

# Scope 2 TWG Meeting Minutes

## Meeting number 15

Date: 04 June 2025

Time: 17:00 – 19:30 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. Svend Brun Fjendbo Hansen, Orsted
5. Pete Budden, NRDC
6. Charles Cannon, RMI
7. Yenhaw Chen, Taiwan Institute of Economic Research
8. Jessica Cohen, Constellation Energy Corporation
9. Killian Daly, EnergyTag
10. Abhilash Desu, Science Based Targets Initiative (SBTi)
11. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
12. Pengfei Fan, EPPEI
13. Neil Fisher, The NorthBridge Group
14. Aileen Garnett, Genesis Energy
15. Andrew Glumac, CDP
16. Zoe Godijn, Rio Tinto
17. Hannah Hunt, Heineken
18. Mariné Iriart, Secretaria de Transición Energetica - Gobierno de Cordoba
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. Irina Lazzerini, UNDP
25. Kelly Lichter, PepsiCo
26. Alain Mahieu, ENGIE
27. J. Andrea Méndez Velásquez, Atmosphere Alternative
28. Gregory Miller, Singularity Energy
29. Alex Perera, WRI
30. Yiwen Qiu, Independent
31. Henry Richardson, WattTime
32. Wilson Ricks, Princeton University
33. Henrik Sundberg, H&M Group
34. Devon Swezey, Google
35. Kae Takase, Renewable Energy Institute
36. Linda Wamune, Energy Peace Partners
37. Sophia Wang, Gilead Sciences

### Guests

None present

### GHG Protocol Secretariat

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

### Documents referenced

None

Item	Topic and Summary	Outcomes
1	<b><i>Welcome and goals of meeting</i></b> The Secretariat previewed the agenda, which included a review of ISB feedback, consequential subgroup updates, a walk-through of key updates within the Scope 2 Revision Draft, and a summary of next steps.	N/A
2	<b><i>ISB Feedback</i></b> The Secretariat shared recent feedback from the ISB, which was generally supportive of the direction of travel of the existing revision draft, including on key elements such as hourly matching, deliverability requirements, and feasibility accommodations such as thresholds and a legacy clause.	N/A
3	<b><i>Subgroup Proposal 1</i></b> The Secretariat provided an update on the latest thinking around the performance metric being developed by the subgroup and shared the timeline for circulating a draft for review for the full TWG.	N/A
4	<b><i>Summary of Draft Proposed Revisions to the Scope 2 Standard</i></b> The Secretariat reviewed the existing status of key elements of the proposed changes to the location- and market-based methods. The Secretariat facilitated a discussion of these elements and clarifying questions on certain components of the draft.	N/A
5	<b><i>Alternative Positions</i></b> The Secretariat described the process and plan for collecting and sharing alternative positions developed by TWG members with the ISB for consideration. The Secretariat presented a high-level overview of the ten alternative proposals received.	N/A
6	<b><i>Next steps</i></b> The Secretariat shared next steps, including the next meeting date of June 25 <sup>th</sup> , and the plan to vote on elements of the Revision Draft at that meeting.	N/A

## Summary of discussion and outcomes

### 1. Welcome and goals of meeting

- The Secretariat outlined housekeeping and previewed the agenda: review of ISB feedback, consequential subgroup updates, a walk-through of key updates within the Scope 2 Revision Draft, and summary of next steps.

Summary of discussion

N/A

Outcomes (e.g. recommendations, options)

N/A

### 2. ISB Feedback

Summary of discussion

- The Secretariat reminded TWG members that the ISB feedback is for informational purposes only, reflecting initial, non-binding feedback from participating ISB members on the proposed Scope 2 revision direction. It does not represent a formal decision or consensus of the ISB.
- The Secretariat shared qualitative “pulse-check” results from the May ISB meeting: broad support for deliverability principles and an hourly matching requirement for large electricity consuming organizations.
- The ISB indicated support for practical flexibility, e.g., a load-based threshold for the hourly matching requirement, phased implementation timeline, and a legacy clause for pre-existing long-term PPAs.
- There was discussion on consumption thresholds, with several members highlighting organizational equity considerations. For example, smaller entities may be disproportionately impacted if thresholds are set too low. One suggestion was to align with CDP reporting bands.
- Questions were raised about how exemptions interact with deliverability and time matching (e.g., can an exempted load bypass both requirements or just hourly matching?).
- ISB stressed the need for a clear legacy clause to protect early movers while preventing loopholes.

Outcomes (e.g. recommendations, options)

N/A

### 3. Subgroup Proposal 1

#### Summary of discussion

- The Secretariat previewed the marginal-impact performance metric developed by the Scope 2 Consequential Subgroup, calculated as induced emissions from consumption minus avoided emissions from generation.
- The Secretariat described details of the metric, including that it is restricted to electric sector actions, uses prior-year hourly consumption data, and regional marginal emission factors inclusive of both build and operating margins.
  - Draft includes an additionality requirement: projects counted toward the “avoided” side must meet a project-level additionality test, inclusive of a regulatory test, timing test, and a positive list test or financial viability test.
- Members asked whether the performance metric would be voluntary or integrated as a required disclosure alongside location- and market-based totals. The Secretariat responded that whether the metric becomes a requirement is subject to discussion by the Actions and Market Instruments (AMI) working group.
- Members asked about the decision-making value of the metric as it relates to Scope 2 inventory accounting. The Secretariat noted that, in general, consequential accounting metrics may offer different insights relevant to decision-making compared to inventory accounting. Reported net impacts are intended to remain separate from inventory totals, serving as a distinct and complementary type of reporting metric.
- Members requested worked numeric examples and clarification on treatment of storage and behind-the-meter generation for the metric.
- Members that are involved in the subgroup development process noted that the subgroup would benefit from engagement from additional members of the TWG to provide input into the ongoing development of the draft.
- The Secretariat presented the timeline for review of the full draft, which includes circulation on June 18<sup>th</sup>, and vote slated for the June 25<sup>th</sup> TWG meeting.

Outcomes (e.g. recommendations, options)

N/A

### 4. Summary of Draft Proposed Revisions to the Scope 2 Standard

#### Summary of discussion

- The Secretariat summarized the original intended purposes of the revision process and impetus for developing changes to scope 2 reporting requirements, including:
  - The existence of credibility challenges with the current methods.
  - Inconsistencies across markets and claims that have been noted as barriers to comparability and uptake in mandatory disclosure frameworks.
  - An acknowledgment that implementation of the market-based method may no longer be scientifically robust in its accuracy and ability to deliver on its intended theory of change.
  - An introduction of new accounting methods (marginal impact metric) that can be used in tandem with inventory reporting methods.
- The Secretariat recapped location-based changes, which include a strengthened data precision hierarchy and requirements, i.e., entities must use the most granular emission factors accessible.
- The Secretariat recapped market-based changes, which include:
  - A requirement to use hourly matching for organizations with electricity consumption above a defined threshold. Hourly matching may be demonstrated using either direct metered data or estimated “profiles” that represent typical patterns of electricity use and generation across hours. These profiles may be provided by utilities, suppliers, or public sources, and are intended to support broader feasibility and consistency of hourly matching without requiring advanced metering.
  - Use of deliverability criteria to determine valid sourcing boundaries for contractual instruments. Contractual instruments used in the market-based method must be sourced from generation deemed deliverable to the consuming load, based on one of the methodologies under development for demonstrating deliverability. These methodologies currently define eligible geographic boundaries using physical interconnection, price-based indicators, or mechanisms that pair attributes with delivery access.
  - Introduction of Standard Supply Service (SSS) allocation within the order of operations to enable fair and proportional claims on shared, regulated, or publicly funded resources.
  - A fossil-based average or a default fossil-based emission factor where no certified residual mix exists
- Members asked questions on the treatment of data, and exact requirements for sourcing emission factor data and activity data.
  - Specific questions on the use of hourly data for residual mix calculations were raised. The Secretariat clarified that hourly matching is not required for residual mix calculations.
  - One member asked whether it is appropriate to require market-based accounting if there are markets where it is not possible to source the needed data. The use of profiled generation data in these circumstances was discussed.
- Members raised questions about the deliverability requirement, and whether it should be the role of GHG Protocol as a standard setting body to define these accounting boundaries or left up to external groups using the GHG Protocol standards (e.g., RE100) to develop further criteria.
  - The Secretariat noted that GHG Protocol’s role is to provide a clear and credible foundation for consistent accounting, and that updating deliverability criteria aims to strengthen this foundation in response to known concerns about credibility and comparability.
- Members asked feasibility questions related to implementing hourly reporting requirements. It was raised that there are two distinct types of feasibility considerations that are important to differentiate:
  1. *Accounting challenges*: Limited ability to measure and report emissions
  2. *Procurement challenges*: Limited ability to take action that will count toward an inventory total

The Secretariat noted that both types of feasibility are valid and should be considered by the TWG.

- Members questioned the notion that developing the rules for hourly accounting will necessarily lead to the market responding with tools and infrastructure to support that accounting.
- Members noted the risk of over-penalizing renewables-rich grids without residual mix information.
- The Secretariat summarized the feasibility accommodations under consideration in the current draft:
  - Legacy clause for contracts that would have been eligible under existing scope 2 accounting rules to have continued eligibility under revised rules.

- Volumetric exemptions have received mixed support from both the TWG and the ISB but would allow for some percentage of load to be exempted from new market-based quality criteria.
- Delayed phase in of new requirements, pending full alignment with the Corporate Standard.

Outcomes (e.g. recommendations, options)

N/A

## 5. Alternative Positions

Summary of discussion

- The Secretariat described the process of receiving alternative proposals, and the plan for sharing these proposals with the ISB.
- Titles of alternative proposals received by the Secretariat are:
  - Accounting definitions and use of consequential accounting in scope 2
  - Measure impact instead of matching MWhs
  - Require project-based (avoided emissions) reporting
  - Define market boundaries using policy-based frameworks
  - Require annual matching and “reasonable geographic links”; Clarify but do not require or recommend hourly matching or deliverability criteria as proposed
  - Addressing inconsistencies between current market-based rules and value chain inventory
  - Add incrementality requirement for voluntary claims
  - Introduce tiered disclosure for MBM impact
  - Support temporary phase-in, oppose ongoing exemptions
  - Use SME status instead of load to define hourly matching exemptions
- One member asked a process question concerning how members can sign on to other proposals to communicate support.
- Members asked clarifying questions about the alternative proposals, including differences between the proposals that discuss the marginal impact metric and/or consequential accounting.

## 6. Next Steps

Summary of discussion

- The next meeting date is June 25, 2025.
- The June 25<sup>th</sup> meeting will be used to test TWG directional alignment across key revision areas and will inform ISB decision making.