor hierarchies.	N/A
3	<i>Market-based issue 2b: Discussion on additional restrictions to eligible voluntary procurement</i> The Secretariat facilitated a discussion on the appropriateness of several proposals to place further restrictions on voluntary procurement under the market-based method. The Secretariat polled the working group on these proposals.	N/A
4	<i>Next steps</i> The Secretariat reviewed the next steps, which included the next meeting on April 2 nd , the next round of location-based revisions due on March 31 st , and 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 discussed the overall process of the working group and timelines. TWG members were all encouraged to reach out to the Secretariat with any questions and to share feedback.
- The Secretariat reminded TWG members that polling is being used as a pulse check to gauge interest and support for outcomes on key issues, without necessarily being a binding vote at this time.
- The Secretariat noted there will be an ISB meeting in mid-July, at which time the TWG's recommendation on phase 1 revisions will be presented to the ISB.
- The Secretariat shared that the goals of today's meeting are to move toward a final structure for location-based revisions, and to align on additional restrictions for the market-based method.

Summary of discussion

N/A

Outcomes (e.g. recommendations, options)

N/A

2. Location-based: EF Hierarchy, certificate sales, and next steps

Summary of discussion

- The Secretariat recapped what was covered in meeting #7 on the location-based method, including:
 - 93% of members support a hierarchy for emission factors.
 - 67% prefer requiring the use of the most precise data available.
 - 49% support the idea that estimated hourly profiles may be used in situations where actual data is not possible to obtain.
- The Secretariat noted that one additional location-based proposal was submitted, which merged many of the previous revisions submitted. Topics addressed by this proposal include:
 - Estimated hourly activity data may be used.

- The most appropriate, accurate, precise, and highest quality EF data available shall be used.
- Smallest (most precise) accounting interval shall be used.
- Clarifies sources of consumed electricity.
- Two options for location-based emission factor hierarchies.
- One member asked the working group what companies are currently using location-based emissions values for, and expressed a concern that companies are only disclosing this number because they have to, and not because it is driving any real actions. The Secretariat pointed to several disclosure and target setting programs that require location-based method disclosure.
- Members of the working group discussed pros and cons of making location-based requirements more complex. Arguments in favor included ensuring accuracy and alignment with other reporting methods. Arguments against included whether the additional complexity would necessitate hiring consultants and limiting reporting by companies without clear benefits for doing so.
- The Secretariat presented two TWG member proposed options for location-based emission factor hierarchies, which offer two options for the hierarchy order:
 - Option 1 prioritizes consumption factors, then the most granular spatial factors, then the most granular temporal factors.
 - Option 2 prioritizes the most granular spatial factors, then the most granular temporal factors, then consumption factors.
- Proposal authors clarified how the emission factor hierarchy works, and that the top of the table is considered preferable over the bottom of the table. Authors shared they prefer option 2, however, the preferred option depends somewhat on the extent of energy imports/exports in a region.
- One TWG member noted that it would be helpful for the proposal authors to describe spatial boundaries in a way that is more understandable for users to implement, particularly for those who may not have a detailed understandings of electricity markets and operational boundaries.
- The Secretariat polled the working group on which option they prefer for location-based emission factor hierarchies.
 - Option 1: 5
 - Option 2: 27
 - Further work needed: 4
- The Secretariat presented LBM item 8, on clarifications regarding certificate sales and net metering scenarios, which will be discussed at a later meeting.
- The Secretariat described the next steps for a consolidated LBM revisions and encouraged working group members to collaborate as much as possible on the next set of revisions, either as part of the core revision author group or by sharing specific considerations with the authors.

Outcomes (e.g. recommendations, options)

N/A

3. Market-based issue 2b: Discussion on additional restrictions to eligible voluntary procurement

Summary of discussion

- The Secretariat recapped meeting 9 outcomes on issue 2a, which is related to standard supply service (SSS). There was strong support for reporters' rights to claim their pro-rata share of SSS, and that unclaimed SSS should not be eligible for voluntary claims by other entities.
- The Secretariat presented the plan for this meeting's discussion on issue 2b, which include proposals for:
 - Creating eligible supply restrictions, such as incrementality criteria, bundled procurements, and grid-based limits.
 - Causality tests.
 - No additional restrictions above temporal matching, deliverability, and SSS.

- One TWG member asked for clarification on the definition of ‘bundled procurements’ and raised that there were different interpretations at the last meeting about these definitions including for virtual power purchase agreements (vPPAs). Discussion noted that previous TWG recommendations for a deliverability requirement may help narrow scope of what ‘bundled procurements’ need be considered.
- The Secretariat reminded working group members about the decision-making criteria of integrity, impact, and feasibility, and noted that these will be used in the coming discussion on restrictions to eligible voluntary procurement.
- Working group members discussed each of the three proposals on additional restrictions.
 - Members noted that additional supply restrictions and causality tests present significant feasibility concerns. Members discussed whether it would be possible to roll-back restrictions once they were incorporated in the Scope 2 Standard and discussed the pros and cons of these ambitious restrictions.
 - Members noted that time matching, deliverability, and SSS allocation restrictions already limit eligible supply by 90%, and discussed whether any additional restrictions are therefore needed.
 - Members discussed potential unintended consequences of additional restrictions, which included:
 - Moving renewables into the residual mix, and incentivizing companies to not actively procure renewable energy.
 - Disincentivizing PPAs over RECs, since it is harder to match on an hourly basis with a PPA.
 - Members discussed the concept of causality.
 - The issue of feasibility was raised again, and one member noted that applying causality tests was possible but very difficult to scale.
 - Members discussed whether causality tests were possible to implement in all locations globally. One member noted that there are many case studies of these tests being implemented globally, in particular for large companies.
 - On implementation, members discussed the concept of positive lists, which include a number of simple criteria that can signal causality if they are met for a project.
 - One member noted that while causality tests may have the impact of restricting supply somewhat, they are not designed for this reason and instead are important to maintain accuracy of MBM claims in the inventory.
 - Members noted that discussions of impact as it relates to restrictions on voluntary procurement may stray into consequential accounting methods, and that it may not be appropriate to discuss in the context of the market-based method. One member pointed to capacity expansion modeling, and its usefulness in assessing the impact of these proposals.
 - The Secretariat provided a process clarification in that the TWG’s recommendation will undergo public consultation and that further revisions may be necessary to address this feedback.
- The Secretariat polled the working group
 - Should the Scope 2 Standard require voluntary procurement to meet causality tests in the MBM?
 - Yes: 7
 - No: 28
 - Needs more information: 1
 - Should voluntary procurement be required to meet additional criteria that restricts eligible supply of CFE?
 - Yes: 0
 - Mixed: 3
 - No: 31
 - Needs more information: 3

- If additional criteria that restricts eligible supply should be applied to voluntary procurement, which should be considered further?
 - Incrementality criteria: 3
 - Grid-based limit: 3
 - Bundled procurement: 1
 - None of the above: 25
 - Needs more information: 3

Outcomes (e.g. recommendations, options)

N/A

1 Next steps

Summary of discussion

- The Secretariat shared next steps, which include
 - Next meeting on April 2nd
 - Final location-based revisions due by March 31st
 - Next iteration of market-based revisions due by April 4th
 - Secretariat to share additional details on the possible in-person meeting soon.

Outcomes (e.g. recommendations, options)

N/A

Summary of written submissions received prior to meeting

N/A