

November 14, 2025

Dear Abby Davidson (SLR Consulting / Emissions First Partnership),

Thank you for reaching out to GHG Protocol on the topic of decision making and public consultation regarding the Marginal Impact Method via our website form for concerns and complaints. Following the evaluation criteria of GHG Protocol's Concerns and Complaints Procedure, we classified your letter as a complaint. In line with our due process, the topic was brought to the respective subcommittee of our Independent Standards Board (ISB) for review.

GHG Protocol always welcomes Stakeholders' feedback and criticism. Transparency and inclusion are hallmark principles of any robust multi-stakeholder process, particularly when decisions by governance bodies may not always be welcomed by all stakeholders.

Following careful consideration of your complaint, we respectfully disagree with your assertion of non-transparent decision-making and inadequate public consultation.

The GHG Protocol Governance procedures (including, inter alia, Governance Overview section 2.2.1, ISB Terms of Reference (ToR) section 3.2.1, Technical Working Group (TWG) ToR section 3.1.3; Standard Development and Revision Procedure section 4.1.2) clearly state that TWGs are not the final decision-making body. Rather, this is the stated role of the ISB, which has the authority to accept or reject TWG proposals, public consultation plans, and the final content of standards.

In the specific case of the aforementioned Marginal Impact Method (MIM), the ISB decided by a large majority (7/11 members) not to forward this topic as an integrated component of the Scope 2 public consultation as recommended by the TWG. Instead, the topic is presented as a standalone consultation.

The ISB thoroughly reviewed the Marginal Impact Method (MIM) and made its decision after careful consideration. As part of its role to ensure consistency across all GHG Protocol standards, the ISB examined MIM's implications for other workstreams, especially Actions and Market Instruments (AMI). The ISB decided that AMI should address consequential accounting, focusing first on sector-neutral work before developing sector-specific approaches like the MIM. Thus the MIM proposal was not rejected, but instead assigned to the most appropriate GHG Protocol standard for proper evaluation. The AMI TWG will consider the forthcoming public consultation inputs in their work. Implementation timing will also be coordinated so that no new LBM/MBM requirements take effect before AMI outcomes are available.

These reasons were explained to members of the TWG during Meeting #17, published in the TWG meeting minutes, detailed for the general public in a blogpost, Scope 2 Standard Advances, and described in the Public Consultation – Consequential Electricity-Sector Emissions Impacts.

With this in mind, we would like to address your remark about how the GHG Protocol blog post of June 2025 created false expectations. The information presented in the blog accurately reflected both the TWG's ongoing work and the ISB's feedback supporting the exploration of consequential metrics alongside inventory accounting. It neither referenced nor endorsed the "Marginal Impact Method", nor implied that MIM itself would advance to consultation. Rather, it described the development of an impact-based metric focused on estimating avoided emissions from clean energy purchases – an approach consistent with longstanding GHG Protocol guidance. While some stakeholders may have interpreted the blog as referring specifically to the MIM proposal, this was not the intent. After the blog was published, the ISB subsequently reviewed the MIM proposal in July and determined that while consequential metrics warranted continued exploration, MIM itself would not further proceed under Scope 2 at this time. That decision was consistent with prior ISB feedback and the distinction which the blog made between inventory and impact-based accounting. Ultimately, consequential methods are out for public consultation at this time.

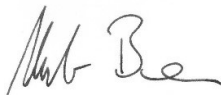
That said, we appreciate your feedback. Please be assured that we take these concerns seriously, and in the future, we will make every effort to communicate with clarity and precision, using language that is appropriately nuanced to minimize the risk of misunderstandings.

On the adequacy of a public consultation, it is important to recall that the approved Scope 2 - Standard Development Plan - 2024.12.20 (SDP) did not include a full development track for a consequential methodology. The TWG Consequential Subgroup was a special project on top of the work areas outlined in the SDP. Its remit as presented in TWG meeting materials was to deliver a detailed proposal for the AMI TWG, and the ISB has now redirected the Scope 2 TWG back towards the established content outlined in the SDP while the AMI TWG will further evaluate this topic, the subgroup's proposal, and consultation feedback on electricity sector consequential accounting details.

We hope these clarifications have assisted your understanding of Greenhouse Gas Protocol's due process. We look forward to receiving your contributions to Scope 2 public consultation released on October 20th, and to further constructive work amongst the TWG members following the consultation's closing.

Please don't hesitate to reach out to us if you have any further questions.

Kind regards,



Prof. Dr. Alexander Bassen, Chair of the Independent Standards Board

Name:

Emissions First Partnership

Date Submitted:

Sep 29, 2025

What is your organization?:

Emissions First Partnership

Description of complaint or concern.:

The Emissions First Partnership, a coalition of 32 organizations, including buyers, developers and NGOs responsible for more than 50GW of combined clean energy procured globally since 2008, respectfully submits the following complaint based on deviations of the Scope 2 process from its governing commitment to transparent decision-making and effective stakeholder engagement. This complaint specifically concerns the advancement of the Impact Accounting methodology, also known as consequential accounting or the Marginal Impact Method proposal.

1. Basis for Complaint: Non-Transparent Decision-Making The decision not to advance the Impact Accounting method for public comment in parallel with the hourly matching methods for Inventory Accounting represents a non-transparent and unexplained deviation from previously established public expectations and the recommendations of the Technical Working Group.

Publicly Set Expectations: The GHG Protocol's public blog post from June 2025, "Scope 2 Technical Working Group Progress Update", set a clear expectation for stakeholders. It stated, "The consultation draft is expected to include proposed updates such as the hourly and regional matching methodology, the Marginal Emissions Impact metric, and associated feasibility provisions..." The public was led to believe that Impact Accounting would be presented for feedback simultaneously with Inventory Accounting, allowing for a comprehensive review of the proposed changes. That communication also states that the two approaches - inventory metrics and impact accounting - work together as two parts of a complete framework: "This combined framework reflects a core principle of the Scope 2 update: Inventory reporting is being refined to ensure consistency, comparability, and scientific alignment in how emissions from electricity use are measured. Impact reporting offers a complementary way to account for emissions reductions from clean energy actions that occur outside a company's direct electricity use."

Disregard of Technical Working Group Recommendation: The Scope 2 Technical Working Group (TWG), the multi-stakeholder body responsible for developing the technical content of the standards, provided overwhelming support for the parallel development. The minutes from the June 25, 2025 meeting confirm this, with a vote on question 12 showing that showed 31 out of 42 respondents voted yes to support "continued development of [Impact Accounting] as a complementary methodology [to hourly matching]" According to the Technical Working Group Terms of Reference, the TWGs mandate is to "make recommendations on the content of standards to the Secretariat, for ultimate consideration by the ISB where relevant and applicable." The ISB's decision to derail this recommendation without public explanation falls short on the GHGP's commitment to transparent decision-making.

2. Basis for Complaint: Inadequate Public

Consultation By separating the public comment periods for the two methodologies, the GHG Protocol is hindering the ability of stakeholders to provide effective and informed feedback, thus failing to meet the public consultation standards. The GHG Protocol's Standard Development and Revision Procedure states that a key step in the process is to support "clearly identified opportunities for stakeholders to contribute." An effective public consultation must allow for a holistic evaluation of the proposed changes. As the GHG Protocol itself acknowledged in its June blog, the required hourly matching and regional matching of inventory accounting could create significant feasibility challenges. It also noted that these challenges could be addressed by the alternative Impact Accounting method. Further, it noted that Scope 2 inventory reporting revisions (LBM and MBM) are intended to improve credibility, but do not measure impact. It stated that the purpose of revisions are so that "reported electricity emissions better reflect when and where electricity is actually used. This approach supports more credible inventory reporting". The Marginal Impact Method is designed to assess impact: "the impact metric provides a way to more accurately and transparently account for its broader climate benefit." Without the details of the Impact Accounting method being shared in parallel, stakeholders cannot provide informed public comments on how the two methods can and should complement one another, or not. The efficacy of the public consultation is compromised when the interdependent nature of these two methodologies is not respected. 3. Desired Outcomes We request the following actions to be taken to rectify this matter: A public explanation from the GHG Protocol ISB detailing the specific reasons for its decision not to advance the Impact Accounting methodology in parallel for public comment on Scope 2, particularly in light of the TWG's strong support. The release of a draft Impact Accounting document for public comment, focused on Scope 2, running in parallel with the current public consultation for the Scope 2 Inventory Accounting methods. A public commitment to a timeline for Scope 2 Impact Accounting that moves in parallel to development of Inventory Accounting methods. Thank you for your consideration of this formal complaint. We look forward to a prompt and transparent resolution.

Which workstream does this involve:

Scope 2

Could you clarify which part of the process you're encountering challenges with?:

Independent Standards Board