

Greenhouse Gas Protocol

Scope 2 Public Consultation Feedback Summary: Executive Summary

The GHG Protocol [Corporate Standard](#) (2004) and its [Scope 2 Guidance](#) (2015) are among the most widely used frameworks for corporate emissions accounting, underpinning both voluntary reporting and a growing body of mandatory climate disclosure. As part of its ongoing revision of the Scope 2 Guidance, the GHG Protocol invited stakeholders to comment on a set of proposed changes through a public consultation.

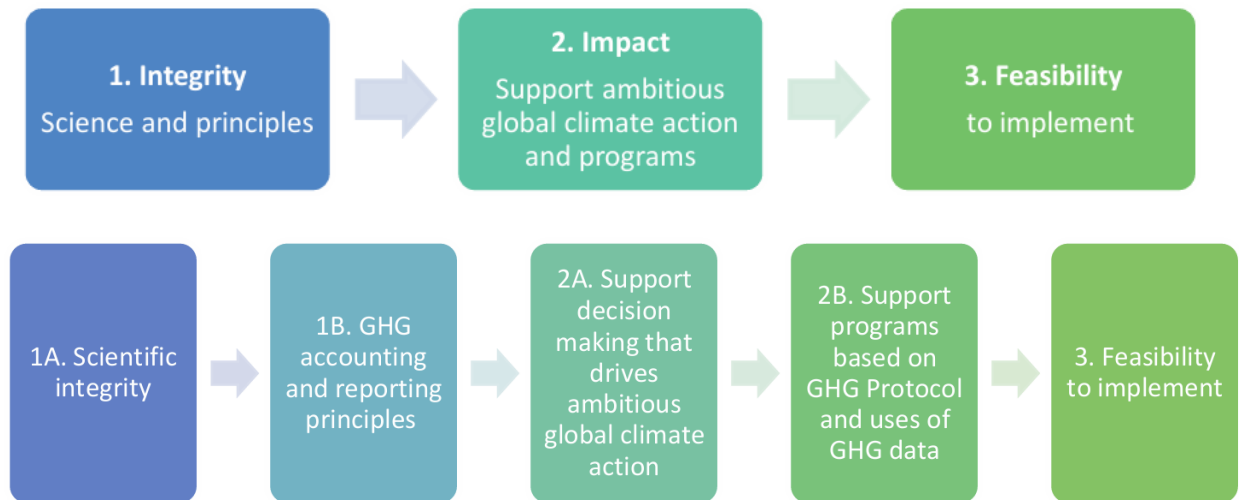
Public consultation is a defined step in the Standard's revision process, held to ensure that a wide range of voices across the reporting landscape can respond to the proposed changes before the standard is finalized. This Executive Summary provides a high-level overview of that feedback and outlines the next steps in the process.

Background on Scope 2 Guidance: The Greenhouse Gas (GHG) Protocol Scope 2 Guidance (Scope 2 Guidance), published in 2015, requires dual reporting of indirect emissions from purchased and consumed electricity, steam, heat, and cooling using two distinct methods: location- and market-based method reporting. The location-based method assigns emissions based on the average emission intensity of the grid(s) in which an organization operates, while the market-based method allocates emissions based on the specific electricity purchase decisions an organization makes.

Updating Scope 2 Guidance: Since its publication, the Scope 2 Guidance has been used by thousands of organizations and there have been many important developments in GHG accounting. These include new regulations which mandate climate-related disclosures, a steep increase in the adoption of net-zero targets, and research on the use and impact of the guidance and standards.

To ensure that the GHG Protocol continues to effectively support and enable these developments, the GHG Protocol began a formalized process in 2022 to update the Scope 2 Guidance. The proposed revisions were developed over two years by the Scope 2 Technical Working Group (TWG), an independent body of around 45 subject-matter experts convened for the revision under the GHG Protocol's [Standard Development and Revision Procedure](#). The Group's recommendations were shared on a rolling basis with the GHG Protocol Independent Standards Board (ISB), which oversees the process, and in July 2025 the Board approved proposed revisions to advance to public consultation.

This process is guided by a [decision-making criteria](#) to support the GHG Protocol Secretariat, TWG, and ISB in evaluating GHG Protocol accounting and reporting approaches to determine which option among a defined set of options best adheres to the criteria and should be pursued. The decision-making criteria in aggregate are intended to support the GHG Protocol mission and vision.



Decision-making criteria

Consultation as part of the GHG Protocol revision process: Public consultation is a critical component of GHG Protocol’s [Standard Development and Revision Procedure](#), providing an opportunity for all stakeholders to contribute feedback on proposed revisions to GHG Protocol standards and guidance. It is one step of a broader process which is designed to support the development of robust, credible and trustworthy standards, leveraging the insights and expertise of stakeholders with a multitude of perspectives. The scope 2 consultation was held between October 20, 2025 and January 31, 2026 focused on updates to the Scope 2 Guidance (2015).

Robust stakeholder response: The consultation received nearly 1100 responses from 56 countries. Survey respondents primarily represented companies, industry groups, and consultants (62%), with lower representation from NGOs and academia (13%), energy suppliers/retailers or utilities (8.5%), and others (16.5%).

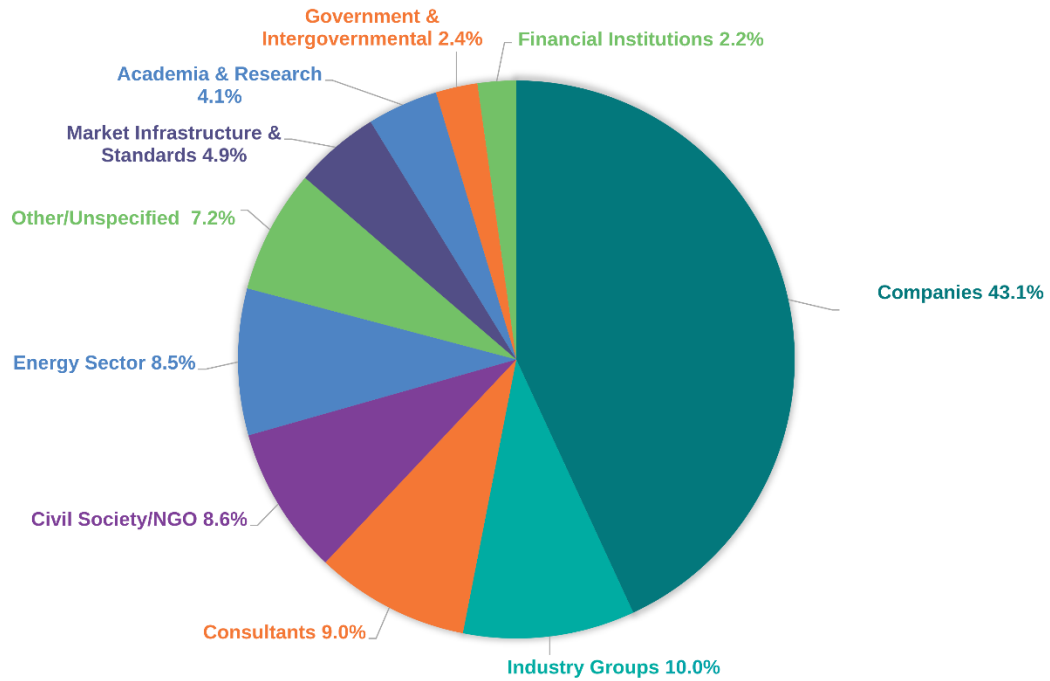


Figure 1— Respondents by stakeholder type

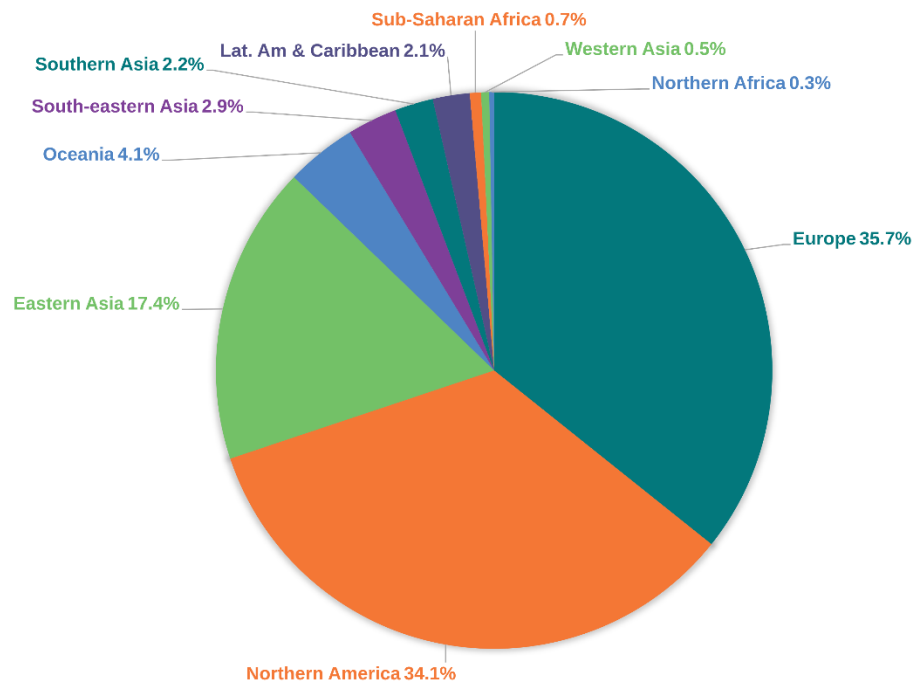


Figure 2— Respondents by geographic region

Consultation proposal: The proposal maintained the dual reporting structure of the 2015 *Scope 2 Guidance*, which requires the location-based method, and where contractual information exists, also requires the market-based method. The proposal refined the definitions, purposes, and criteria for both reporting frameworks within an attributional accounting framework.

Location-based method	Market-based method	Implementation measures for feasibility
 Update to the location-based emission factor hierarchy .	 Hourly matching: require that all certificates be matched on an hourly basis.	 Load profiles to translate annual or monthly data into hourly data.
 Requirement to use the most precise location-based emission factor accessible for which activity data is also available.	 Deliverability: require that all certificates are sourced from generation deemed deliverable.	 Exemption thresholds to provide flexibility for smaller organizations.
 Definition of accessible: publicly available, free to use, from a credible source.	 Standard Supply Service (SSS): New guidance and requirement that a reporting entity shall not claim more than its pro-rata share of SSS.	 Legacy clause is under consideration for existing investments.
	 Updated definition of residual mix and where no residual mix is available, use of fossil only rates.	 Phased implementation rules are being discussed to facilitate a smooth transition to new requirements.
	 Default fossil fallback: Requirement to use a fossil-based emission factor if residual mix isn't available.	

The proposed revisions to the market-based method (MBM) introduced an update to Quality Criteria 4 to move from requiring contractual instruments be matched “as close as possible” to the electricity an organization consumes to require hourly matching of contractual instruments for large organizations. Organizations under a threshold would be exempt and able to continue annual matching.

The proposal also introduced an update to Quality Criteria 5 to require that contractual instruments meet deliverability requirements, e.g., clean energy sources would need to be plausibly deliverable to where the organization consumes electricity.

The proposal introduced new guidance on Standard Supply Service (SSS) allocations¹ to clarify how electricity supplied through standard utility tariffs should be accounted for. It

¹ The defining characteristic of SSS resources is that there is a traceable and mandatory financial relationship between customers of a supplier or utility and the electricity and/or contractual instruments from deliverable generation resources (including both carbon-free and fossil resources) used to supply their load.

also updated the definition of residual mix², the emissions factor used to represent electricity not claimed through contractual instruments, and proposed a fossil-based emission factor fallback requirement³ where no residual mix is available. To support implementation, the proposal included several practical measures, including the use of standardized load profiles where hourly data is unavailable, exemptions from hourly matching requirements for most organizations, and transition measures such as a legacy clause for existing contracts and phased implementation. This approach sought to balance improved accuracy, integrity, and consistency with the practical realities of implementation.

The proposed revisions to the location-based method (LBM) introduced an updated emission factor hierarchy to help organizations choose the emissions factor that best reflects the electricity they consume. The hierarchy prioritizes more precise emissions factors based on factors such as location, time period, and the type of data used. The proposal also requires organizations to use the most precise accessible emissions factor accessible, defined as one that is free, publicly available, and from a credible source, to improve the accuracy and consistency of emissions reporting.

For additional details, please see:

- [GHG Protocol Scope 2 Public Consultation](#)
- [Scope 2 Public Consultation: Overview of Revisions](#)
- [Scope 2 Public Consultation: Hourly Matching and Deliverability](#)

Key themes emerging from feedback on the market-based method proposal

Low support for hourly matching and deliverability as proposed

The proposals for hourly matching and deliverability showed low levels of support by respondents. For hourly matching, low levels of support were most prevalent among companies and industry groups, and in North and South America, East and South-East Asia. GHG reporting programs and data providers showed higher levels of support.

² The residual mix characterizes the emission rate of untracked or unclaimed energy and is used in the market-based method to prevent double counting of GHG emission rate claims tracked through contractual instruments.

³ The proposed update would eliminate the option to use a grid-average emission factor and proposes that for any consumption not matched with Standard Supply Service or voluntary contractual instruments, organizations would be required to either use a residual mix emission factor that excludes all claimed and SSS contractual instruments, or default to either a fossil-only grid-average or fossil emission factor, such as gas, oil, or coal.

NGOs/civil society and academia were split on their level of support. For deliverability, low levels of support were more prevalent among companies and industry groups, while NGOs/civil society, government institutions, GHG reporting programs, academia, consultants, and data providers expressed plurality support.

Distinct views on whether hourly matching and deliverability advance integrity in the market-based method revisions (Decision-making Criteria 1)

Respondents expressed differing views on whether hourly matching and deliverability are necessary to improve the integrity of the market-based method. Many respondents commented that the current MBM already accurately reflects electricity procurement rather than use and therefore allocating emissions through contractual instruments should not require any physical connection between electricity consumption and emission sources. Other respondents indicated that these changes improve the method's scientific integrity and increase its alignment with GHG Protocol's accounting principles by more closely matching the market-based method inventory to when and where electricity is used.

Two theories of change on how to drive impact through the market-based method (Decision-making Criteria 2)

While many respondents raised concerns about the existing market-based method's ability to drive ambitious climate action ('impact'⁴), their reasoning differed.

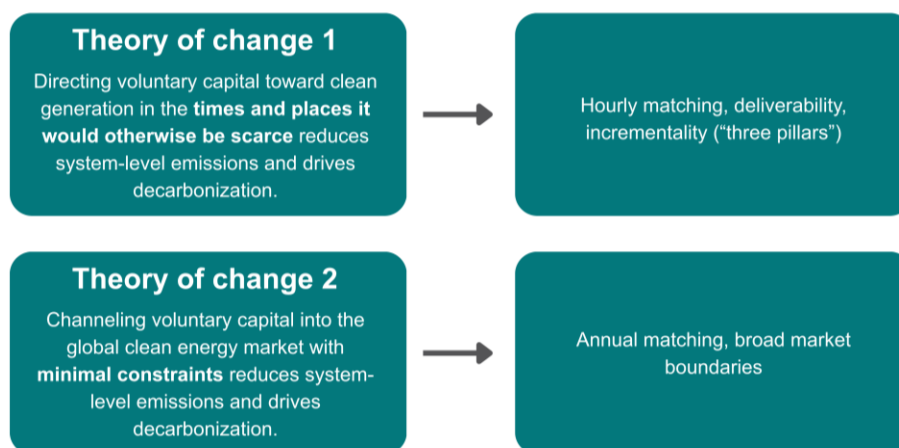
Many respondents focused on feasibility and the importance of minimizing any barriers to participation in voluntary clean energy claims, indicating that the proposed changes could suppress voluntary market participation and alter procurement decisions, ultimately weakening the market-based method's impact on grid emissions.

Other respondents indicated that temporal matching and deliverability are integral to help ensure that market demand finances new clean energy capacity on the grid. For these respondents, the scope 2 updates should do more than sharpen accounting accuracy. They want the clean electricity companies claim to use in their inventory to increasingly match real growth in clean energy on the grid. Some respondents commented that an incrementality requirement, such as allowing companies to make voluntary clean electricity claims only when those claims are linked to newer clean energy projects, is a

⁴ In GHG Protocol's decision-making criteria, see criterion 2A. "Support decision making that drives ambitious global climate action" [Governance Overview](#)

crucial consideration for directing capital to new clean energy development and driving ambitious climate action.

Overall, feedback revealed differing perspectives on how the market-based method can most effectively support ambitious climate action (depicted below). Feedback suggested that the proposed approach, which combines stricter requirements such as hourly matching and deliverability with exemptions and other feasibility measures, may not fully satisfy either objective. Some respondents argued that the flexibility measures could weaken the intended environmental impact of the requirements, while others felt the proposals could still create barriers to participation in voluntary electricity markets.



Emphasis on feasibility of the market-based method (Decision-making Criteria 3)

At the same time, many respondents emphasized the importance of ensuring any new requirements remain feasible to implement. Feasibility measures designed to exempt most organizations from hourly matching received broad support, as did a legacy clause to maintain the eligibility of existing long-term contracts under the proposed revisions.

Respondents expressed mixed views on whether the proposed feasibility measures were sufficient. Concerns focused on implementation costs, administrative and audit burdens, the availability of registry and utility data, and the pace of transition. Suggestions to support implementation included phased introduction of new requirements aligned with market readiness, alignment with internal and external reporting cycles, optional adoption periods, and access to additional tools and support.

Respondents who viewed the feasibility measures as sufficient noted that hourly matching is already being implemented in a growing number markets and is increasingly supported by utility offerings, tracking systems, data sources, and other supporting infrastructure.

These respondents considered exemptions, standardized load profiles, transition relief measures, and phased implementation to be appropriate mechanisms for balancing practicality with the ambition of the proposed revisions.

Moderate support for other proposed market-based method updates

Many respondents expressed support for the proposed changes to the market based method, including an updated definition of the residual mix emission factor⁵ new guidance on Standard Supply Service (SSS) allocations⁶, and a proposal to use a fossil-based emission factor as a default where electricity consumption is not matched with either contractual instruments or a residual mix⁷. Respondents generally viewed these proposals as improving the integrity and consistency of market-based accounting. However, many also raised implementation concerns, including uncertainty about how the transition could affect reported emissions for different organizations and regions. Feedback on the proposed SSS allocation approach indicated that additional guidance may be needed to support understanding and implementation.

Key themes emerging from feedback on the location-based method

Mixed levels of support for location-based method proposal

Respondents were split on the proposed changes to the location-based method. Views were mixed on the proposed emission factor hierarchy, which prioritizes emissions factors based on their level of precision, and on the requirement for organizations to use the most precise emissions factor accessible that aligns with their electricity consumption data. However, most respondents supported defining accessible emissions factors as those that are free, publicly available, and obtained from a credible source.

Mixed views on advancing integrity in the location-based method (Decision-making Criteria 1)

Many respondents supported the proposed emission factor hierarchy and the requirement to use the most precise emissions factor available because they believed it would improve the accuracy of reported emissions and better reflect the electricity an organization

⁵ Proposal for residual mix emission factor <https://ghgprotocol.org/sites/default/files/2025-10/GHG-Protocol-Scope2-Public-Consultation.pdf#page=27>

⁶ Proposal for Standard Supply Service <https://ghgprotocol.org/sites/default/files/2025-10/GHG-Protocol-Scope2-Public-Consultation.pdf#page=25>

⁷ Proposal for the replacement of grid average emission factors in the market-based method <https://ghgprotocol.org/sites/default/files/2025-10/GHG-Protocol-Scope2-Public-Consultation.pdf#page=27>

actually consumes. However, respondents also raised concerns that the most granular factor may not necessarily be the most accurate for every location or consumption pattern.

Respondents also broadly agreed that improving comparability between organizations is an important goal of the location-based method. Many noted that the proposed hierarchy could improve consistency among organizations operating on the same grid by providing clearer rules on which emissions factors should be used. However, respondents raised concerns that differences could still arise in practice. For example, some organizations may choose to purchase emissions factors that are more detailed than those considered "accessible," while others may be unable to use a granular emissions factor because they do not have the corresponding electricity consumption data. As a result, organizations on the same grid could continue to report based on different data sources or granularity, limiting full comparability.

Mixed views on the role of the location-based method in driving impact (Decision-making Criteria 2A)

Respondents expressed mixed views on whether the proposed changes to the LBM would encourage ambitious climate action. Some argued that decisions such as shifting electricity use to lower-emission periods (load shifting) or locating operations in regions with cleaner grids can have a real impact on emissions and should therefore be reflected in reporting. Others were less convinced that these actions translate into meaningful real-world reductions and questioned whether more granular reporting would deliver significant climate benefits.

Some respondents also expressed concern that increased complexity in LBM reporting could require organizations to devote more time, resources, and attention to data collection and compliance, potentially at the expense of implementing emissions reduction activities they viewed as having a more direct climate impact.

Emphasis on interoperability with other reporting standards (Decision-making Criteria 2B)

While there is broad support for the proposed definition of accessible, a few respondents suggested that the definition should more closely align with the "*undue cost or effort*"⁸ principle used by IFRS/ISSB and ESRS. Respondents also commented that the proposed

⁸ IFRS Foundation paper on this principle [ap3c-4d-general-sustainability-related-disclosures-s1-climate-related-disclosures-s2-reasonable-and-supportable.pdf](#)

emission factor hierarchy and requirement to use the most precise emission factor accessible may sit in tension with some existing mandatory reporting requirements with broader or less precise data requirements.

Emphasis on feasibility of the location-based method (Decision-making Criteria 3)

While many respondents agreed that the definition of “accessible” (publicly available, free to use, and from credible sources) reduces financial barriers to sourcing emission factors, most respondents indicated that the incremental preparer cost and effort to implement the proposed revisions to the location-based method could still be high. They cited the need for additional investments in data collection, IT systems, staffing, training, and assurance.

To help mitigate these challenges, respondents suggested: phased implementation timelines (structured by region, sector, organization size, or market readiness milestones), access to standardized, globally accessible emission factor databases and direct support from utilities and grid operators to provide hourly data.

Next steps

Revisions based on public consultation feedback will continue to follow GHG Protocol's [Standard Development and Revision Procedure](#), under which the Secretariat, the Independent Standards Board, and the Technical Working Group review feedback and revise proposals following a public consultation.

In April, the ISB decided that it would first review the public consultation feedback and set the direction for the revision, then task the TWG with refining the approach and resolving open questions.

In July, the ISB set that direction. Having reviewed the consultation feedback, the ISB called for further work on multiple market-based method reporting approaches that reflect different theories of change and tasked the TWG with refining the approach and resolving open questions.

Further steps and any additional public consultation will follow GHG Protocol's standard development process including development by the Technical Working Group and review and approval by the Independent Standards Board.