Scope 2 TWG Meeting Minutes

Meeting number 20

Date: November 18 2025

Time: 9:00 – 11:00 ET

Location: "Virtual" via Zoom

Attendees

Technical Working Group Members

1. Simone Accornero, Flexidao
2. Enam Akoetey-Eyiah, Africa Clean Energy Buyers
3. Avi Allison, Microsoft
4. Pete Budden, NRDC
5. Matthew Brander, University of Edinburgh Business School
6. Stephen Buskie, WBCSD
7. Charles Cannon, RMI
8. Yenhaw Chen, Taiwan Institute of Economic Research
9. Jules Chuang, Mt. Stonegate Green Asset Management Ltd.
10. Jessica Cohen, Constellation Energy Corporation
11. Killian Daly, EnergyTag
12. Abhilash Desu, Science Based Targets Initiative (SBTi)
13. Stuti Dubey, The D-REC Organization (Global Energy Equity & Climate Action Foundation)
14. Pengfei Fan, EPPEI
15. Neil Fisher, The NorthBridge Group
16. Andrew Glumac, CDP
17. Matthew Gray, TransitionZero
18. Hannah Hunt, Heineken
19. Svend Hansen, Ørsted
20. Mariné Iriart, Secretaria de Transicion Energetica - Gobierno de Cordoba
21. Peggy Kellen, CRS
22. Emma Konet, Tierra Climate
23. Matthew Konieczny, Watershed
24. Stephen Lamm, Bloom Energy
25. Erik Landry, GRESB
26. Lissy Langer, Technical University of Denmark (DTU)
27. Kelly Lichter, PepsiCo
28. Alain Mahieu, ENGIE
29. J. Andrea Méndez Velásquez, Atmosphere Alternative
30. Gregory Miller, Singularity Energy
31. Gisele Morgado, DNV
32. Alex Perera, WRI
33. Yiwen Qiu, Independent
34. Henry Richardson, WattTime
35. Wilson Ricks, Princeton University
36. Henrik Sundberg, H&M Group
37. Devon Swezey, Google
38. Kae Takase, Renewable Energy Institute
39. Markus Walther, CEBA
40. Linda Wamune, Energy Peace Partners
41. Sophia Wang, Gilead Sciences

Guests

Casey Martinez, Clean Incentive

GHG Protocol Secretariat

1. Elliott Engelmann
2. Chelsea Gillis
3. Michael Macrae
4. Alley Leach
5. Hande Baybar

Item	Topic and Summary	Outcomes
1	***Welcome and goals of meeting*** The Secretariat welcomed members and previewed the meeting agenda.	N/A
2	***Corporate Standard TWG update: justifiable exclusion threshold for Scope 2*** The Secretariat presented preliminary outcomes from the Corporate Standard TWG on defining a quantitative exclusion threshold for scope 2, invited feedback, and conducted an informal poll to gauge the level of support.	Level of support for the Corporate Standard TWG's recommendation for justifiable exclusions for scopes 1 and 2. • Yes, fully support (17 members) • Yes, support with edits (13 members) • Oppose (1 member)
3	***Action and Market Instruments TWG update*** The Secretariat provided an update on Action and Market Instruments TWG and noted opportunities for Scope 2 TWG member collaboration. TWG members were invited to email the Secretariat if they are interested in these options.	N/A
4	***Standard Supply Service (SSS)*** An external guest presented work undertaken to develop a public resource to identify SSS and outlined case studies for Japan, New Zealand, Norway, and France. TWG members discussed how SSS could be allocated in these regions.	N/A
5	***Next steps*** The Secretariat shared next steps, including the next meeting date on December 10th.	N/A

Summary of discussion and outcomes

1. Welcome and goals of meeting

Summary of discussion

- The Secretariat outlined housekeeping and previewed the agenda.

Outcomes (e.g. recommendations, options)

N/A

2. Corporate Standard TWG update: justifiable exclusion threshold for Scope 2

Summary of discussion

- The Secretariat outlined the background of what justifiable exclusions are – any exclusions that are allowed in the inventory, provided they are disclosed and justified. These exclusions are relevant across the entire inventory (i.e., Scope 1, 2, and 3) and relevant across all of the GHG Protocol corporate standards.
- The Secretariat provided a high-level overview of what the current Corporate Standard and Scope 3 Standard say in relation to justifiable exclusions.
- The Secretariat noted the term "de minimis" emissions in the Corporate Standard is defined in the context of verification to determine whether an error is considered materially misleading, with a value of 5% provided as a rule of thumb. The Corporate Standard does not define "de minimis emissions" as an allowable exclusion threshold, as it's often interpreted.
- The Secretariat outlined the range of feedback provided in the 2023 global stakeholder survey related to justifiable exclusions, including the following:
    - Prohibit exclusions
    - Introduce more prescriptive language
    - Introduce more quantitative thresholds
    - Move towards more comparability

- The Secretariat outlined the recommendation of the Corporate Standard TWG and Scope 3 TWG in relation to justifiable exclusions, noting that they have come to the same conclusion through parallel processes. As summarized on slide 13 of the presentation, both TWGs have recommended adopting a more prescriptive approach for justifiable exclusions, where justifiable exclusions are defined with a quantitative exclusion threshold.
- The Secretariat invited clarifying questions from TWG members on the proposal for justifiable exclusions for scope 2.
    - A TWG member asked how often you need to quantify justifiable exclusions. The Secretariat clarified that you need to quantify total emissions each year in order to justify any exclusions that fall below the exclusion threshold.
    - A TWG member asked if some examples could be provided for what may be considered a justifiable exclusion in Scope 2. The Secretariat noted that it's up to be reporter to decide what they wish to exclude; the Corporate Standard TWG have not given guidance or requirements on what qualifies as an exclusion. The exclusions could be anything that fits within the proposed 1% exclusion threshold for scope 2.
    - A TWG member asked how a reporter determines whether they're excluding <1% of emissions without measuring those emissions. The Secretariat clarified that under "justification of exclusions" companies are required to quantify total emissions to justify exclusions. The total quantification step is essential to ensure that cumulative excluded emissions actually fall below the 1% exclusion threshold.
    - A TWG member asked for clarification on the de minimis provision, and whether this is this being considered for Scope 2. The Secretariat clarified that the de minimis exclusion needs to fall within the cumulative 1% exclusion, and that it is not separate or in addition to that. What the de minimis provision would provide is flexibility where reporters would not need to quantify de minimis emissions if they are reasonably confident that the emissions would fall below the exclusion threshold. The Secretariat confirmed that the de minimis provision is being considered for Scope 2.
- The Secretariat outlined the feedback received from the ISB on the topic of justifiable exclusions, noting interest of some ISB members in bringing the preliminary outcomes to the Scope 2 TWG for consideration.
- The Secretariat outlined the rationale for justifiable exclusions for scopes 1 and 2, including:
    - Completeness, transparency and comparability. The Secretariat clarified that comparability refers to consistency across organisations and that comparability is not being recommended as another principle in the Corporate Standard.
    - Interoperability with external programs. The proposed approach also maintains interoperability with programs that have different qualitative (e.g., materiality) and quantitative approaches to exclusions.
    - To balance completeness and feasibility. Companies may wish to exclude low quality estimates given the high uncertainty. In addition, a requirement to report 100% of emissions would not be defensible from an assurance perspective.
- The Secretariat opened for discussion with the TWG.
- A TWG member noted that it would be helpful to have a clear list of statements on what acceptable reasons would be for justifiable exclusions and suggested three potential examples:
    - The effort required to collect data.
    - Small sites that are hard to decarbonise and doing so would slow down ability to progress in other material areas.
    - The data is not accurate enough to be useful.

  They expressed that reasons for excluding sources can have different goals so it would be beneficial to know what's an acceptable rationale and what is not. The Secretariat noted that the intent was not to limit what could be excluded but suggested that guidance could be provided on where a reporter would have a good case for justifying an exclusion. The Secretariat asked if the TWG member thought that exclusions should be limited to specific scenarios and/or circumstances. The TWG member expressed support for more specifically defining justifiable reasons for exclusion to prevent loss of comparability and to give companies confidence in decisions.
- A TWG member noted that they initially did not support allowing any exclusions but appreciated the point about assurance. They expressed that if exclusions are allowed, then the same boundary should be used for the location and market-based method. This would mean that whatever electricity consumption is excluded under the LBM it is also excluded under the MBM. The Secretariat recognized that if separately applied, the 1% exclusion threshold to LBM and MBM may result in inconsistencies and possibly more exclusions.
- Some TWG members questioned the interaction between exemptions and exclusions.
    - The Secretariat outlined the difference between exemptions and exclusions and noted that exemptions and exclusions can work together.
    - The Secretariat noted that the proposed scope 2 exclusions are about completeness, whereas the proposed exemptions are about methodology. Excluded emissions are not reported at all, while an exemption exempts certain requirements (hourly matching as an example) for sources that companies are still required to report emissions from.
    - The Secretariat noted that the Corporate Standard TWG is also considering exceptions to allow for less stringent scope 3 reporting for small companies.

- A TWG member commented that it's strange to have a whole section on exemptions to improve feasibility then to also allow for an exclusion threshold. The member asked who gets to judge whether the exclusion is fair or not.
  - The Secretariat reiterated that the 1% exclusion threshold for scope 2 is a proposal and we welcome feedback.
  - The Secretariat noted that verifiers and assurance providers would be the ones to check whether the claims are strong enough to be approved for verification and assurance. The Secretariat reiterated that the current proposal does not place any limits on what could be excluded as long as total exclusions do not exceed 1% of the total scope 2 inventory.
- A TWG member noted that they don't agree with the ambiguity in the existing standards and believe the proposal on justifiable exclusions is a good step towards complete reporting of Scope 1, 2, and 3. They expressed agreement that, from an assurance perspective, a 1% exclusion allowance is pragmatic. They also suggested clearer language highlighting the recommendation that companies should report a complete inventory, and the 1% exclusion is thought of as an exception to that. They expressed support for the threshold to be applied to the LBM rather than separately calculated under the MBM and LBM.
- A TWG member questioned what happens if something makes up 1% of emissions but 50% of activity data (e.g., electricity consumption) as there are a lot of different ways to calculate emissions. Several TWG members expressed support for this point. The TWG member commented that it would be clearer if the exemption was based on percentage of activity data in MWh rather than percentage of emissions. This approach would also avoid the question about whether companies should be using hourly emission factors and deliverability boundaries for calculating emissions for exemptions.
- The Secretariat raised a concern that if 1% of activity data is exempt this could result in a large quantity of emissions being excluded. They provided an example where a small percentage of a company's electricity consumption could have a very high emissions factor. They also questioned how a threshold based on MWh would account for purchased and consumed heating, steam, and cooling.
- A TWG member noted that for purchased and consumed heating, steam, and chilled water, we could convert everything into the same unit of energy and include that in an activity-based threshold.
- A TWG member noted that this highlights a challenge that one site could potentially have different emissions totals depending on what emission factor you use so you would need to provide guidance and a hierarchy for the exemption.
- A TWG member noted disagreement about the complexity, commenting that a reporter is going to use a specific method to calculate all their emissions and then determine the 1% to be excluded. They noted that an exclusion threshold is based on activity data could be used in addition to an exclusion threshold based on emissions to cover potential loopholes. For example, the exclusion threshold could require that a company includes X% of its total MWh and that less than X% of total scope 2 emissions are excluded.
- A TWG questioned if it is reasonable to expect a carve-out for regions/countries where MBM instruments are limited.

<u>Outcomes (e.g. recommendations, options)</u>

- The Secretariat polled the TWG on level of support for the Corporate Standard TWG recommendation for justifiable exclusions for scopes 1 and 2.
  - Yes, fully support (17 members)
  - Yes, support with edits (please suggest edits in the chat) (13 members)
  - Oppose (please explain why in the chat or by email (1 member)
- The Secretariat encouraged members with suggested edits or reasons for opposition to email the Secretariat.

3. Action and Market Instruments TWG update

<u>Summary of discussion</u>

- The Secretariat provided a brief overview of an AMI in-person workshop that happened November 11-13 in Washington, DC. The Secretariat highlighted the AMI white paper and suggested those interested in related topics should review the draft posted to the document repository.
- The Secretariat outlined two opportunities for collaboration between AMI and Scope 2:
  - First, members may request a formal TWG change from the Scope 2 TWG to the AMI TWG. This option would allow approximately 2–4 members to transfer, following the standard GHG Protocol process for TWG membership changes, including ISB approval. Members pursuing this path would need to have relevant expertise, commit to the full AMI workplan, could transition as early as January 2026, and would no longer participate in the Scope 2 TWG after the transfer. The Secretariat noted that if members request a change but are not accepted, they would remain in the Scope 2 TWG.
  - Second, the Secretariat described the possibility of a future jointly convened subgroup to further develop consequential methods for electricity. This subgroup would include members from both the Scope 2 and AMI TWGs (tentatively 4–8 from each), would not begin before Q2 2026, and participation would be in addition to members' normal TWG responsibilities.

- The Secretariat asked if there were any questions from the TWG about these opportunities and no questions were asked.
- After concluding the section on the AMI TWG update, a TWG member asked how the Scope 2 TWG is collaborating with ISO and when new ISO members will be added to the TWG.
    - The Secretariat noted that this collaboration is underway and we will share when more specific details are available.

4. Standard Supply Service (SSS)

- The Secretariat noted that the objective of this section is to have an open discussion rather than making any decisions or changes.
- The Secretariat introduced an external expert from outside of the TWG to be a guest presenter. The Secretariat clarified that GHG Protocol is not endorsing Climate Incentive products or organization and that the guest has been invited to share an informational update.
- The guest presented an overview of the organization Clean Incentive and indicated that they noticed a gap in data infrastructure around Standard Supply Service so have started building a free public resource.
- The guest noted that they are running a monthly working group where they invite experts to join and contribute to the conversation.
- The guest outlined how the free public database could work, including how the data is collected and what the data registry could look like.
    - They noted that all the data referenced would be transparently available in PDFs and links form supplier websites.
    - They highlighted the most important element is the list of supplier sources – this is designed to be a starting point for companies to talk to their suppliers about their SSS.
- The guest outlined different sources they would interpret as being included as Standard Supply Service, including a significant amount of existing nuclear.
- Some TWG members discussed what would be included in a Supplier Specific Residual Mix and how it would be used.
- The guest outlined case studies for Japan, New Zealand, Norway, and France and opened for TWG member discussion on how SSS could be defined in these regions.
- TWG members discussed considerations for applying SSS criteria in Japan:
    - A TWG member clarified details about Japan's non-fossil portfolio standard.
    - A TWG member commented that when considering a threshold for government support schemes under SSS designation, tax credits in the U.S. that apply broadly across technologies should be considered. They emphasized that excluding these resources from voluntary claims would be unreasonable.
        - A TWG member commented that if the point of regulation is the load, as with an RPS, then it's SSS. If it's a generation (e.g. a production tax credit) that doesn't impact the ability to direct the EAC to voluntary load.
    - A TWG member noted that that in Japan the non-by passable charges customers are required to pay can differ depending on the size of the company.
    - A TWG member clarified that the amount of FIP ('feed in premium') support a resource receives can be very small.
    - A TWG noted that it would be hard to determine what an appropriate threshold for government support should be if the government support is CFD-based ('contract for differences') or similar, as for each year you would need to determine whether it is below or above a threshold.
- TWG members discussed considerations for applying SSS criteria in New Zealand:
    - A TWG member noted that the same issue of government ownership applies in Norway and Sweden.
    - A TWG member noted that since New Zealand is a deregulated market and there is no non-bypassable charges passed to customers that they don't think there is justification for public ownership in this context to qualify as SSS.
    - A TWG member noted it's possible to have publicly owned resources that are functionally funded by a specific off-taker rather than by a wide group of ratepayers. They highlighted the key is the non-bypassable charge (ideally accompanied by EAC retirement on behalf of all customers) rather than the ownership structure.
- A TWG member questioned whether SSS is about fair allocation of resources or is it a proxy for additionality.
    - The Secretariat noted that, as described in the consultation proposal, it is intended to provide fair allocation of resources.
    - A TWG member noted that SSS is meant to properly allocate existing clean energy to customers who have a preexisting, direct financial relationship to it. It also happens to apply to the majority of existing clean energy, which would likely yield scarcity, but that is not the "why" of it.
- TWG members discussed considerations for applying SSS criteria in Norway:
    - A TWG member noted that in their view the problem we're trying to solve is largely addressed by the updated scope 2 quality criteria, specifically having tighter deliverability requirements.

  - Some members noted that not everyone will necessarily report under the GHG Protocol so there might still be EACs sold outside a deliverable boundary.
  - A TWG member noted that if EACs are sold then this should be carved out from what a company in Norway sees from their supplier.
- The Secretariat asked members for their perspective whether the model of government ownership in Norway seems materially different from New Zealand in terms of SSS allocation.
  - A TWG member commented that setting a government ownership threshold at 50% seems arbitrary but that the situation in New Zealand seems functionally different to Norway where 100% of the assets are publicly owned and serving load directly to customers who are paying for and technically own the resources.
  - A TWG member highlighted that if it's a public company who competes in a fully competitive market, is by default included in the Standard Supply Service, but we wouldn't do the same for a private company, then we disturb the competition.
- TWG members discussed whether a utility needs to retain or retire attributes on behalf of ratepayers for it to be SSS, or if meeting the SSS criteria is sufficient for it to be claimed.
  - A TWG member noted the value of a public registry so that companies can know when they shouldn't buy EACs for voluntary claims because they meet the criteria for SSS.
  - A member highlighted that ultimately the owner of GO's is going to decide what to do with them. If they're sold, that generation can't be part of SSS, and the claim is going to someone else.
  - Several TWG members expressed support for the idea that attributes would need to be retained or retired on behalf of customers for SSS to be claimed.
- A TWG noted a concern for the discrepancy between GHG P and a national schemes.
- The guest noted that TWG members can email them if they wish to join the external working group to continue the discussion [outside of the GHG Protocol Standard Revisions process].

5. Next Steps

Summary of discussion

- The Secretariat noted that the next TWG meeting is scheduled for Wednesday, December 10th at the alternative time.
- The Secretariat encouraged TWG members to email if they have any interest in the AMI TWG engagement options that were outlined earlier.

Outcomes (e.g. recommendations, options)

N/A