

November 14, 2025

Dear Misti Groves (CEBA),

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.

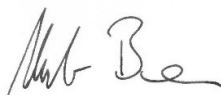
That said, we appreciate your feedback. Please be assured that we take these concerns seriously, and in the future, we will make every effort to communicate with clarity and precision, using language that is appropriately nuanced to minimize the risk of misunderstandings.

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:

Misti Groves

Date Submitted:

Sep 22, 2025

What is your organization?:

Clean Energy Buyers Association

Description of complaint or concern.:

We respectfully submit a complaint under the GHG Protocol Complaints and Concerns Procedure 2.2.1 i ("failure to conduct required public consultations") and 2.2.1 iii ("Non-transparent decision-making") related to the ISB's vote to not support progressing the Consequential Measures Subgroup's Proposal 1 (aka Marginal Impact Method (MIM) Proposal) to public consultation (see Scope 2 Technical Working Group Meeting #17 presentation, July 28, 2025, at pgs. 10, 15). The ISB vote is not supported in the record, and the vote reversed the Protocol's public position to include the MIM Proposal in the public consultation process. The ISB vote is not in line with TWG support for the MIM Proposal, and the explanation provided by the ISB is not sufficient grounds to withhold the MIM Proposal from public feedback. The TWG overwhelmingly voted in support of the continued development of the MIM Proposal (see Scope 2 Technical Working Group Meeting #17 presentation, July 28, 2025, at pg. 30 (31 out of 41 TWG members voted in support of the continued development of the MIM Proposal)). It is important to note that at the time of this vote, June 25, 2025, the TWG members believed that the MIM Proposal would proceed to public comment based upon their support. The GHG Protocol publicly announced on June 11, 2025, (link) that "The consultation draft is expected to include proposed updates such as (...) the Marginal Emissions Impact metric". However, it was not until July 28, in Scope 2 TWG #17, that it was made evident that the ISB had reversed that position with its decision to omit the MIM Proposal from the public consultation, and to instead only include high-level questions on an impact metric. The 31 TWG members that voted in support of the MIM Proposal on June 25, 2025, did so expecting that the Proposal would move forward to public comment. Moreover, this expectation may have influenced TWG members to vote more favorably for advancing the current proposals for Location and Market Based Methods revisions. The Protocol's reversal on this issue casts doubt on their interpretation of voting during this period. We also assert that the ISB's concerns regarding the "proposed additionality test, netting approach, and lack of alignment with the broader AMI framework" does not warrant withholding the Proposal from the public. Rather, we assert the opposite. We recognize the importance of developing a credible methodology for an impact metric and support robust discussion on that topic. However, now is the time to solicit robust stakeholder engagement on the actual Proposal. In this context, we want to highlight two points: First, CEBA had already raised feasibility concerns with the Scope 2 revision in our letter of May 23, 2025; we are worried that similar feasibility concerns may emerge given the direction of the

ISB's feedback on the MIM Proposal. Allowing the public the opportunity to weigh in even on an early draft would provide the GHG Protocol with an opportunity to understand any feasibility concerns early on, rather than delaying it to a later public consultation. Second, many energy buyers have flagged to us their concern that providing feedback on the revised Scope 2 Guidance draft will be difficult without also seeing what the MIM Proposal might look like. CEBA flagged this concern in the letter mentioned above and called on the GHG Protocol to align the timelines for the Scope 2 revision and the MIM Proposal development. We are concerned that delaying both the overall MIM Proposal development as well as the public input will make this alignment difficult to achieve. Proposed corrective action: In the upcoming public consultation, include a proposal for a Marginal Impact Method. Preface this proposal with a statement that the proposal is in its early development stage, and highlight key areas expected to be revised in the coming months.

Which workstream does this involve:

Scope 2

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

Secretariat

Independent Standards Board