

# Consequential electric sector emissions impact measure subgroup

Meeting number 4

Date: 10 April 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. Priya Barua, Clean Energy Buyers Alliance
4. Charles Cannon, RMI
5. Yenhaw Chen, Taiwan Institute of Economic Research
6. Jessica Cohen, Constellation Energy Corporation
7. Abhilash Desu, Science Based Targets Initiative (SBTi)
8. Stuti Dubey, DRECs Initiative
9. Neil Fisher, The NorthBridge Group
10. Hannah Hunt, Heineken
11. Mariné Iriart, Gobierno de Cordoba
12. Emma Konet, Tierra Climate
13. Stephen Lamm, Bloom Energy
14. Alain Mahieu, ENGIE
15. Gregory Miller, Singularity Energy
16. Yiwen Qiu, Independent
17. Henry Richardson, WattTime
18. Wilson Ricks, Princeton University

### Guests

None present

### GHG Protocol Secretariat

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

## Documents referenced

1. Consequential subgroup Part 1 Proposal submissions

Item	Topic and Summary	Outcomes
1	<b><i>Welcome and goals of meeting</i></b> The Secretariat welcomed members and discussed the meeting goals.	N/A
2	<b><i>Review of final draft submissions</i></b> The Secretariat shared a summary of proposals 1-3 and proposal authors shared additional comments and answered questions from the TWG.	N/A
3	<b><i>Discussion</i></b> TWG members discussed remaining questions and level of support for the 3 proposals.  TWG members raised questions about the process of sharing the part 1 proposals with the Actions and Market Instruments (AMI) working group as well as questions about the timeline for AMI and its interaction with the subgroup.  Secretariat confirmed that all three proposals would be shared with AMI.	N/A
4	<b><i>Part 2 deliverable plan</i></b> The Secretariat outlined the 9 key issues to be addressed in part 2. These issues will be discussed over the next three meetings.	N/A
5	<b><i>Next steps</i></b> The next meeting is on May 1st at 10AM EDT. The Part 2 deliverable on issues 1-4 due on April 21st in order to be incorporated into meeting materials for May 1st	N/A

## Summary of discussion and outcomes

### 1. Welcome and goals of meeting

#### Summary of discussion

- Secretariat welcomed new members of the Scope 2 TWG.
- Secretariat noted the goals of the meeting to review the 3 final submissions received and discuss part 1 deliverables, raise any questions that haven't been resolved relating to part 1 deliverables and plan for part 2 deliverables.
- Secretariat noted the intention to send the Part 1 deliverable to the Actions and Market Instruments (AMI) workstream this month.

#### Outcomes (e.g. recommendations, options)

N/A

## 2. Final draft submissions

### Summary of discussion

#### *Outline and discussion on Proposal 1*

- Secretariat shared a summary of proposal 1, which has been renamed to 'Marginal Emission Impact'. Proposal authors were given the opportunity to add comments, authors noted:
  - Proposal 1 is not inventory accounting and is not intended to replace an inventory.
  - Proposal 1 is complementary to Proposal 2.
  - Proposal 1 is intended to meet the purposes and uses of target setting and tracking progress over time. This proposal is an approximation of a consequential standard using performance methods.
- There was a discussion on the meaning of a performance standard.
  - A member described their definition of a performance standard as anything that approximates or has a different purpose than either a "true attributional accounting or a consequential standard".
  - Secretariat observed that terminology around "performance accounting" is not currently defined by the GHGP Protocol and anticipate it will further be discussed in the AMI working group.
- Secretariat presented an example of what proposal 1 could look like in a GHG statement.

#### *Outline and discussion on Proposal 2*

- Secretariat shared a summary of proposal 2 (ad hoc consequential guidance). Proposal authors were given the opportunity to add comments. Authors noted:
  - Proposal 2 is intended to be reported in parallel to Proposal 1.
  - Its purposes and intents are to capture elements not covered by attributional inventories or the *Marginal Emissions Impact* metrics.
  - There was acknowledgement among members that those who support Proposal 1 also support Proposal 2.
- Secretariat presented an example of what proposal 1 could look like on a GHG statement.
- Secretariat asked the authors of proposal 2 to consider, for part 2, examples of how something not covered in the GHG reductions for grid connected electricity projects may be quantified under this approach.

#### *Outline and discussion on Proposal 3*

- Secretariat shared a summary of proposal 3, which has changed name to "Routine consequential accounting". Proposal authors were given the opportunity to add comments. Authors noted:
  - The intent for Proposal 3 is to meet a goal that is more focused on consequential quantification and focused on electricity sector actions in particular.
  - Proposal 3 is an alternative to proposal 1 and could be in addition to proposal 2.
  - There could also be some elements of Proposal 3 that could be considered as an addition to Proposal 1 or 2.
  - Proposal 3 considers an action to be 'changes in electricity demand', rather than 'total electricity demand'.
  - If the intent of the subgroup is to design a performance standard for marginal impact, then proposal 1 may be appropriate to do that.
- A member questioned the feasibility of practitioners getting the calculations correct for proposal 3. The proposal author clarified that in terms of feasibility the only difference between proposal 3 and proposal 1 is the subtraction of one demand number from another.
- There was unresolved discussion about whether there is academic literature that supports proposal 3 and to what extent.
- A member asked if there are companies who have adopted a reporting metric like Proposal 3. The author noted that they were not aware of any, and noted they proposed the "impact score" to address the lack of a net-zero based performance metric in proposal 3.
- A question arose on whether proposal 1 has a higher benchmark for action than proposal 3. The proposal 3 author added clarity that the impact score is intended to incentivize action by judging a

reporter's performance relative to the maximum kind of impact that one could have if they displaced emissions from the highest emissions marginal region, generator, or time period globally, noting the details are to be determined.

- The proposal author clarified that proposal 3 intends to simplify the baselining approach for users and noted that baselining considerations may be a part 2 topic.
- A member raised a concern that under proposal 3 actions a reporter takes in their procurement and their load consumption could be unequal and this comparison wouldn't be clear. The proposal author clarified that the total impact intensity would be a weighted score of the supply and demand side.

#### Outcomes (e.g. recommendations, options)

N/A

### **3. Discussion**

#### Summary of discussion

- There was a discussion on the process of sending the proposals to the AMI TWG.
  - The secretariat clarified that the three full proposals that were submitted last week will be shared for completeness and transparency. Members were encouraged to raise concerns or support for different proposals in this meeting to help inform the AMI TWG and subsequently the ISB. This was noted to also include the opportunity for TWG members to share written feedback for those absent from the meeting.
  - There was a discussion about the value in continuing to advance both proposals 1 and 3. Secretariat clarified the objective of sending all three proposals is transparency and to assist the AMI TWG's understanding as the AMI workstream is still considering the overall framework across different sectors and these proposals address different objectives.
  - Some members raised interest in undertaking a poll and noted that they want to hear the perspective of members who were not authors of the proposal and to share this information with AMI. The Secretariat clarified given the observed majority interest in proposal 1 and 2 which will be communicated to AMI a poll did not seem necessary.
  - A member questioned what will happen if the proposals put forward by the subgroup don't fit into the structure proposed by the AMI workstream. The Secretariat noted that AMI is keeping track of discussions in various groups to ensure overall alignment, however there may be valid reasons for divergences to occur in some situations.
- Members discussed remaining questions and level of support for the 3 proposals.
  - A member noted interest in seeing acknowledgement that there are uncertainties in the way impact and inventory claims are presented and whatever becomes the standardized approach may not necessarily be the only reasonable way to calculate it.
  - A member asked for more information about the application and purpose of each of the proposals and following a brief discussion was directed to look at the full proposals on the TWG SharePoint.
  - Members discussed how the proposals would influence the direction emissions of power generators and how it might incentivize suppliers to offer power to the grid in a more emissions conscious way.
  - A member questioned who in the supply chain would be able to make an impact claim (i.e. the generator and/or the customer).
  - A member questioned whether the AMI TWG needs more information on how stakeholders in the market might use some of these metrics and how they could drive certain behaviors. The Secretariat from the AMI working group stated this information would be helpful.
  - Some members noted their support for proposal 1 for reasons including:
    - Addressing existing issues of businesses who report scope 2 emissions but do not see the impact they're hoping to communicate.
    - More feasibility and easier for the market to work with.

- Has a clear and direct impact on energy generation by incentivizing renewable energy.
    - The market-based method is not fully representative without additional information from a Marginal Emissions Impact report as outlined in proposal 1.
  - A member noted that they believed proposal 2 to be the same as the current project accounting protocol which they don't find useful.
  - A member noted that if reporting under proposal 1 is a 'shall' requirement, then there needs to be thresholds for organization size or load.
  - A suggestion was made to put together case studies to improve user understanding of the additional value of proposal 1.
  - Some members expressed interest in continuing to develop and analyze all the proposal options at this stage.
- Members sought to clarify the process of the subgroup and interaction with full Scope 2 TWG and AMI TWG.
  - The secretariat recognized the uncertainties in this process across two separate TWGs, emphasized that the GHG Protocol is fully committed to enabling and ensuring the most robust and timely outcome from the consequential subgroup process, and sees it as an essential part of the overall process.
  - The Secretariat noted that the subgroup is a self-selected group of the full scope 2 TWG and is intended to support work in the broader context of the AMI TWG topics.
  - There was some support among members for the subgroup to focus on what's preferred for the electric power sector rather than developing ideas for impact reporting across sectors.
  - Concerns were raised regarding an outcome where a consequential approach does not end up as a parallel reporting approach to inventory reporting and does not get attention from practitioners in the community. The Secretariat emphasized that the GHG Protocol revision process is committed to providing an updated, robust, and comprehensive emission reporting framework inclusive of these types of reporting options.
  - Concerns were raised about the necessity and urgency to receive feedback from the AMI TWG and ISB on proposal 1.
  - A comment was raised about the order of deliverables for the full Scope 2 TWG, the consequential subgroup, and the AMI TWG, questioning why AMI TWG deliverables are not on the same timeline as scope 2 TWG deliverables. The secretariat emphasized that the timelines all come together with the publication of the updated Corporate Standard, but that the timeline of the Scope 2 revisions are intended to provide information to the market as soon as it is available.
  - A member questioned whether proposal 1 should fit within the Scope 2 inventory report rather than outside of it. The Secretariat noted that the subgroup's proposal does not represent an emissions inventory, and therefore would not be part of the Scope 2 inventory, but is to be considered as part of a larger statement related to emissions from the electricity sector.
  - Members discussed the interactions between what revisions the TWG members vote on in the full Scope 2 TWG and whether and how an impact metric is introduced. A member noted there is an opportunity to work with practitioners and the full Scope 2 TWG in phase 2 to consider where a consequential reporting complements changes to attributional as well as where consequential could make more sense than the most specific or granular changes to attributional.

Outcomes (e.g. recommendations, options)

- N/A

#### 4. Part 2 deliverable plan

##### Summary of discussion

- Secretariat outlined the 9 key issues to be addressed in part 2. These issues will be discussed over the next three meetings.
- After discussing with subgroup members, the Secretariat clarified that a template will not be provided for the part 2 deliverable and members should keep using the template provided for part 1.
- A member asked for clarity on when the subgroup would receive updates from the AMI workstream on the core elements of a comprehensive, broader scope to related report. Secretariat clarified that the AMI workstream will be seeking feedback from ISB in June, noting there may also be some opportunities before that in April or May meetings.
- Secretariat outlined a detailed list of due dates. No concerns about the dates were raised by members.
- Secretariat reiterated their invitation to all members to reach out for 1:1 calls with the Secretariat if they are interested.

##### Outcomes (e.g. recommendations, options)

#### 5. Next steps

##### Summary of discussion

- Next meeting is on May 1<sup>st</sup>
- First draft of detailed proposal on issues 1-4 to be submitted by April 21<sup>st</sup> to be incorporated into meeting materials for May 1<sup>st</sup>

##### Outcomes (e.g. recommendations, options)

- N/A

### Summary of written submissions received prior to meeting

N/A