

Scope 2 TWG Meeting Minutes

Meeting number 13

Date: 30 April 2025

Time: 9:00 – 11:30 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. Pete Budden, NRDC
7. Stephen Buskie, WBCSD
8. Charles Cannon, RMI
9. Yenhaw Chen, Taiwan Institute of Economic Research
10. Jules Chuang, Mt. Stonegate Green Asset Management Ltd.
11. Jessica Cohen, Constellation Energy Corporation
12. Killian Daly, EnergyTag
13. Abhilash Desu, Science Based Targets Initiative (SBTi)
14. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
15. Pengfei Fan, EPPEI
16. Neil Fisher, The NorthBridge Group
17. Andrew Glumac, CDP
18. Matthew Gray, TransitionZero
19. Hannah Hunt, Heineken
20. Priya Barua, Clean Energy Buyers Alliance
21. Mariné Iriart, Secretaria de Transición Energetica - Gobierno de Córdoba
22. Peggy Kellen, Center for Resource Solutions
23. Emma Konet, Tierra Climate
24. Matthew Konieczny, Watershed
25. Stephen Lamm, Bloom Energy
26. Erik Landry, GRESB
27. Lissy Langer, Technical University of Denmark (DTU)
28. Kelly Lichter, PepsiCo
29. Alain Mahieu, ENGIE
30. J. Andrea Méndez Velásquez, Atmosphere Alternative
31. Gregory Miller, Singularity Energy
32. Gisele Morgado Duarte da Paz, DNV Det Norske Veritas
33. Alex Perera, WRI
34. Yiwen Qiu, Independent
35. Henry Richardson, WattTime
36. Alexandra Styles, Hamburg Institut
37. Henrik Sundberg, H&M Group
38. Devon Swezey, Google
39. Kae Takase, Renewable Energy Institute
40. Linda Wamune, Energy Peace Partners
41. Sophia Wang, Gilead Sciences

Guests

None present

GHG Protocol Secretariat

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

Documents referenced

Item	Topic and Summary	Outcomes
1	<i>Welcome and goals of meeting</i> The Secretariat welcomed attendees and reviewed the agenda and goals for the meeting.	N/A
2	<i>Overview of the consolidated draft</i> The Secretariat reviewed the process for arriving at the consolidated proposal draft, the next steps for continued development of the draft and some high-level changes that are present in the consolidated draft.	N/A
3	<i>Threshold for time matching in the market-based method</i> The TWG discussed the proposed time matching requirement and exemption threshold in the market-based method.	N/A
4	<i>Defining deliverability for the market-based method</i> The TWG discussed the proposed deliverability requirements in the market-based method.	N/A
5	<i>Standard Supply Service</i> The TWG discussed the proposed approach for allocating and claiming Standard Supply Service in the market-based method.	N/A
6	<i>Data accessibility for the location-based method</i> The TWG discussed the proposed approach for defining data availability in the market-based method.	N/A
7	<i>Next steps</i> The Secretariat shared next steps, including the next meeting date of May 14th, and comments on consolidated draft revisions due May 2 nd .	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 reviewed the agenda.
- Goals for the meeting include understanding the big picture changes in the consolidated draft.
- Focus of the discussion will be on time matching requirements and deliverable market boundaries for the market-based method (MBM), Standard Supply Service (SSS), and the definition of “accessible” data for the location-based method (LBM).

Summary of discussion

N/A

Outcomes (e.g. recommendations, options)

N/A

2. Overview of the consolidated draft

Summary of discussion

- The Secretariat reviewed the process for arriving at the consolidated proposal draft, and the next steps for continued development of the draft.
- The Secretariat reviewed a summary of key changes that are present in the consolidated draft.

- The concepts of matched and unmatched activity data were defined and described. Matched activity data is consumption that has been matched with specific emission factors, whereas unmatched activity data has not been matched to specific emission factors.
- The proposed equation separates matched and unmatched portions and applies the same formula to each side of the equation.
- Some members commented that the language around matched is unclear as it may imply you are matching to a specific generation source.
- A member noted that the definition for matched should include both CFE and non-CFE sources.

Outcomes (e.g. recommendations, options)

N/A

3. Thresholds for time matching in the market-based method

Summary of discussion

- The Secretariat reviewed the steps taken by the Technical Working Group (TWG) to arrive at a recommendation for temporal matching and the temporal hierarchy.
- The Secretariat reviewed a proposed threshold of 5 GWh/year/site for matched consumption, with sites above that threshold required to report on an hourly basis.
- Working group members asked clarifying questions about the terminology for the threshold, and whether there is data available to demonstrate how many companies are impacted by the thresholds being discussed.
 - Examples were provided by working group members about how many sites within their global portfolio would be required to report under the proposed threshold.
 - Some members expressed concern that the reporting threshold is too low.
 - Other members suggested that raising the threshold would not result in impactful procurement practices.
- The Secretariat presented some of the options under consideration for thresholds, and how they correspond to the decision-making criteria, weighing integrity, impact, and feasibility.
 - Members discussed how the proposed thresholds would apply to large multinational organizations with sophisticated energy metering information.
 - One member described feasibility constraints in terms of contracting for renewable supply, rather than the feasibility of doing the inventory accounting.
 - One member noted that whilst a threshold exemption may make it more feasible it doesn't mean that it is feasible.
 - One member noted the costs related to software needed in order to use hourly data in GHG inventory reporting.
- The Secretariat mentioned the development of a consequential accounting framework being developed outside of the scope 2 standard work, and that there may be types of procurement that are enabled through that mechanism that may not be enabled through scope 2 market-based accounting methods.
- The working group discussed the differences between the ability of companies to contract for power using an hourly requirement vs. reporting on emissions using an hourly requirement, and that those exercises are different.
- The Secretariat recapped prior discussions on the use of profiled load data in place of actual activity data.
- The Secretariat presented two options:
 - Option A: shall use profiled load data if hourly metered data is not available.
 - Option B: profiled data optional but voluntary claim matching requires hourly.
 - The Secretariat described that each option leads to the same outcome, but that the differences are in whether profiled load data is required, or optional but necessary.
 - Members asked clarifying questions about the wording of the two options.

- Members discussed that an approach was needed to legacy-in existing contracts and those signed during a transition period.
- A member noted that confusion around matched and unmatched data and the different options could be clarified through the use of a single emission factor hierarchy.

Outcomes (e.g. recommendations, options)

N/A

4. Defining deliverability for the market-based method

Summary of discussion

- The Secretariat presented the process for arriving at the current requirements around deliverability, and recapped prior poll results and ISB feedback on the topic.
- Key considerations for setting market boundaries were presented, including physical interconnection, impact of transmission constraints, alignment with grid operator zones, and other factors.
- The Secretariat presented a decision tree for identifying applicable market boundaries, including questions about bidding zones, country size, and other considerations.
 - The Secretariat noted that some additional guidance was presented for the African continent and asked the working group for examples of other markets where further guidance may be necessary.
 - One member noted that the decision tree is very specific to electricity grid terminology and may not be understandable by the average inventory manager.
 - One member noted that bidding zones in Japan are very small, and that there is flow between zones, and that this will restrict cross zone procurement.
 - Members agreed that there should be a list of appropriate market boundaries by region/country to ensure that users of the standard understand these boundaries.
- The Secretariat presented the proposed conditions that support deliverability when the generation supply is located outside the applicable market boundary. Two proposed methodologies include:
 - Attributes paired with demonstration of excess transmission capacity via electricity price differentials between adjacent markets; or
 - Attributes paired with contracts or market instruments demonstrating physical delivery from the point of generation to the point of consumption.
- Some members asked questions about the details of these two methodologies and the Secretariat encouraged them to add comments to the consolidated draft.
- Members asked questions about micro grids, and whether procurement from outside the microgrid is supported by the revised framework. The Secretariat confirmed that a microgrid should be considered its own grid, and that procurement from outside that grid is akin to procurement from a disconnected grid.
- Some members discussed the interaction of deliverability boundaries with US 45v and the EU green hydrogen rules.

Outcomes (e.g. recommendations, options)

N/A

5. Standard Supply Service

Summary of discussion

- The Secretariat recapped prior discussions on SSS, including the definitions as written in the consolidated draft, and prior polling results.
- The purpose of SSS allocation is intended to prevent the shuffling of SSS resources to companies interested in climate targets.
- The Secretariat described how SSS allocation can work using two examples of situations where the electricity supplier actively allocates SSS, or does not actively do so.

- Working group members asked clarifying questions about what SSS is, and differences between SSS and utility-specific emissions rates.
- The Secretariat presented a TWG proposal for a 3rd party to develop a resource registry of SSS for use by reporters that cannot access SSS information from their supplier.
 - Some members discussed the alignment of this database with deliverability criteria.
- The Secretariat presented an example of SSS allocation from the perspective of the electricity supplier and noted the decision trees included in the slides outline how to determine if a resource should be considered SSS or not.
- Members asked clarification about how SSS allocation works for a utility.
- Members asked questions whether resources in their region would be considered SSS or not.

6. Data accessibility for LBM reported

Summary of discussion

- The Secretariat presented prior conversations and recapped prior polling on increased granularity in the location-based method.
- The Secretariat presented proposed new terminology defining “accessible,” which refers to datasets that are public and free to use. Under the location-based method it is proposed that all reports are required to use the most precise emission factors that meet this criteria.
 - One member asked whether the accessible definition should also include a level of rigor on the emission factor database being used, and suggested that all emission factors considered “accessible” should be vetted. They also noted that enterprise software solutions are required to report with hourly granularity.
 - Another member asked whether the “accessible” definition also applies to market-based factors, such as residual mixes.
- The Secretariat presented the “may” requirement for use of profiled data when activity data is not available.
 - One member commented that this “may” requirement would not be consistent with the market-based method which uses a “shall” for estimated activity data where actual hourly metered data is unavailable, and whether that is potentially confusing.
 - Another member noted that in practice companies will use the same granularity for location- and market-based methods.
- The Secretariat asked for members comments on if there are feasibility risks that have not been considered in the proposal:
 - One member asked whether feasibility matters, given that the original Scope 2 Guidance did not consider feasibility because the rules that were developed were completely new.
 - Members responded that markets had existed prior to the development of the Scope 2 Guidance, and that the consideration of feasibility in the Scope 2 Update Process is consistent with processes to update and refine standards.
 - One member mentioned that other standards require GHG Protocol for compliance, and therefore there is not a significant risk of reporters walking away from the standard.
 - One member noted a question of impact, and whether restricting rules too much reduces impact by forcing reporters away from reporting. They also asked about the process for resolving open questions, such as the exemption threshold.
 - One member asked for clarity from members unsupportive of making any changes to the Scope 2 Guidance about whether they think the current guidance is meeting its purpose.
 - One member questioned whether the changes being proposed are being considered in context of current global market where climate action is becoming increasingly political and many companies still only use the GHG Protocol voluntarily.
 - One member questioned whether the GHG Protocol should be setting standards for *all* reporters or only the most ambitious ones.

7. Next Steps

Summary of discussion

- The Secretariat recapped next steps, which included:
 - Next meeting: May 14th
 - Comments on consolidated draft to be completed by May 2nd.
 - TWG Meetings across May-June will focus will be on clarifying and refining the draft proposal
 - A final recommendation will be prepared for a TWG vote on June 25th
- In response to a question, the Secretariat clarified that the public consultation period is aiming to begin in October and the comment period will last 60 days.

Summary of written submissions received prior to meeting

N/A