

March 11, 2026

Dear Complainant [required confidentiality],

Thank you for reaching out to GHG Protocol on the topic of Scope 2 update process via our website form for concerns and complaints.

While we have previously publicly [responded](#) to similar non-confidential complaints, we acknowledge that an individual response to you has been delayed.

Following the evaluation criteria of GHG Protocol's Concerns and Complaints Procedure, we classified your submission 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. Transparency is a hallmark principle of any robust multi-stakeholder process and critical for stakeholder trust in our standards revision process.

Following careful consideration of your complaint, we respectfully disagree with your assertion of violations of established standards for stakeholder engagement and transparent governance.

Relevant decision-making body

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.

Advancement of Impact Accounting/Marginal Impact Method (MIM)

In the specific case of the Impact Accounting/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, consequential accounting topics were presented as a standalone consultation.

The ISB thoroughly reviewed the full Marginal Impact Method (MIM) proposal 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 public consultation on electric-sector consequential methods as an input 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 the blog “[Scope 2 Standard Advances](#)” and described in the [Public Consultation – Consequential Electricity-Sector Emissions Impacts](#).

With this in mind, we also would like to address expectations arising from the GHG Protocol [blog post](#) of June 2025. 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. Importantly, the blog 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 inferred that the blog was 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.

That said, we appreciate your feedback and take these concerns seriously. We are committed to clear and precise communication and welcome constructive input that helps us improve our communications.

Representation on the Independent Standards Board (ISB)

Regarding your comment on the need for enhanced representation of independent project financiers’ expertise on the Independent Standards Board (ISB): The selection of GHG Protocol

ISB members is described in section 4 of the ISB Terms of Reference (ToR) and is based on a best-practice approach. The selection process considers multiple criteria to ensure depth of subject matter expertise, diverse perspectives, and balanced representation across organization types (academia, research, civil society, the private sector and financial sector as well as intergovernmental/multilateral bodies) and geographies. Based on these criteria, the Steering Committee approved the current ISB composition, which also includes major energy buyer perspectives (e.g. from global manufacturers). Furthermore, the ISB is empowered to invite additional experts as needed.

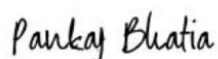
We recognize the important role investor expertise plays in our standard development process. ISB deliberations are informed by the Technical Working Groups, which include specific expertise and experience relating to the topical area of focus. We also welcome input from all stakeholders, including investors, to any of our consultations. We currently are undertaking a review of the Actions and Market Instruments TWG to ensure we have sufficient expertise in this area.

We will also discuss your recommendations with the Steering Committee when it next considers the membership of the ISB.

We hope these clarifications have assisted your understanding of Greenhouse Gas Protocol's due process.

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

Kind regards,



Pankaj Bhatia, GHG Protocol Co-Director (WRI)



Maia Kutner, GHG Protocol Co-Director (WBCSD)

October 22, 2025

GHG Protocol Secretariat and Independent Standards Board
WRI 10 G Street NE, Suite 800
Washington, D.C. 20002

Formal Complaints on Mandated Hourly and Location-Based Matching in Scope 2 Accounting

Dear GHGP,

We write to advance formal complaints regarding the Scope 2 accounting update process. As a climate-positive investor and asset manager dedicated to accelerating transformative clean energy infrastructure, we urge decision-makers at the Greenhouse Gas Protocol (GHGP) to reconsider the current trajectory toward mandating hourly and location-based matching for Scope 2 emissions accounting by involving independent market participants with project finance experience on the Independent Standards Board and transparently disclosing decision-making rationale that disregarded guidance from the Scope 2 Technical Working Group.

COMPLAINT 1: Lack of Input/Representation from Independent Market Participants with Project Finance Expertise on the ISB

The overwhelming consensus among developers, corporate buyers, practitioners, NGOs, and technical experts is clear: mandated hourly/location matching poses significant and unjustified risks to effective decarbonization, voluntary market participation, and the global climate trajectory. Nearly 40% of your own Technical Working Group opposed hourly matching as a mandate, while 74% supported advancing impact accounting in parallel. Yet the ISB disregarded this expert consensus, sidelining Impact Accounting and advancing hourly matching without transparent justification. The result is a flawed process that has lacked stakeholder consultation, confidentiality, and meaningful engagement.

Of particular concern to us is that corporate purchases of both PPAs and RECs are required for projects to be built. The ISB's proposed guidance is based on assumptions that corporate purchases are not required and is uninformed by current project finance principles. Projects that are purely merchant can not be financed and project finance models assume that RECs are additional and have value for the life of the project in order to achieve the necessary hurdle rates.

This lack of understanding of basic project finance economics is a blind spot that will have unintended repercussions to renewable energy development in the coming decades, severely hampering the vital necessity for economy-wide decarbonization. This is especially true given the reductions to U.S. tax credits many projects previously relied upon.

WRI itself said that [“Climate Finance Is a Top Story to Watch in 2025,”](#) which rings hollow given the ISB’s lack of credible project financiers who stand to remake renewable energy project finance to the detriment of carbon emissions reductions.

COMPLAINT 2: Lack of Transparent Decision Making in Disregard for Technical Working Group Guidance

As a climate-positive investor and asset manager, [the organization that raised the complaint] is concerned that the decision not to advance the Impact Accounting methodology for public comment, alongside the hourly matching approach for Inventory Accounting, constitutes a significant lapse in transparent and accountable governance. This decision diverges from both publicly set expectations and the clear recommendations of the Technical Working Group.

In the GHG Protocol’s own June 2025 blog post ([“Scope 2 Technical Working Group Progress Update”](#)), stakeholders were explicitly told that the consultation draft would include updates such as hourly and regional matching, the Marginal Emissions Impact metric, and related feasibility provisions. Stakeholders, including [the organization that raised the complaint], were led to expect that Impact Accounting would be presented concurrently with Inventory Accounting for comprehensive public review and feedback.

The Scope 2 Technical Working Group (TWG), a multi-stakeholder body responsible for developing the technical details of the standard, expressed overwhelming support for pursuing both methodologies in parallel. According to minutes from June 25, 2025, 31 of 42 TWG members voted to continue developing Impact Accounting as a complementary approach to hourly matching. The TWG’s Terms of Reference specifically charges it with making such content recommendations to the Secretariat and ISB. The decision by the ISB to set aside this majority recommendation, without a public rationale, fails to meet the standards of transparent, reasonable decision-making that [the organization that raised the complaint], and the broader market, expect from global standard setters.

Remedy

The GHGP should not allow a vocal minority to impose a rigid, theoretically elegant but practically flawed mandate. The guidance of those investing billions, building projects, managing grid reliability, and delivering emissions reductions must inform this process.

We respectfully call for:

1. Immediate adoption of an impact metric, disclosed in parallel with MBM/LBM, with clear guidance for corporate use.

2. Transparent, inclusive decision-making, including allowing corporate and stakeholder input from practitioners with real-world experience in a process that allows commentators to disclose sensitive real world business constraints.

3. A balanced framework that preserves Attributional Accounting for inventories while prioritizing Impact Accounting to drive meaningful decarbonization.

Conclusion

To maximize real-world emissions reductions at this pivotal moment, we urge the Protocol to correct course and advance a framework that pairs Attributional and Impact Accounting, preserves voluntary action, and accelerates global decarbonization.