GREENHOUSE GAS PROTOCOL

Actions and Market Instruments Technical Working Group

Meeting # 2.11

GHG Protocol Secretariat team:
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November 11, 2026

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Agenda

- Welcome & housekeeping (20 min)
- Statement 2 eligibility criteria (40 min)
- Statement 2 calculation methods (40 min)
- Statement 2 residual emission factors (20 min)

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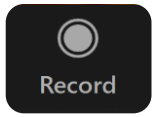
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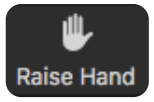
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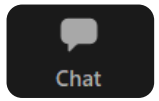
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This meeting is recorded.



Please use the Raise Hand function to speak during the call.



You can also use the chat function in the main control.



Recording, slides, and meeting minutes will be shared after the call.

Guidelines and Procedures

TWG members should **not disclose any confidential information** of their employers, related to products, contracts, strategy, financials, compliance, etc.

In TWG meetings, **Chatham House Rule** applies:

- "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed."

Compliance and integrity are key to maintaining the credibility of the GHG Protocol

- Specifically, all participants need to follow the **conflict-of-interest policy**
- **Anti-trust rules** have to be followed; please avoid any discussion of competitively sensitive topics*

* Such as pricing, discounts, resale, price maintenance or costs; bid strategies including bid rigging; group boycotts; allocation of customers or markets; output decisions; and future capacity additions or reductions

AMI TWG Shared Values

- Always **be respectful**
- Take space, make space
- There are **no bad ideas or questions**
- **Be pragmatic** – balance perfect with actionable
- **Be open** to differing points of view and **curious** about all sides of a discussion
- **Keep integrity** at the heart of decision-making and consider real word impacts
- **Keep focus** on the long-term goal of developing an effective standard

Plan for our TWG meetings in 2026

Meeting	Date	Topic
2.01	Jan 28, 2026	Workplan, white paper, public consultation
…		
2.08	Sep 09, 2026	RFI, ISO feedback and subgroup status
2.09	Oct 07, 2026	Plan for standard drafting, ISO Feedback II, mutual exclusivity, select polling
2.10	Nov 04, 2026	Standard draft walkthrough
2.11	**Nov 11, 2026**	**Statement 2: Discuss outstanding standard draft topics**
2.12	Nov 24, 2026	TBD - Discuss outstanding standard draft topics
2.13	Dec 02, 2026	TBD - Discuss outstanding standard draft topics
2.14	Dec 09, 2026	TBD - Discuss outstanding standard draft topics
2.15	Dec 16, 2026	TBD - Discuss outstanding standard draft topics

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Draft for TWG Discussion

How TWG members will provide feedback on the draft Standard

Feedback will be gathered through four complementary channels.

WAYS TO PROVIDE FEEDBACK

1 — COMMENTED WORD COPY — Detailed feedback on draft text

1. Save as AMI_Part2_Comments_Firstname_Lastname.docx. **2. Use Word comments only**; one distinct issue per comment and no tracked changes. **3. Begin with E:** (editorial), **C:** (content), and/or **RED:** (would not agree unless changed). **4. Add proposed wording or a resolution when possible. 5. Return the file by November 25** or request an extension by that date.

2 — MIRO BOARD — Engagement on selected open topics

The Secretariat will provide space for TWG members to interact and exchange views on open topics.

3 — POLLS — Structured signals of support and agreement

Meeting follow-up poll: understand support for options discussed in the meeting.
Final poll: understand TWG agreement by chapter and identify major concerns or changes needed.

4 — TWG MEETINGS — Discussion of outstanding topics

Use scheduled TWG meetings to discuss unresolved issues, options, and decisions. See the following slide for the topic schedule.

Use all four channels to provide detailed comments, engage on open topics, and signal agreement.

KEY DATES

NOV 11	**Instructions shared** — Commenting process and controlled draft provided.
NOV 25	**Word feedback due** — Return commented copy or request an extension.
DEC 16	**Core decisions** — TWG discusses key pre-holiday decisions.
EARLY JAN	**Updated draft** — Secretariat integrates feedback gathered through December.
DATE TBD	**Final chapter poll** — Assess agreement by chapter and major concerns.

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Preliminary list of topics for discussion during upcoming meetings

November 11th
- Statement 2 eligibility criteria
- Statement 2 calculation methods
- Statement 2 residual emission factors

November 24th
- Additionality
- Key indicators
- Excess instrument reporting
- Statement 2 allocation

December 2nd
- Statement 3 subcategories
- Statement 3 eligibility criteria
- Statement 3 calculation methods
- Statement 3 reporting structure and aggregation

December 9th
- Baselines
- Statement 3 reference points
- Induced emissions
- Removals

December 16th
- Claims
- Open topics based on TWG feedback

January
- Open topics based on TWG feedback

Agenda

- Welcome & housekeeping (20 min)
- Statement 2 eligibility criteria (40 min)
- Statement 2 calculation methods (40 min)
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Eligibility criteria: Overview of current requirements.

1. Activity matching: The market instrument **shall** address an emission source in the value chain.

2. Attributional accounting:

- **Option A:** Market instruments **shall** follow an attributional accounting approach.
- **Option B:** Market instruments **shall** be conveyed in quantity of CO_2e per unit of activity or product.

3. Quantity matching: The quantity of the activity represented by market instruments **shall** not exceed the quantity of the activity reported in the physical GHG inventory.

4. Deliverability/association: The organization **shall** have traceability to the activity pool where the intervention was implemented.

- **Physical deliverability:** Same activity pool as the one in the physical GHG inventory.
- **Commercial relationship:** Activity pool defined by the supplier or customers operations.
- **Critical sector:** Address a critical sector technology, defined by programs or sector-specific guidance.

1. Eligibility criteria: Activity matching.

Requirement text: The market instrument **shall** address an emission source that is included in the organization's value chain as part of their physical GHG inventory. The emissions source may be in the physical GHG inventory as a component or subcomponent (e.g., same product purchased, service used).

Basic association test (AIM, 2026)

Requirements:

- To pass Basic Association, the intervention shall address an emissions source that is included in the company's value chain as part of their physical inventory. The emissions source can be in the physical inventory as a component or subcomponent.

Inventory alignment test (TCAT, 2025)

Is the GHG-related activity matched to an emitting activity in the company's GHG inventory—meaning it is the same type of product, service, or process that generated emissions in the inventory?	The GHG-related activity addresses the same category of activity (e.g., same product purchased, service used) as an emitting activity included in the inventory.

AMI integrity criteria (SBTi, 2026)

Activity matching: Companies shall demonstrate that actions taken at any level of the implementation hierarchy correspond to the same activity type, product, material, fuel, or energy source as the company's underlying activity reflected in the inventory.

Note: Activity is defined as "an individual source of emissions."

2. Eligibility criteria: Attributional accounting.

Requirement text:

- **Option A:** Market instruments reported in the market-based GHG inventory **shall** follow an attributional accounting approach [or principles that are applicable to market-based accounting].
- **Option B:** Market instruments reported in the market-based GHG inventory **shall** be conveyed in quantity of CO_2e per unit of activity or product.

Accounting expression criteria (TCAT, 2025)

Is the activity expressed as the amount of emissions per unit of product, service, or activity without referencing a baseline?	The data is presented as an emissions factor (e.g., tCO_2e/unit) and paired with activity data. No avoided or reduced emissions are calculated.

AMI integrity criteria (SBTi, 2026)

Accounting basis: Market instruments conveying emissions factors shall apply attributional accounting principles based on a homogeneous functional unit and be consistent with applicable GHG Protocol requirements.

Inventory alignment test (TCAT, 2025)

Are the units used to quantify the impact of the GHG-related activity the same as those used for the matched emitting activity (e.g., tons of material, kWh, therms)?	The units used to quantify the impact of the GHG-related activity are identical to those used for the matched emitting activity in the inventory.
Do the emission factors applied to the GHG-related activity match those used for the matched emitting activity, in terms of units, emission scope, and lifecycle boundaries (e.g., cradle-to-gate, GHG emissions per activity unit), when such information is available?	Emission factors applied to the GHG-related activity are based on the same units, and cover equivalent lifecycle boundaries as those used in the inventory.

Product matching method (AIM, 2026)

The Product Matching method is appropriate when the intervention outcome is conveyed as an emissions intensity in units of volume of an activity output or product, and those units are the same as the units in which the targeted (sub)components are tracked. Examples of volumes of activities or product include, but are not limited to, tonne-miles of trucking service, cubic yards of garment, tonnes of corn, passenger-kilometers traveled, etc.

3. Eligibility criteria: Quantity matching.

Requirement text: The quantity of the activity represented by market instruments **shall** not exceed the quantity (e.g., units, mass, volume) of the activity that is reported in the physical GHG inventory in the reporting year. If market instruments are purchased in excess of the quantity of the activity in the physical GHG inventory, that excess **may** be quantified and reported in the GHG impact statement if the market instruments fulfill eligibility and quality criteria of the GHG impact statement.

Inventory alignment test (TCAT, 2025)

Is the quantity of the GHG-related activity less than or equal to the quantity of the matched emitting activity, using the same units?	The quantity of the GHG-related activity, measured in matching units, is less than or equal to the quantity recorded for the matched emitting activity in the inventory.

AMI integrity criteria (SBTi, 2026)

Volume matching: Companies shall ensure that the volume of market instruments matched to a given activity does not exceed the volume of the corresponding activity, as reflected in the company's GHG emissions inventory.

Chapter 6: Quantification and Accounting (AIM, 2026)

- When quantifying intervention outcomes relative to inventory (sub)components, companies shall ensure that the quantity of the outcomes applied to their targeted (sub)components does not exceed the quantity of those (sub)components in any given year's physical inventory.

4. Eligibility criteria: Deliverability.

Relevant definitions

- **Physical traceability** "The ability of a company to identify, track, and collect information on activities (e.g., activity data or GHG emission or removals factors) related to material flows of goods and services in its value chain, across its upstream and downstream processes and products" LSR Standard, 2026.
- **Deliverability** "…that electricity from a generator could plausibly be part of the mix serving the reporting entity through an electrically connected grid" Public consultation – Scope 2.
- **Association** "As related to interventions, whether an intervention is sufficiently relevant to a company's value chain following the AIM Standard Association Test" AIM, 2026.
- **Activity pool:** The set of emissions sources that may physically serve the reporting entity, but within which further traceability to the specific physical sources used by reporting entity is not possible (Brander & Bjørn, 2023).

4. Eligibility criteria: Deliverability/Association

Further association test (AIM, 2026)

Requirements:

- To pass the Sourcing or Use Region method, companies shall demonstrate that the intervention is located within the same sourcing or use region as a targeted (sub)component.

A sourcing region[9] is:

- A geographically and economically defined group of suppliers providing equivalent goods or services that can be demonstrated to be associated with the reporting company's value chain (Value Change Initiative, 2025).

A use region is:

- A defined market or region in which a company's sold products are used.

Requirements:

- To pass the Supplier or Customer method, companies shall demonstrate that the intervention host is a supplier or a customer of the targeted (sub)component at the time of signing a binding intervention agreement.

A supplier is a business with which the company either:

- Has a supply contract for the inventory (sub)component at the time a binding intervention agreement is signed.
- Is a current supplier (or supplier's supplier) to a company that has a supply contract for the inventory (sub)component at the time a binding intervention agreement is signed.

A customer is a downstream consumer to whom the company sells (sub)components. This can include:

- Other companies.
- Residential customers.

Requirements:

- To pass the Critical Sector method, companies shall demonstrate that the intervention supports decarbonization in a critical sector.

Implementation hierarchy (SBTi, 2026)

Activity-level actions: Companies shall document and demonstrate that activity-level actions have been assessed and implemented, where feasible,[38] before relying on activity pool–level or sector-level actions.

Activity pool–level actions: Where emissions arise within an activity pool (e.g., an electricity grid, supply shed, or logistics network), companies may take actions within the same activity pool from which the emissions-generating activity arises, defined in accordance with CNZS-C22.

Sector-level actions: Where sufficient action cannot be taken at the activity or activity pool level due to structural constraints, companies shall document constraints in accordance with CNZS-C23 and may take action at the sector level.

AMI integrity criteria (SBTi, 2026)

System association: Companies shall demonstrate that sector-level and enabling actions occur within the same system, or within geographically or systemically relevant systems from which the company sources or into which it feeds.

4. Eligibility criteria: Deliverability/Association

In prior discussions, the group has broadly agreed that association / deliverability / proximity to value chain is a desirable characteristic for communicating the strength of the claim associated with the market instrument

- However, the strictness of the requirement can lead to the exclusion of certain instruments (e.g., most book and claim CoC models).

There are various ways to approach setting such a requirement for statement 2

- Set one unified deliverability requirement
- Present options to the reporting organization
- Require no deliverability

The nature of the requirement also impacts other aspects of statement 2 decision-making and reporting:

- **Purpose of statement**: is the statement seeking to communicate something about changes to value chain?
- **Calculation methods**: calculations may need adjustments based on proximity of instrument activities to inventory activities (explored in next section)
- **Claims**: what can we accurately say about the organization's emissions based on proximity of instrument activities?

4. Eligibility criteria: Deliverability/Association

Requirement text:

- **Physical deliverability (A5):** The organization **shall** have physical traceability to the activity pool where the intervention was implemented (i.e., the emission source addressed with the market instrument). The organization **shall** use the same activity pool boundary as the one defined and used for the physical GHG inventory.
- **Commercial relationship (A6):** The organization **shall** have traceability to the activity pool where the intervention was implemented (i.e., the emission source addressed with the market instrument). The organization **shall** demonstrate traceability by being a supplier (or supplier's supplier) or customer of the intervention host.
- **Supplemental option (A7):** If the organization addresses a critical sector technology defined by a program or sector specific guidance with their intervention (i.e., emission source addressed with the market instrument), exemptions from A5/A6 **may** apply. The organization then **shall** follow programs or sector specific guidance for this critical sector technology (e.g., by demonstrating that the intervention is on the AIM Platform Critical Technologies List, or by demonstrating that the intervention meets the AIM Platform Decarbonization Potential Thresholds for Critical Sectors compared to an intervention baseline).

4. Eligibility criteria: Deliverability/Association

Physical deliverability

The attribute is plausibly delivered to the reporting company.

Claim: "This attribute originates from products plausibly supplied to us."

Commercial relationship

The attribute is generated by a direct (or second tier) supplier or a customer.

Claim: "We supported the generation of this attribute within our supplier/ customer network."

Critical sector

The attribute is generated by a critical mitigation activity.

Claim: "We supported deployment of a critical mitigation technology"

No deliverability/ association

Deliverability/ association **claim not applicable.**

However, other eligibility claims could still apply: "The attributes addresses an emission source matching a source in the value chain."

Statement 2 eligibility – two options for deliverability (traceability)

Both options require: instrument matched to an emission source in the physical inventory, attributional (CO2e per unit), quantity ≤ physical activity

OPTION 1 Physical deliverability

Requirement	Organization **shall** have physical traceability to the activity pool where the intervention was implemented
Activity pool	**Shall** use same boundary as the one used for the physical inventory
Chain of custody	**May** use batch- or site-level mass balance with non-proportional attribution; other CoC models within the same activity pool.
Closest precedent	AIM Platform sourcing or use region method

OPTION 2 Commercial relationship

Requirement	Organization **shall** demonstrate traceability by being a supplier (or supplier's supplier) or customer of the intervention host
Activity pool	**May** be defined as the supplier's or customer's operations (their scope 1)
Chain of custody	**May** use batch, site- or multi-site mass balance within the supplier's or customer's operations; other CoC models within the same supplier/customer.
Closest precedent	AIM Platform supplier-or-customer method

Still open for both: a separate critical-sector route (such as AIM Critical Technologies List / decarbonization thresholds) for hard-to-abate sectors where neither link can be shown.

Backup: AIM Platform Critical Technologies List

AIM Standard v1.0, critical sectors method: interventions on this list (Table 7) or meeting the sector decarbonization threshold+ (Table 8) qualify

Aluminium — 60%

Refining
- MVR on zero-emission power
- H2 / electric boilers or thermal storage
- H2 / electric calciners

Smelting
- Carbon anodes on zero-emission power
- Inert anodes; alternative processes (e.g. HalZero)
- CCUS on anode process emissions

Cement & concrete — 50%

Clinker
- CCUS > 90% capture

Cement
- SCM cement, non-fossil, ≥ 50% LCA abatement vs. OPC
- Non-carbonate alternatives on zero-emission power

Concrete
- From cement / clinker meeting the above

Steel — 60%

Iron
- Blast furnace + CCUS > 75%
- NG-DRI + CCUS > 90%
- Hydrogen DRI
- Electrowinning on zero-emission power

Steel
- BOF + CCUS > 75%
- EAF on 100% zero-emission power

Hydrogen & ammonia — 70%[1]

- Electrolytic hydrogen on zero-emission power
- Methane conversion + CCS > 90%
- Electrochemistry on zero-emission power

Petrochemicals — 40%[2]

- Steam cracking on near-zero-emission fuels
- E-cracking on zero-emission power
- Steam cracking + CCUS > 90%
- Novel chemical recycling (depolymerization, solvolysis, abated pyrolysis)
- E-MTO or low-emission bio-MTO
- Electrochemistry

Aviation – SAF — 60%

- Power-to-Liquid with green hydrogen
- HEFA[3]
- Alcohol-to-Jet[3]
- Gasification + Fischer-Tropsch[3]

Shipping – fuels — 60%

- E-ammonia, e-methanol, e-methane (green H2)
- Green H2 fuel cell or combustion
- Bio-methanol, bio-methane[4]

Heavy-duty trucking — 60%

- Battery-electric trucks, GVWR > 8,846 kg
- Fuel-cell electric trucks, GVWR > 8,846 kg, green H2

**: the % values (decarbonization potential threshold) indicate the maximum scientifically or technically feasible extent of GHG reduction/elimination/capture. Chip = Table 8 decarbonization threshold vs. intervention baseline ([1] ammonia, [2] HVCs). Zero-emission power per RE100 technical criteria; green H2 = RFNBO (RED III) or ≤ 3.4 kg CO2e/kg H2; any CCUS technology. [3] Feedstock with CORSIA ILUC ≤ 0 and ≥ 60% LCA abatement. [4] EU RED Annex IX feedstock or CORSIA ILUC ≤ 0 and ≥ 60% abatement.*

Specific set up – without clause for critical sector technologies, market instruments would often be excluded in hard to abate sectors (if not coming from current supplier)

Illustrative only – assumes all other eligibility and quality criteria (incl. additionality) are met

Specific set-up	Option 1 physical	Option 2 supp./cust.	Comment
Biomethane via gas grid. Supplier allocates 100% grid-injected biomethane to the buyer's site	✓	✓	Grid = same activity pool as in phys. Inventory, assumes reg. additionality criterion is met.
Low-carbon steel (direct supplier). Tier-1 supplier's new DRI plant; steel delivered from another site (multi-site mass balance) in a different activity pool.	✗	✓	Opt. 1 Multi-site mass balance would be allowed if in the same activity pool.
Bio-based chemicals. Bio-feedstock at a tier-2 cracker; mass balance passed on via the tier-1 supplier	~	✓	Opt. 1 if organization has physical traceability to the activity pool of crackers.
Shipping with e-/bio-methanol. Carrier attributes low-carbon fuel to buyer independent of trade lane vs same trade lane and different carrier.	~	~	Opt. 1 for same carrier Opt. 2 for same trade lane
SAF for business travel. SAF certificates from the contracted airline vs. SAF certificates from the same airport	~	~	Opt. 2 only for the contracted airline Opt. 1 only for same airport
Low carbon steel (not current supplier + no traceability to activity pool). Green steel DRI process certificate from outside the value chain.	✗	✗	Needs critical-sector route or reported in statement 3 (if eligible)
Cement with CCS. Cement producer's certificate from plant in Norway, not available in current sourcing region nor current supplier.	✗	✗	Needs critical-sector route or reported in statement 3 (if eligible)

✓ Eligible ~ Conditional ✗ Not eligible

Draft for TWG Discussion

Deliverability options – pros and cons

OPTION 1
Physical traceability to the activity pool

+ Pros

- Closest link to physical emissions
- Same activity-pool boundary as Statement 1
- Aligned with narrow activity-pool view (e.g. SBTi)

– Cons

- Weak incentive for investment in hard-to-abate sectors.
- Book & claim from different activity pools excluded (e.g. green steel, SAF)

OPTION 2
Supplier / customer relationship

+ Pros

- Recognizes supplier engagement and investment
- Allows multi-site mass balance (if in tier 1 or tier 2).
- Covers most value chain use cases
- Builds on AIM method; claims stay valid if supply chain shifts

– Cons

- Weaker link to physical flows – perceived credibility
- Book & claim from non-suppliers excluded (e.g. green steel, SAF)

OPTION 3
Critical-sector technologies

+ Pros

- Route for nascent technologies outside the value chain
- Demand signal for first-of-a-kind plants (most listed technologies <1% of global output)
- Closes gap for hard-to-abate sectors without supplier link

– Cons

- Breaks the value chain link for Statement 2
- Critical sector technologies list needs governance, updates and potential sunset (e.g. if certain market share/maturity reached)

OPTION 4
No deliverability

+ Pros

- Opens for decarbonization across the globe (with market instruments that are still subject to other eligibility and quality criteria)

– Cons

- No physical deliverability or commercial association to the value chain
- Does not differentiate critical sectors from the rest.

Agenda

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- Statement 2 calculation methods (40 min)
- Statement 2 residual emission factors (20 min)

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Introduction to statement 2 calculation methods

- As we had not previously discussed this topic with the TWG, the first draft includes basic requirements built around a substitution approach
- Before we move into decision-making, we'll first go through a primer on types of substitution approaches and their intersections with other criteria
- Given the interconnected nature of decision-making between the topics presented in this meeting, we will seek to gather general feedback throughout the meeting, and then the Secretariat will draft updated text requirements for sections 8.3, 8.4, and 8.5 for formal feedback from the TWG

One of the decisions that the TWG needs to make is in what circumstances can an organization pursue substitution to report an AMI in statement 2

SUBSTITUTION METHOD

The substitution method swaps out an emissions factor in the reporting company's physical inventory with the emissions factor of the AMI. The emissions factor of the AMI replaces the emissions factor of the company's physical activity, for the amount of action taken. It is precedented most notably in today's method for market-based emissions in the scope 2 guidance.

To meet the objectives of the standard, the TWG needs to decide how technologically and geographically similar an AMI needs to be to what it is being substituted for in the inventory. Over the next few slides we will go through why this is an important decision to make, and we want you to be thinking about the following three options as we do so:

OPTION 1
Less Tight Matching

Allow substitution of emissions factors **even if** the AMI emissions factor is generated from a geography or technology that is **meaningfully different from the inventory emissions**

Option 2
Less Tight Matching Requirements but Require Addressing Differences

Allow substitution of emissions factors even if the AMI is generated from a geography or technology that is meaningfully different from the inventory emissions factor. But, **require/recommend calculation methods that address those differences**

OPTION 3
Tight Matching Requirement

Only allow substitution where **tight technology and geographic matching exist**

Statement 2 is built on the substitution accounting approach, but the TWG needs to decide on if there are any specific calculation method requirements (1/2)

Two variables in other requirements of the AMI draft will impact **how (un)related an AMI can be to the emissions factor in the physical inventory and still be reported in statement 2**. The more unrelated an AMI is to the physical inventory emissions factor, the less "representative" substitution is:

VARIABLE 1 Emissions Source Matching

The draft requires an AMI to match an emissions source present in the physical inventory. However, an emissions source match does not mean the AMI is an exact technological activity match.

Example: A company has emissions from long-haul heavy-duty trucking in their inventory. The emissions source is combustion of diesel. They identify an AMI for BEV short haul port heavy duty trucking. The AMI is addressing the same emissions source by replacing diesel combustion, but is slightly technologically different from long-haul heavy-duty trucking

Statement 2 is built on the substitution accounting approach, but the TWG needs to decide on if there are any specific calculation method requirements (2/2)

Two variables in other requirements of the AMI draft will impact **how (un)related an AMI can be to the emissions factor in the physical inventory and still be reported in statement 2**. The more unrelated an AMI is to the physical inventory emissions factor, the less "representative" substitution is:

VARIABLE 2 Geographic matching

The draft is proposing deliverability requirements that could result in an AMI being used to address inventory activity that is not in an identical geography.

- ***Physical deliverability:*** *A company is sourcing steel from Europe. They have physical traceability to an activity pool that includes Germany and Netherlands. The company wants to buy AMIs generated from one of the producer's plants in Germany that uses hydrogen-based direct reduction. There is no major geographic difference between the AMI (and the activity the AMI is displacing) and the inventory activity.*
- ***Commercial relationship:*** *A company has a direct North American supplier relationship with global steel producer. The company wants to buy AMIs generated from one of the producer's plants in Europe that has installed CCS. There is a major geographic difference between the AMI (and the activity the AMI is displacing) and the inventory activity.*
- ***Critical sector:*** *A company is sourcing steel, which is part of the critical sector list. The company sources steel from North America and wants to buy AMIs generated from a plants in Europe that uses hydrogen-based direct reduction. There is a major geographic difference between the AMI (and the activity the AMI is displacing) and the inventory activity.*

Example of substitution with tight matching – technological & geographic "representativeness" (1/2):

Example: A company has emissions from port trucking (drayage) that occurs in North America in their scope 3 category 4. They can't address these emissions directly but they can purchase EACs that represent zero emission drayage in NA. The EAC technology is a very close match for the inventory

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	Dray in NA	20,000 t-m	112 gCO_2e/t-m	2.24 tCO_2e
Step 2: Identify AMI	*A company is generating EACs based on running BEV drayage operations at the Port of Houston. The trucks are displacing diesel drayage operations, calculated with a US baseline as 112gCO2e/t-m*			
Step 3: Purchase EAC quantity	Dray in NA	20,000 t-m	0 gCO_2e/t-m	
Step 4: Substitute EAC in contractual inventory	Dray in NA	20,000 t-m	0 gCO_2e/t-m	0 tCO_2e

Example of substitution with tight matching – technological & geographic "representativeness" (2/2):

Example: A company has emissions from port trucking (drayage) that occurs in North America in their scope 3 category 4. They can't address these emissions directly but they can purchase EACs that represent zero emission drayage in NA. The EAC technology is a very close match for the inventory

Step 2: Identify AMI

A company is generating EACs based on running BEV drayage operations at the Port of Houston. The trucks are displacing diesel drayage operations, calculated with a US baseline as 112gCO2e/t-m

Had this action been implemented in the physical inventory, replacing 20,000 t-m of diesel drayage with BEV would have resulted in a decrease in the physical inventory of 2.24 tons CO2e. Because this example has tight technological matching, **this is the same impact we see between the physical inventory and the contractual inventory when we purchase EACs**

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	Dray in NA	20,000 t-m	112 gCO_2e/t-m	2.24 tCO_2e
Step 4: Substitute EAC in contractual inventory	Dray in NA	20,000 t-m	0 gCO_2e/t-m	0 tCO_2e

Example of substitution with looser matching: technological "unrepresentativeness" (1/2):

Example: A company has emissions from semi-full trucking that occurs in North America in their scope 3 category 4. This is known as Less than truckload (LTL). They can't address these emissions directly and there are no LTL EACs available, but there are Drayage (port trucking) EACs available. Although the EAC addresses the same emissions source as the inventory activity, drayage operations and LTL operations have very different efficiencies.

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	LTL in NA	20,000 t-m	265 gCO_2e/t-m	5.3 tCO_2e
Step 2: Identify AMI	*A company is generating EACs based on running BEV drayage operations at the Port of Houston. The trucks are displacing diesel drayage operations, calculated with a US baseline as 112gCO2e/t-m*			
Step 3: Purchase EAC quantity	Dray in NA	20,000 t-m	0 gCO_2e/t-m	
Step 4: Substitute EAC in contractual inventory	LTL in NA	20,000 t-m	0 gCO_2e/t-m	0 tCO_2e

Example of substitution with looser matching: technological "unrepresentativeness" (2/2):

Example: A company has emissions from semi-full trucking that occurs in North America in their scope 3 category 4. This is known as Less than truckload (LTL). They can't address these emissions directly and there are no LTL EACs available, but there are Drayage (port trucking) EACs available. Although the EAC addresses the same emissions source as the inventory activity, drayage operations and LTL operations have very different efficiencies.

Step 2: Identify AMI

A company is generating EACs based on running BEV drayage operations at the Port of Houston. The trucks are displacing diesel drayage operations, calculated with a US baseline as 112gCO2e/t-m

Had this action been implemented in the physical inventory, replacing 20,000 t-m of diesel drayage with BEV would have resulted in a decrease in the physical inventory of 2.24 tons CO2e. However, **because the EAC is being substituted for a slightly different technology, the impact we see between the physical inventory and the contractual inventory when we purchase EACs is much larger**

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	LTL in NA	20,000 t-m	265 gCO_2e/t-m	5.3 tCO_2e
Step 4: Substitute EAC in contractual inventory	LTL in NA	20,000 t-m	0 gCO_2e/t-m	0 tCO_2e

Example of substitution with looser matching: geographic "unrepresentativeness" (1/2):

Example: A company has emissions from long haul "truckload" (TL) trucking that occurs in North America in their scope 3 category 4. They can't address these emissions directly but and there are no TL EACs available in NA. However, there are TL EACs available in Europe. TL trucking in Europe has a different efficiency than TL trucking in NA.

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	TL in NA	20,000 t-m	93 gCO_2e/t-km	1.86 tCO_2e
Step 2: Identify AMI	*A company is generating EACs based on running BEV TL operations in Germany. The trucks are displacing diesel TL operations, calculated with a European baseline as 70gCO2e/t-m*			
Step 3: Purchase EAC quantity	TL in EUR	20,000 t-km	0 gCO_2e/t-km	
Step 4: Substitute EAC in contractual inventory	TL in NA	20,000 t-km	0 tCO_2e/t-km	0 tCO_2e

Example of substitution with looser matching: geographic "unrepresentativeness" (2/2):

Example: A company has emissions from steel making that occurs in China in their scope 3 inventory, where the typical production method is using a blast furnace. They can't address these emissions directly and there are no steel EACs available in China, but there are steel EACs available in the US. Steel activity in China and the US have very different efficiencies.

Step 2: Identify AMI

A company is generating EACs based on running BEV TL operations in Germany. The trucks are displacing diesel TL operations, calculated with a European baseline as 70gCO2e/t-m

Had this action been implemented in the physical inventory, replacing 20,000 t-km of EUR TL operations with 20,000 t-km EUR TL operations would have resulted in a decrease in the physical inventory of 1.4 tCO2e. However, **because the EAC being substituted is from a different geography, the impact we see between the physical inventory and the contractual inventory when we purchase EACs is larger**

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	TL in NA	20,000 t-km	93 gCO_2e/t-km	1.86 tCO_2e
Step 4: Substitute EAC in contractual inventory	TL in NA	20,000 t-km	0 tCO_2e/t-km	0 tCO_2e

Example of substitution with looser matching: geographic "unrepresentativeness" (1/2):

Example: A company has emissions from steel making that occurs in China in their scope 3 inventory, where the typical production method is using a blast furnace. They can't address these emissions directly and there are no steel EACs available in China, but there are steel EACs available in the US. Steel activity in China and the US have very different efficiencies.

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	Steel in China	20,000 t	2.33 tCO_2e/t	46,600 tCO_2e
Step 2: Identify AMI	*A company is generating EACs based on adding replacing fossil gas-based direct reduced iron (DRI) electric arc furnaces (EAFs) with scrap-based EAFs. The DRI EAF has an emissions intensity of 1.3tCO2e/t steel*			
Step 3: Purchase EAC quantity	Steel in NA	20,000 t	0.3 tCO_2e/t	
Step 4: Substitute EAC in contractual inventory	Steel in China	20,000 t	0.3 tCO_2e/t	6,000 tCO_2e

Example of substitution with looser matching: geographic "unrepresentativeness" (2/2):

Example: A company has emissions from steel making that occurs in China in their scope 3 inventory, where the typical production method is using a blast furnace. They can't address these emissions directly and there are no steel EACs available in China, but there are steel EACs available in the US. Steel activity in China and the US have very different efficiencies.

Step 2: Identify AMI

A company is generating EACs based on adding replacing fossil gas-based direct reduced iron (DRI) electric arc furnaces (EAFs) with scrap-based EAFs. The DRI EAF has an emissions intensity of 1.3tCO2e/t steel

Had this action been implemented in the physical inventory, replacing 20,000 t of NA DRI EAF with NA scrap EAF would have resulted in a decrease in the physical inventory of 20,000 tCO2e. However, **because the EAC being substituted is from a different geography, the impact we see between the physical inventory and the contractual inventory when we purchase EACs is much larger**

	Activity Type	*Amount*	*Intensity*	*Inventory Total*
Step 1: Calculate inventory line item	Steel in China	20,000 t	2.33 tCO_2e/t	46,600 tCO_2e
Step 4: Substitute EAC in contractual inventory	Steel in China	20,000 t	0.3 tCO_2e/t	6,000 tCO_2e

Decision: How tightly technologically and geographically matched does an AMI have to be to the activity in the inventory to do substitution

|---------- Commercial relationship ----------|

|---------- Critical sector ----------| |---------- Physical deliverability ----------|

OPTION 1
Less Tight Matching

Allow substitution of emissions factors **even if** the AMI emissions factor is generated from a geography or technology that is **meaningfully different from the inventory emissions**

+ Pros

- Lower barrier to action
- Simpler calculation method approach

– Cons

- Lower levels of "representativeness"
- Can incentivize unintended actions
- Possibility of criticism, greenwashing accusations

Option 2
Less Tight Matching Requirements but Require Addressing Differences

Allow substitution of emissions factors even if the AMI is generated from a geography or technology that is meaningfully different from the inventory emissions factor. But, **require/recommend calculation methods that account for those differences**

+ Pros

- Higher levels of "representativeness" without overly restricting action, lower risk of criticism
- Will push towards closer matching where possible given additional complexity

– Cons

- Higher complexity of calculation methods, difficult to understand and more work to implement
- Higher complexity to communicate externally

OPTION 3
Tight Matching Requirement

Only allow substitution where **tight technology and geographic matching exist**

+ Pros

- High levels of "representativeness"
- Low risk of criticism

– Cons

- Significantly reduced ability to take action, particularly in less traceable sectors or with nascent technologies in H2A sectors

If moving forward with option 2, there are at least* two existing calculation methods for how to address technological and/or geographic differences

Topic	Substitution with Adjustments	Energy matching substitution
Where method originates:	AIM Standard	SFC's Market-Based Measures Framework for Transport *(this method was formerly referred to as "indirect generation")*
Method goal:	To adjust how much is being substituted into the inventory to more closely reflect the activity technology and geography displaced by the AMI implemented	To convert the underlying AMI energy usage to better match what the energy usage would have been if used to addressing the inventory technology activity.
How the method works:	Before doing substitution, calculate an adjusted emissions intensity for the AMI that internalizes the intensity change per unit of activity of the AMI compared to the activity displaced.	Before doing substitution, use an appropriate conversion factor to take an AMI and translate it into 1) how much activity would the AMI have done and 2) that activities emissions intensity, had it been addressing the same technology activity in the inventory
Data needed:	The emissions intensity of the activity that was likely displaced by the asset generating the AMI	Accurate conversion values on a MJ/unit of activity basis for the activity in the inventory
AMI type applicability:	Applicable across sectors and activities, will address both technological and geographic differences	Most applicable where AMI can be reduced to fuel/energy input. Will typically only address technological differences, not geographic differences

Neither approach will be appropriate in all instances, and each has limitations. Detailed guidance will be necessary to outline use cases and guardrails

*These two options are likely not comprehensive. Other methods may be appropriate or may be under development

Substitution with adjustments adjusts the emissions intensity of an AMI before substitution so it more accurately reflects what the AMI is displacing (1/2)

Example: A company has emissions from LTL trucking that occurs in North America in their scope 3 category 4. They can't address these emissions directly and there are no LTL EACs available, but there are Drayage (port trucking) EACs available.

Step 1: Calculate inventory line item

Activity Type	*Amount*	*Intensity*	*Inventory Total*
LTL in NA	20,000 t-m	265 gCO_2e/t-m	5.3 tCO_2e

A company is generating EACs based on running drayage operations at the Port of Houston. The trucks are displacing diesel drayage operations, calculated with a US baseline as 112gCO2e/t-m

Step 2: Identify the AMI and calculate the intensity change per unit of activity compared to the activity displaced

	Type	*Intensity*
Zero Emission Trucking EAC Characteristics	Dray	0 gCO_2e/t-m
Displaced Trucking Activity Characteristics	Dray	112 gCO_2e/t-m
Intensity Change per Unit of Activity		-112 gCO_2e/t-m

Step 3: Purchase EAC

Dray in NA	20,000 t-m	0 gCO_2e/t-m

Substitution with adjustments adjusts the emissions intensity of an AMI before substitution so it more accurately reflects what the AMI is displacing (2/2)

Example: A company has emissions from LTL trucking that occurs in North America in their scope 3 category 4. They can't address these emissions directly and there are no LTL EACs available, but there are Drayage (port trucking) EACs available.

Step 4: Calculate updated contractual inventory. Substitute new emissions intensity by subtracting the intensity change per unit of activity by the inventory intensity per unit of activity

Zero Emission Trucking EAC Characteristics: Dray — 0 gCO_2e/t-m

Displaced Trucking Activity Characteristics: Dray — 112 gCO_2e/t-m

Intensity Change per Unit of Activity: -112 gCO_2e/t-m

	Type	Amount	Intensity	Emissions
Inventory Pre-EAC Purchase	LTL	20,000 t-m	265 gCO_2e/t-m	5.3 tCO_2e
Inventory Post-EAC Purchase	LTL	20,000 t-m	153 gCO_2e/t-m	3.06 tCO_2e

265 gCO_2e/t-m - 112 gCO_2e/t-m = 153 gCO_2e/t-m

If the AMI closely matches the inventory activity, substitution and substitution with adjustments have the same outcome

Example: A company has emissions from drayage trucking that occurs in North America in their scope 3 category 4. They can't address these emissions directly and there are NA drayage EACs available

	Type	*Intensity*
Zero Emission Trucking EAC Characteristics	Dray	0 gCO_2e/t-m
Displaced Trucking Activity Characteristics	Dray	112 gCO_2e/t-m
Intensity Change per Unit of Activity		-112 gCO_2e/t-m

			Sub with Adjustments		Substitution	
	Type	Amount	Intensity	Emissions	Intensity	Emissions
Inventory Pre-EAC Purchase	Dray	20,000 t-m	112 gCO_2e/t-m	2.2 tCO_2e	112 gCO_2e/t-m	2.2 tCO_2e
Inventory Post-EAC Purchase	Dray	20,000 t-m	0 gCO_2e/t-m	0 tCO_2e	0 gCO_2e/t-m	0 tCO_2e

112 gCO_2e/t-m - 112 gCO_2e/t-m = 0 gCO_2e/t-m

The substitution w/ adjustments math can result in a negative number, but AIM does not allow substituting emissions factors below 0

Example: A company has emissions from drayage trucking that occurs in North America in their scope 3 category 4. They can't address these emissions directly and there are no NA drayage EACs available, but there are LTL EACs available

	Type	*Intensity*
Zero Emission Trucking EAC Characteristics	LTL	0 gCO_2e/t-m
Displaced Trucking Activity Characteristics	LTL	265 gCO_2e/t-m
Intensity Change per Unit of Activity		-265 gCO_2e/t-m

	Type	Amount	Intensity	Emissions
Inventory Pre-EAC Purchase	Dray	20,000 t-m	112 gCO_2e/t-m	2.24 tCO_2e
Inventory Post-EAC Purchase	Dray	20,000 t-m	-153 gCO_2e/t-m	-3.06 tCO_2e

112 gCO_2e/t-m - 265 gCO_2e/t-m = -153 gCO_2e/t-m

The AIM Standard does not allow this because it is not possible to receive a negative emissions factor for zero emissions trucking services in the physical inventory, and so **we want the contractual inventory to reflect physically and chemically possible realities. In this example the company could only substitute an emissions intensity of 0gCO2e/t-m and report total emissions of 0 tCO2e**

Before diving into the math of energy matching substitution, its worth discussing how conversion of an AMI is used to enable substitution in the first place

Example: a company purchases SAFc to address their emissions from business travel. They have **1,000,000 passenger-km** (p-km) of aviation *short-haul economy* travel in their inventory each year. They purchase SAFc representing **500k MJ of SAF** with an emissions intensity of **0.020 kg CO2e/MJ** to address a portion of these emissions. They have no knowledge into the downstream use of the SAF (e.g. type of aircraft or flight) after it was dispensed into an airport fuel farm (which is typical). The average activity energy intensity for passenger air travel globally is assumed to be **1.3 MJ/p-km**

Substitution requires first converting SAFc units into activity data (in this case, p-km)

1. Convert SAFc quantity into activity units (p-km)

500,000	÷	1.3	=	385,615
MJ		*MJ/p-km*		*p-km*

2. Convert SAFc intensity into activity units (p-km)

0.02	✖	1.3	=	0.026
kgCO2e/MJ		*MJ/p-km*		*kgCO2e/p-km*

3. Substitute estimated activity (p-km) calculated from SAFc for inventory activity (p-km) for the calculated quantity of SAFc activity (p-km)

		p-km	kgCO2e/ p-km	kgCO2e
Physical inventory		1,000,000	0.1157	115,700
Contractual inventory	**Total**	**1,000,000**		**81,200**
	SAFc	385,615	0.026	10,000
	Resid. Jet A	614,385	0.1157	71,200

Energy adjusted substitution example:

Energy-adjusted substitution reconciles any difference in context between the AMI and the inventory activity it's being substituted for by **adjusting the conversion factor to match what would have been the case had that intervention occurred in the activity's context**. In this case, that would mean choosing a conversion factor that matches the type of flight emissions it's addressing (e.g. an average factor for short-haul economy flights rather than a conversion factor for average passenger air travel).

Substitution requires first converting SAFc units into activity data (in this case, p-km)

1. Convert SAFc quantity into activity units (p-km)

500,000 *MJ* ÷ 2.0 *MJ/p-km* = 250,000 *p-km*

2. Convert SAFc intensity into activity units (p-km)

0.02 *kgCO2e/MJ* × 2.0 *MJ/p-km* = 0.04 *kgCO2e/p-km*

3. Substitute estimated activity (p-km) calculated from SAFc for inventory activity (p-km) for the calculated quantity of SAFc activity (p-km)

		p-km	kgCO2e/ p-km	kgCO2e
Physical inventory		1,000,000	0.1157	115,700
Contractual inventory	**Total**	**1,000,000**		**96,775**
	SAFc	250,000	0.04	10,000
	Resid. Jet A	750,000	0.1157	86,775

Decision: If moving forward with option 2, how much detail should be included in the calculation method requirement, versus be included in guidance

OPTION 2 REQUIREMENT 1
Generalized requirement

Ex: The organization **shall** use an appropriate calculation method. Guidance on appropriate calculation methods will be provided in the forthcoming AMI Guidance

+ Pros

- Aligns with desire for principles-based requirements from ISB
- Allows most flexibility for guidance development

– Cons

- Less detailed requirements can be create confusion and challenges for assurance providers if guidance is not sufficiently clear

OPTION 2 REQUIREMENT 2
Semi-specific requirement

Ex: The organization **shall** use a substitution approach. If the AMI does not match inventory data, the organization **shall/should/may** use an appropriate adjustment approach.

+ Pros

- Balances generalized requirements with some additional specificity
- Relative flexibility for guidance development on what appropriate adjustment approach is

– Cons

- What "appropriate adjustments" means is not clear on its own through the requirement and needs supplemental guidance

OPTION 1 REQUIREMENT 3
Highly-specific requirement

Ex: The organization **shall** use a substitution approach. If the AMI does not match inventory data, the organization **shall/should/may** use either substitution with adjustments or energy matching substitution to address these differences.

+ Pros

- Highly specific and clear requirement

– Cons

- Limits use to methods that we are aware of and exist today. Less flexible

Decision: If moving forward with option 2, is addressing differences a shall, should, or may?

OPTION 2 REQUIREMENT 1
Shall

Ex: The organization **shall** use a substitution approach. If the AMI does not match inventory data, the organization **shall** use an appropriate adjustment approach.

+ Pros
- Ensures a level of "representativeness" for AMIs reported in statement 2

– Cons
- Higher complexity of calculation methods, difficult to understand and more work to implement
- Higher complexity to communicate externally

OPTION 2 REQUIREMENT 2
Should

Ex: The organization **shall** use a substitution approach. If the AMI does not match inventory data, the organization **should** use an appropriate adjustment approach.

+ Pros
- Pushes companies towards "representativeness" without requiring when burden would be high

– Cons
- Question of how a 'should' will be interpreted and how it will or will not incentivize action

OPTION 1 REQUIREMENT 3
May

Ex: The organization **shall** use a substitution approach. If the AMI does not match inventory data, the organization **may** use an appropriate adjustment approach.

+ Pros
- More flexibility for companies and lower barrier to action

– Cons
- Risk of lower levels of "representativeness"
- Risk of incentivizing unintended actions
- Risk of criticism, greenwashing accusations

Agenda

- Welcome & housekeeping (20 min)
- Statement 2 eligibility criteria (40 min)
- Statement 2 calculation methods (40 min)
- Statement 2 residual emission factors (20 min)

GREENHOUSE GAS PROTOCOL

WORLD RESOURCES INSTITUTE

World Business Council for Sustainable Development

This challenge of applying residual factors beyond scope 2 was a common theme from the Statement 2 Subgroup

Group Feedback

"I think residual EFs should be recommended and best practice but not required because it might be close to impossible sometimes"

"Residual EFs, though ideal, are very difficult to implement in the real world"

"where a residual mix factor is unavailable a conservative default EF would be required to be used rather than applying the same EF used in statement 1"

"If the main purpose of Statement 2 is to report on the purchase of attributes - rather than report a complete inventory - then residual factors (for complete reporting) aren't needed"

Potential Options

If the intent is to generate a complete inventory and avoid double counting between reporters, then residuals are necessary. However, given feasibility constraints, some flexibility may be necessary

Options include:

1) Not requiring residuals if market penetration of the solution is less than 5%
2) Allowing for conservative assumptions as an alternative to residuals

There are several questions that need to be considered before moving forward with either option to provide additional flexibility

CONSIDERATION 1
Allow Market Penetration Exemption

Key Questions:

How feasible is it to assess market penetration rate:

- Is this data available and established?
  - *Outside of SAF, little to no comprehensive market pen data*
- Would this increase reporting burden to prove? How would a company be able to assess market pen if data is unavailable?
- How should market penetration be evaluated in mixed-commodity markets?
  - *You will get substantially different results if, for example, you assess market pen for SAF as a whole, versus for a specific production pathway (HEFA, e-fuels, etc)*
- What are the bounds on the assessment?
  - *Global market pen may differ from regional or sub-regional market pen*

CONSIDERATION 2
Allow Use of Conservative Assumptions

Key Questions:

How feasible is it to use conservative assumptions:

- Can this be generalized and standardized for all markets and sectors?
- Does allowing reporting of a conservative assumption actually reduce risk given the challenge of accurately calculating/estimating a residual mix?
  - *Residual mix calculations are likely to be highly inaccurate in the short-term given scope 3 data realities. Conservative assumptions, while not residual mixes, are likely to be more accurate*

CONSIDERATION 3
How does this interact with deliverability

Key Questions:

- Does the preferred approach differ depending on the strictness of the deliverability requirement?
  - *If you can only report in statement 2 at the activity pool level, it is reasonable to expect more accurate calculations of residual mixes. However, given the possibility of a lack of geographic connection for other deliverability approaches, residual mixes become far more complicated*

Availability of market penetration data across some sectors – based on initial research it is unlikely data would be sufficiently available for use in all sectors

Sector	Market Penetration Rate	Source	Relevance/Notes
Aviation	SAF: .3%	IATA (2025)	Best market penetration data available, but not available for a specific SAF technology
Maritime	Zero-emissions fuels: .001%	Global Maritime Forum (2024)	Helpful for zero-emissions fuels like green ammonia and methanol, but hard to find good data on other solutions
Trucking	Zero-emission medium and heavy duty truck sales: 4.5% in Europe, 25.8% in China, 3.1% in US	International Council on Clean Transportation (2025)	Good data that combines medium and heavy duty trucking, but no good data that breaks those two out. Hard to find biofuels data
Cement and Concrete	No good data found	N/A	No good data found on global market penetration of decarbonized cement and concrete technologies
Steel	26% of global steel electric arc furnace, no detail found on hydrogen DRI or other more decarbonizing technologies	Institute for Energy Economics and Financial Analysis (2020)	Old data, no details on truly decarbonized technologies, only penetration of EAF, which is business as usual in many geographies

Polls on approach for residuals

If instruments exist for commodities within the organization's [supply shed/activity pool] that are not purchased by the organization, double counting **[shall/should/may]** be avoided through the use of residual emission factors for that commodity.

- 1a) shall
- 1b) shall, if market penetration is greater than 5%
- 2a) should
- 2b) should, if market penetration is greater than 5%
- 3) may

Where an estimate of the residual mix is not available, the organization **[shall/should/may]** use conservative assumptions about the residual mix

- 1) shall
- 2) should
- 3) may

Next steps

Submitting feedback for the Standard

- Secretariat to share updated draft for comment
- Secretariat to share survey for feedback
- TWG to submit feedback by November 25th

Next TWG meeting

- Tuesday, Nov 24th

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Thank you!

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