GREENHOUSE GAS PROTOCOL

Scope 2 Technical Working Group Meeting

Hybrid Washington D.C/virtual

20-22 October 2026

Disclaimer: this slide deck was developed to facilitate stakeholder discussion and may not reflect the actual order or duration of time spent on each topic during the workshop. For an overview of workshop outcomes, please see the Scope 2 Technical Working Group Workshop Summary.

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Day 1:
Tuesday, 20 October

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Welcome and introductions



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Secretariat Team



Michael Macrae
Director of Scope 2 & Senior Advisor on Impact Accounting



Chelsea Gillis
Scope 2 Manager



David Rich
Technical Director, GHG Protocol



Melissa Landman
Project Associate



Oliver James
Land Sector Associate (joining online)

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Consensus Building Institute



Catherine Morris
Senior Mediator, CBI

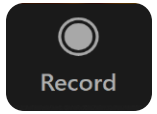


David Fairman
Senior Mediator, CBI

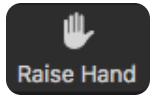
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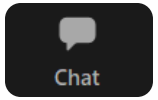
Housekeeping for our in-person/ hybrid meeting



All sessions will be recorded.



Please use the Raise Hand function to speak during the call / signal with your hand you want to speak.



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

Ground rules

- One person speaks at a time
- Be mindful of participants joining online
- For those joining online: Please have your camera on
- Please put your mobile phones on mute and limit the use of computers, tablets etc.



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

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Ground rules

- Always **be respectful**
- Take space, make space, be concise
- 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

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

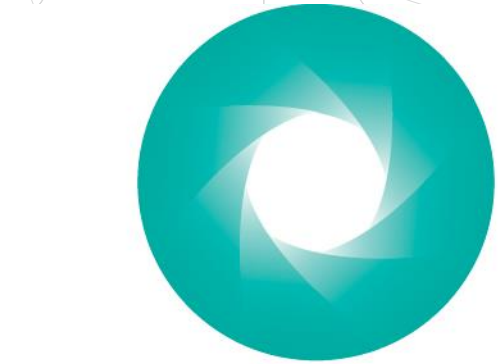
- Specifically, all participants need to follow the **conflict-of-interest policy**
- **Anti-trust rules** have to be followed; please avoid any discussion of competitively sensitive topics*

* 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

Participant Introductions

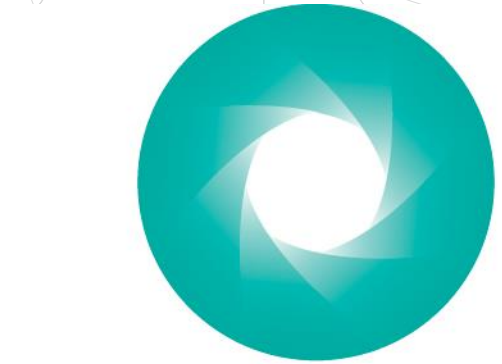
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GHG Protocol CEO Opening Remarks



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Workshop goals



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Remaining workplan to produce revised scope 2 standard (as part of consolidated Corporate Standard) for public consultation



Oct 6

Scope 2 TWG meeting

Share Sept 21 ISB meeting outcomes in advance of workshop.
ISO presentation of WD2 revisions.

Oct 20-22

In-person TWG workshop

Three day in-person/hybrid workshop to resolve open questions and develop details of ISB's Sept 21 meeting recommendations

Where we are today

Nov

TWG engagement

Further engagement with TWG on post workshop outcomes

DEC 15

ISB meeting

ISB voting on TWG outcomes on revised scope 2 content for public consultation

Jan

Secretariat drafting

Secretariat drafts revised scope 2 standard (part of consolidated corporate standard) for consultation

Q1 2027

ISB & Observing Entities reviews consolidated draft

ISB and observing entities reviews and ISB approves the public consultation draft

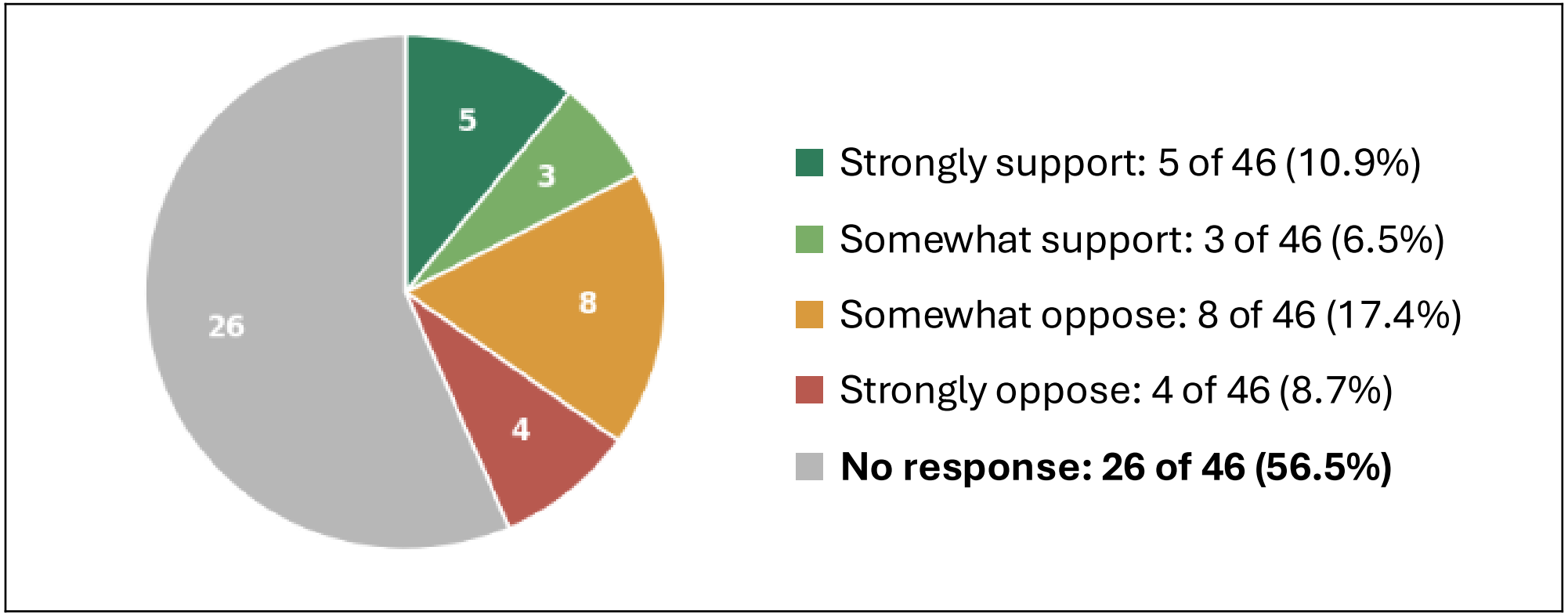
Q2 2027

Public consultation + ISO CD review

A single consolidated draft is reviewed publicly and through the ISO committee draft stage

Survey responses to ISB direction

Of 46 total TWG members, 20 responded to the survey, 26 did not respond.



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In-Person / Hybrid Meeting Objectives

In September, the ISB supported a strategic direction for the Market-Based Method. To ensure both progress and open deliberation, this workshop establishes **two pathways** for TWG input.

TRACK 1

Work Within ISB Direction

Developing methods & answering the specific technical questions posed by the ISB:

DATA AVAILABILITY & TIMELINES
What is the earliest feasible date the TWG thinks new data and technology would be available to support the new MBM method?

MARKET & INVESTMENT IMPACT
What are the specific regions with data gaps currently and what is the expected availability of data for those regions? What empirical evidence exists about impacts to market investment? (with consideration of AMI multi-statement approach)

METHOD DESIGN CRITERIA
Define incrementality, deliverability, SSS, LBM hierarchy, and MBM transition phase-in rules.

TRACK 2

Comments on ISB Direction & Alternative Proposals

Providing dedicated space to address feedback on the overall direction and new proposals

DIRECTIONAL FEEDBACK
Opportunity to provide feedback directly to the ISB and hear from other TWG members

ALTERNATIVE PROPOSALS
Present new or alternative approaches and hear from other TWG members

OVERARCHING CONSIDERATIONS
Context on governance and AMI framework

ISB Chair Guidance: New ideas on *how to deliver* the direction are welcome, and proposals for a *different direction* will be formally compiled for ISB review alongside TWG recommendations ahead of the December vote.

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20–22 October 2026

Workshop agenda

Tuesday, 20 Oct — Day 1

09:00–17:00

9:30 – 10:00
Welcome & Introductions
Agenda review; Participant intros; Workshop goals

10:00 – 10:15
GHG Protocol Governance Overview
TWG and ISB roles in input and decision making

10:15 – 11:00
Joined by Alex Bassen (ISB Chair), Suzanne Greene (ISB Vice-Chair), Paul Munter (ISB member)

11:00 – 11:30
Actions and Market Instruments
Multi-statement reporting framework; Status update

11:30 – 11:50
ISO Partnership

11:50 – 12:30
Discussion

Lunch

13:00 – 17:00
MBM Incrementality & Deliverability
Breakout discussions

Wednesday, 21 Oct — Day 2

08:30–17:30

8:30 – 9:00
Reflections on day 1
Participant reflections; Day 2 agenda

09:00 – 10:15
SSS Status & Design Criteria
Full-group discussion

10:30 – 12:15
Incrementality and Deliverability (Cont.)
Full-group discussion & breakout

Lunch

13:15 – 17:15
MBM Transition & Reporting requirements
Full group & breakout discussions

Thursday, 22 Oct — Day 3

08:30–17:00

8:30 – 9:15
Reflections on day 2
Participant reflections; Day 3 agenda

09:15 – 12:15
LBM Design Questions
Full-group discussion

Lunch

13:15 – 16:30
Further discussion on Open Items
Full-group and breakout discussions

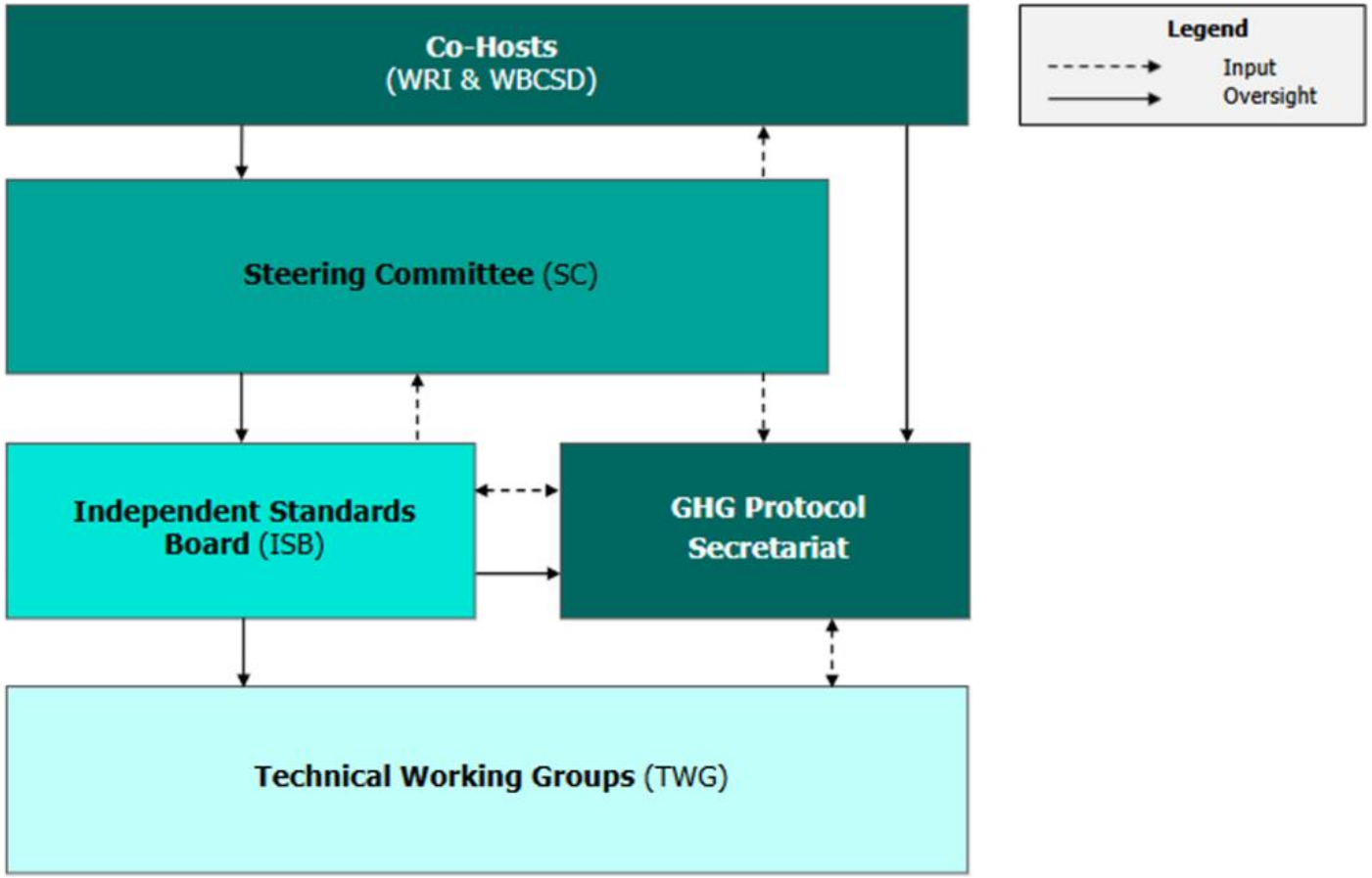
16:30 – 17:00
Remaining Topics & Path Forward
Full-group discussion

GHG Protocol Governance Overview



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GHG Protocol Governance Structure



- **The ISB** oversees the standards development process, including reviewing and approving GHG Protocol Standards, appointing TWG members, and making decisions related to the content of standards.
- **The TWGs** review draft materials produced by the Secretariat, develop proposals and provide recommendations and feedback on key issues in the standards development or revision process to the Secretariat.
- **The Secretariat** manages the day-to-day activities of GHG Protocol

Source: GHG Protocol Governance Overview: https://ghgprotocol.org/sites/default/files/2024-09/Governance-Overview.pdf

Technical Working Group – Terms of Reference (1/4)

Remit

- TWGs **support the development of the technical content** of GHG Protocol Standards according to the GHG Protocol Standard Development and Revision Procedure, operating in the public interest and with the objective of maximizing the impact of GHG Protocol.

Oversight

- TWGs are **overseen by the ISB**, which has a duty to appoint and remove TWG members, informed by the recommendations of the Secretariat, and request the Secretariat to convene the TWGs.

Note: Excerpts only; for full ToR, see https://ghgprotocol.org/our-governance

Technical Working Group – Terms of Reference (2/4)

Responsibilities

- TWGs are responsible for **providing technical input** to the Secretariat in support of the development and revision of GHG Protocol Standards.
  - **Provide expert input and recommendations** on the issues requested by the Secretariat and in compliance with the GHG Protocol decision-making criteria, to inform new and revised standards to be presented by the Secretariat to the ISB.
  - **Develop proposals and recommendations** for the content of GHG Protocol Standards, contribute to drafting text on the issues and review draft text or proposals at the request of the Secretariat.
  - **Work collaboratively** with other TWG members and the Secretariat to reach consensus on technical issues assigned to and presented within the TWG.
  - **Review and respond to feedback** from the ISB, Secretariat, other TWGs and public consultation.

Note: Excerpts only; for full ToR, see https://ghgprotocol.org/our-governance

Technical Working Group – Terms of Reference (3/4)

Limitations

- The **TWGs make recommendations** on the content of standards to the Secretariat, for ultimate consideration by the ISB.
- **TWGs do not have the power to take decisions on the final content** of standards. Following completion of the Standards Development and Revision Procedure, final GHG Protocol standards are reviewed and approved by the ISB, prior to ratification by the SC and publication by the Co-Hosts.

Membership

- TWG members should **serve in their individual capacity**, rather than as representatives of specific organizations or institutions, and in particular should not advocate on behalf of external consortia or associations within a TWG during a development and revision process.
- Each member of a TWG should **act in full independence** from any other employment and disclose all conflicts of interest subject to the Conflict-of-Interest Policy (described in Section 4.1.7), and shall agree to act in the public interest and to prioritize the GHG Protocol mission and objectives when making recommendations.

Note: Excerpts only; for full ToR, see https://ghgprotocol.org/our-governance

Technical Working Group – Terms of Reference (4/4)

Making of recommendations

- GHG Protocol **aims to develop consensus standards** with an aspiration of reaching the maximum level of agreement possible while upholding the public interest and the mission of the initiative.
- If consensus (defined as the absence of sustained opposition) as to the recommendation on a specific topic cannot be reached within a TWG as determined by the Secretariat, a summary of the issues in question along with options or proposals for a solution shall be developed by the Secretariat in collaboration with the TWG. This information **shall be presented to the ISB** by the Secretariat for evaluation and/or final decision.
  - The Secretariat may elect to hold an **indicative vote of TWG members** during a meeting, to understand the extent of support for or acceptance of different options among TWG members.
- TWG members are expected to make recommendations that adhere to the **following principles**:
  - **Consensus-seeking:** Attempting to generate as much agreement amongst TWG members as possible through a focus on finding solutions.
  - **Rigor:** Attempting to shape decisions that reflect the GHG Protocol decision-making criteria
  - **Integrity:** Striving for the best possible decisions which uphold the public interest and mission of GHG Protocol, rather than an organizational or personal preference.

Note: Excerpts only; for full ToR, see https://ghgprotocol.org/our-governance

Independent Standards Board – Terms of Reference

- **Remit:** The ISB is a decision-making body within GHG Protocol, with the mandate to review and approve GHG Protocol Standards according to the GHG Protocol Standard Development and Revision Procedure, operating in the public interest and with the objective of maximizing the impact of GHG Protocol.

- **Responsibilities:** The ISB is responsible for taking the following decisions:
  - Request the Secretariat to convene and manage the TWGs
  - When TWG members cannot come to consensus on a subject, consider the documented differences in perspectives and make decisions guided by the GHG Protocol decision-making criteria, as set out in the GHG Protocol Governance Overview
  - Review and approve final version draft standards received for consideration from the Secretariat, or revert these back to the Secretariat for further work and amendment, with detailed comments

Note: Excerpts only; for full ToR, see https://ghgprotocol.org/our-governance

Public Consultations

- A formal public consultation shall be carried out for all draft new standards or major revisions during the standard development and revision process, with the option for a further round of consultation upon approval by the ISB.

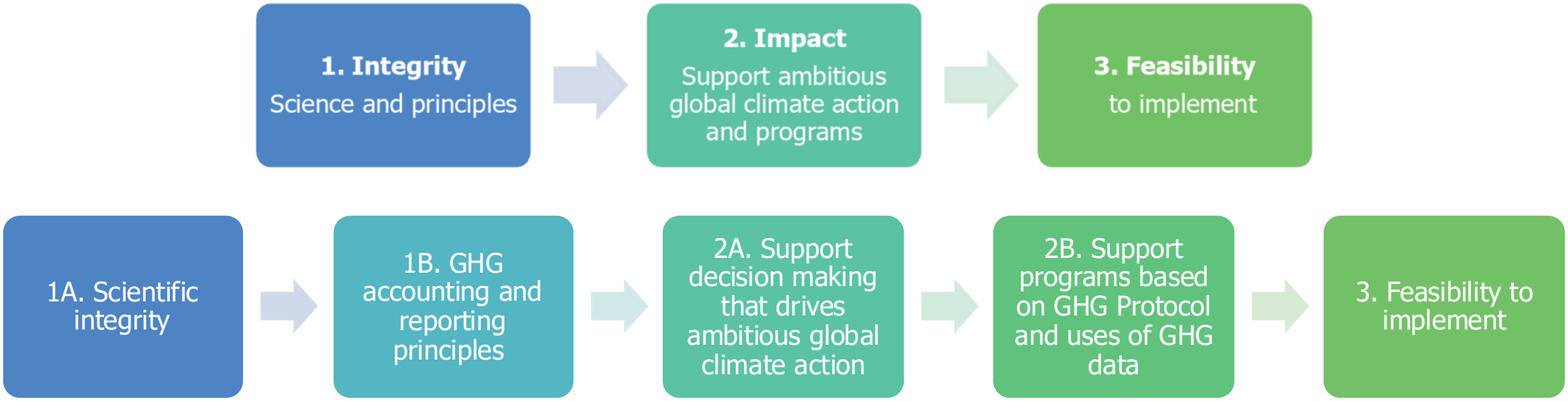
- The Secretariat shall prepare a summary of all comments received, highlighting key themes and proposed areas for amendment.

- Based on the comments received during the public consultation period and as necessary, the Secretariat shall, together with the TWGs and ISB, review and revise the draft standard.

Note: Excerpts only; for full ToR, see https://ghgprotocol.org/our-governance

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GHG Protocol decision-making criteria and mission and vision



- GHG Protocol's **mission** is to develop the most credible, accessible, and widely used greenhouse gas accounting and reporting standards and to proactively facilitate their global adoption and implementation.
- Our **vision** is that all private and public entities account for their GHG emissions, enabling an acceleration in reductions in line with the global warming limits required by climate science.

For further details, refer to the full decision-making criteria, available at https://ghgprotocol.org/our-governance.

Joined by ISB members

Alex Bassen (ISB Chair),
Suzanne Greene (ISB Vice-Chair),
Paul Munter (ISB member)

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Review of ISB meeting outcomes on LBM and MBM

ISB members were asked to provide directional input on the MBM. 10/10 ISB members indicated support for the following approach:

After the effective date of the revised standard (assumed to be 2030):

1. Companies shall report scope 2 location-based method (LBM).
2. Companies [*shall/should/may*] report scope 2 market-based method (MBM) in Statement 2 if data is available that meets the quality criteria. If a company reports scope 2 market-based method emissions:
   A. Companies may report using the 2015 Scope 2 Guidance MBM until 203X.
   B. Companies should report using the new MBM until 203X.
   C. Prior to 203X, companies shall disclose whether they are applying the 2015 Scope 2 Guidance or new MBM.
   D. After 203X, if a company reports scope 2 market-based method emissions, companies shall report using the new MBM if data that meets the quality criteria is available.
3. Electricity procurement activities not reported in statement 2 may be reported in statement 3 (GHG impact of actions, using consequential methods subject to development and approval) or key indicators (e.g., % CFE matched).
4. All existing contracts may be reported in statement 2 using the *2015 Scope 2 Guidance* MBM until 203X. After 203X, contractual instruments may be reported in statement 2 if they meet the new scope 2 MBM statement 2 requirements or may be reported in statement 3 (GHG impacts of actions, using consequential methods) and/or through key indicators. No legacy clause provision other than transition timeline.

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Pulse check: Scope 2 – hybrid proposed approach based on ISB discussion

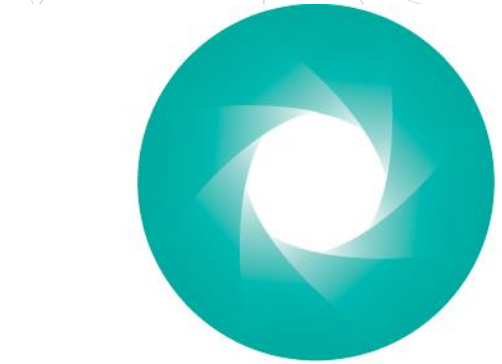
Open questions where the ISB asked the scope 2 TWG to develop recommendations:

1. Names or ways to refer to each MBM
2. Reporting requirements for MBM (shall/should/may for #2 in previous slide).
3. Technical details to implement Method 1
   A. Deliverability boundary details
   B. Incrementality design details
4. Appropriate alternative metric for reporting using the 2015 Scope 2 Guidance MBM after 203X outside of the market-based inventory (e.g., % CFE matched)
5. What is the earliest feasible date the TWG thinks new data and technology would be available to support the new MBM method? What are the specific regions with data gaps currently and what is the expected availability of data for those regions? What empirical evidence exists about impacts to market investment with consideration of AMI multi-statement approach?
6. What should the year be in #2 in the previous slide (i.e., what year should 203X be)?
7. Should there be a single date in #2 in the previous slide or should there be a period of time where both current and new MBM methods co-exist before the 2015 Scope 2 Guidance sunsets?
8. If there is a period of time where both current and new MBM methods co-exist, each method would need a different name; there would need to be a required disclosure of whether the current method or new method was used; and TWG to advise on whether both metrics [may/should] be reported side by side or companies [may/should/shall] only report one.
9. Standard Supply Service (may/should/shall)

Deliverability design details could include:
Responses to consultation feedback on how to demonstrate plausible deliverability. For example, principles for boundaries that reflect how the grid physically operates, defined market boundaries, guidance on selecting boundaries, and alternative methods for cross-border delivery. Procurement that does not meet deliverability can still be reported outside Statement 2 (item 3, previous slide).

Incrementality design details could include:
Qualifying operational events within [X] yrs (e.g., new build, repowering, clean conversion, upgrade, or life extension); original off-taker; pro-rata grid-share allocation; qualifying storage

Actions and Market Instruments: status update & reporting framework



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Why companies want to integrate market instruments

1. **Market instruments can help companies overcome barriers to accounting for their emissions-reduction measures**

   Average-based inventories struggle to capture low-carbon procurement without primary supplier data, or when effects fall outside the value chain – e.g. a dairy with no direct link to feed producers can instead buy certificates traced to the same region.

2. **They could incentivise the financing of capital-intensive decarbonisation technologies in the value chain**

   Demonstrating progress on sectoral transitions lets producers recoup investment or fund further decarbonisation – e.g. a steelmaker selling part of its output as 'green' at a premium to fund replacing energy-intensive processes.

3. **They can be a transition tool where physical supply of lower-emissions commodities or fuels is structurally constrained**

   Where supply is limited and unevenly distributed – e.g. sustainable aviation and maritime fuels – instruments can connect demand and supply until those fuels become more widely available.

Source: NewClimate Institute, 'Market Instruments Explained', June 2026 (pp. 10–12)

The risks of allowing market instruments without guardrails

Without appropriate guardrails…

1

They may reward existing practices rather than driving new emissions reductions

Instruments should support reductions beyond business as usual – e.g. selling certificates for already-common scrap-based steel recycling lowers product-level emissions but need not go beyond what the sector already does.

2

Meeting surging demand for lower-emissions products may have unintended consequences

A supported technology can create new risks elsewhere – e.g. SAF made from limited biomass can divert feedstock from chemicals, power and land transport, and compete with agriculture for land.

3

They could fund incremental action, potentially delaying system-level change

Low-ambition interventions risk locking in fossil reliance – e.g. steelmakers may delay H2DRI investment by selling reductions from recycled steel; minimum technology or decarbonisation requirements for claims can address this.

Source: NewClimate Institute, 'Market Instruments Explained', June 2026 (pp. 10–12)

AMI is introducing a multi-statement accounting and reporting framework

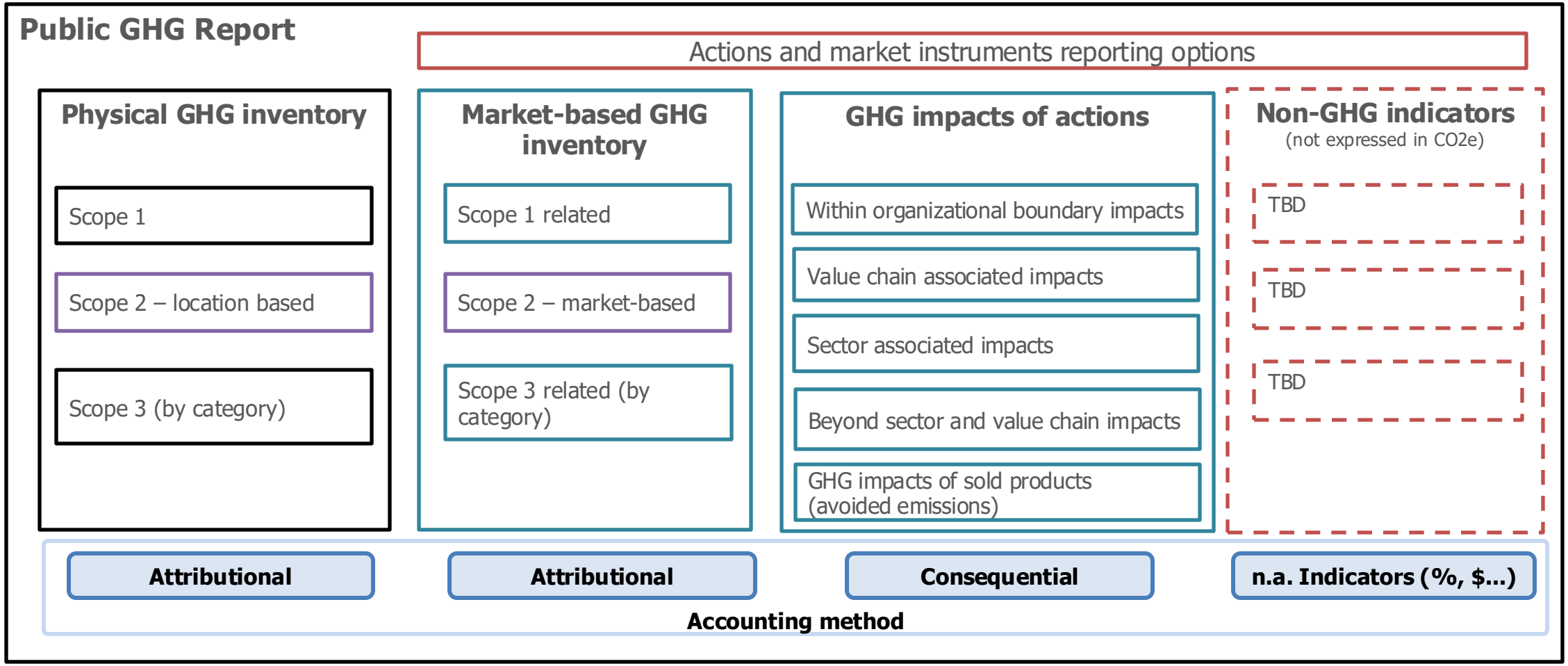
Core elements:

- Introduction of a **multi-statement accounting and reporting framework** with three new statements (in addition to the Physical GHG inventory)
  - **Market-based GHG inventory**, supplementing current physical inventory
  - **GHG impact statement** for mitigation intervention outcomes such as projects avoiding emissions
  - **Non GHG indicators** – Key indicators not expressed in CO_2e, such as % portfolio share, EUR/USD investments

- Phase 1 (2025): White paper reflecting proposed multi-statement reporting structure, key principles and concepts
  - Request for information on phase 1 white paper: Q2 2026
- Phase 2 (2026): Quality criteria, safeguards, calculation methods etc. – currently under development

Multi-statement accounting and reporting framework

The AMI TWG is developing a framework in which companies report different types of climate information in separate statements, each with its own purpose.



Scope 2 is one part of a broader reporting framework being developed by AMI

The AMI TWG sets the overall framework and the purpose of each statement. The Scope 2 TWG develops the electricity-specific details that fit into it.

Public GHG Report

Actions and market instruments reporting options

1. Physical GHG inventory

- Scope 1
- Scope 2 – location based
- Scope 3 (by category)

2. Market-based GHG inventory

- Scope 1 related, TBD
- Scope 2 – market-based
- Scope 3 related (by category), TBD

3. GHG impact statement

- Electric sector consequential impacts

4.Key indicators

(not expressed in CO2e)

- Electric sector key indicators

Accounting method

Attributional	Attributional	Consequential	Indicators (%, $, …)

Multi-statement accounting and reporting framework – Purpose

Public GHG Report

Actions and market instruments reporting options

Physical GHG inventory

- Provide a comprehensive accounting and disclosure of an organization's annual GHG emissions resulting from its operations and activities in its value chain across scope 1, scope 2, and scope 3, based on attributional accounting approaches.
- Serve as the foundation for the ecosystem of corporate GHG accounting / reporting.
- Inform mitigation strategies.
- Inform investors and other stakeholders about climate-related risks and opportunities.
- Allow for targets to be set and progress to be tracked against targets

Market-based GHG inventory

- Create opportunities for organizations to account for and report on actions/ market instruments which result in measurable value chain decarbonization but that are not eligible for reporting within the physical GHG inventory.
- Allow for targets to be set and progress to be tracked against targets (subject to target setting program rules)

GHG impacts of actions

- Provide quantification and reporting of the outcomes of actions on climate change mitigation within or beyond an organization's value chain.
- Incentivize investment, financing, and mitigation through solutions where a reporting organization cannot reduce emissions in the physical GHG inventory.
- Recognize corporate contributions to GHG mitigation within value chains, sectors, and globally.
- Inform mitigation actions
- Allow for targets to be set and tracked against consequential or impact-based targets (subject to target setting program rules)

Non-GHG indicators

(not expressed in CO2e)

- Provide additional means of reporting on climate mitigation progress through key indicators
- Provide robust and clear key performance indicators that might influence organizations' decarbonization actions and other decisions, and that can be used to track performance without GHG quantification.
- Allow for targets to be set and progress to be tracked against non-GHG indicator targets (subject to target setting program rules)

Source: AMI White Paper, 2026

Five key findings from the AMI Request for Information

1 **The framework is broadly supported — its value depends on transparency, clarity and integrity**

Support held across regions, sizes and org types. It is conditional: statements must stay distinct, never netted or blended.

2 **Physical GHG inventory integrity has to be preserved**

It must remain the mandatory, authoritative anchor; new statements must not dilute accountability for physical emissions.

3 **The Market-based inventory is strongly supported, conditional on safeguards**

Credible reporting home for contractual instruments — contingent on eligibility criteria, quality criteria, traceability and residual factors.

4 **The GHG Impact statement received broad support, with methodological work ahead**

Valued for capturing real-world impact; credibility depends on resolving additionality, baselines and uncertainty.

5 **Non-GHG indicators need to be considered within AMI's appropriate role and scope**

The most mixed result — if retained, a principles-based, general-category approach is strongly preferred.

New statements are strongly supported, conditional on safeguards

What would increase support for new statements

1. **Transparency & integrity**
   No adding, netting, or blending results across statements — keep accounting concepts visibly separate.
2. **Clear statement boundaries**
   Principles-based rules on scope and interpretation.
3. **Feasibility & data readiness**
   Phased rollout with tiered requirements and support for SMEs and lower-capacity actors. Overcome feasibility concerns of consequential accounting approaches.
4. **Flexibility paired with safeguards**
   High level principles with strong safeguards (eligibility criteria, traceability, prevent double counting, verifiability…) . Alignment with ISO, SBTi and other existing frameworks.

Key themes for market-based inventory

A. **Statement 2 is the home to report on climate action through procurement choices**
Statement 2 is connected to investment and demand signals.

B. **Statement 2 needs safeguards**
Support is conditioned on robust safeguards. Credibility depends on clear claim language, auditable evidence, verification, and limits on what market-based reporting can imply. Topics include quality criteria, eligibility criteria, traceability requirements, residual emission factors.

C. **It needs to be practical and interoperable**
Statement 2 must be practical to implement. Overly strict requirements might discourage participation. Interoperability with existing system is important.

Draft quality criteria (applicability and text varies by statement 2 and statement 3)

1. **Quantified** – calculated ex post, following GHG Protocol principles
2. **Temporal alignment** – aligning actions with reporting periods
3. **Intervention record / tracking** – use of registries, as appropriate
4. **Transparent documentation** – clear disclosure of relevant information
5. **Avoid double counting** – preventing inappropriate double counting
6. **Credible baselines** – clear and conservative baseline assumptions, as appropriate
7. **Verification** – verification and assurance of market instruments
8. **[Causality / Right to report]** – instruments are clearly attributable to the reporting organization
9. **[Impact / Additionality / Causality]** – the extent to which something happens as a result of an intervention that would not have occurred in the absence of that intervention – *more detail on the next slide*
10. **Contribution to system-level decarbonization** – actions and market instruments intended to result in reported GHG reductions shall be impactful in reducing GHG emissions
11. **Governance** – market instrument systems shall follow transparent and effective governance, as appropriate
12. **Permanence (for removals)** – continued monitoring of reported removals
13. **Leakage** – assessment of leakage potential, as appropriate
14. **Sustainable development benefits and safeguards** – actions and market instruments should avoid or minimize adverse social and environmental impacts

Note: There are also eligibility criteria being developed for Statement 2 and Statement 3 (e.g. activity matching, quantity matching, deliverability, etc. [draft])

Statement 2: Two theories of change & two pathways for assessing impact

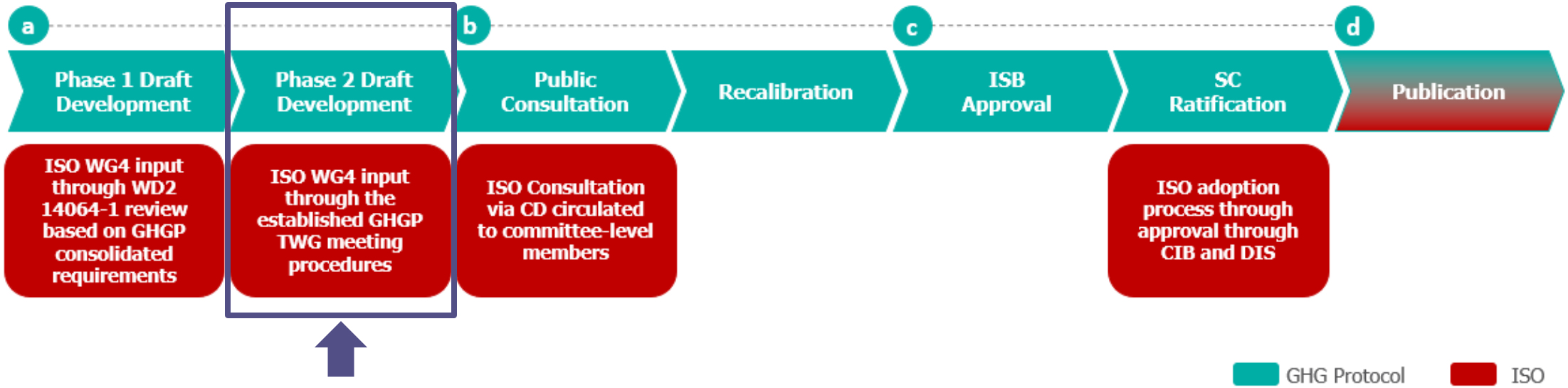
Two theories of change for market-based inventory being developed in AMI	**Approach for assessing [impact/additionality/causality]**			
	Level of assessment	Approach to assessment	Who does the assessment	Role for sector-specific implementation
1) Market/system level: Emissions are reduced because market actors respond to the price signal created through the purchasing of attribute certificates and decide to increase the supply of the climate-positive attribute/product. (Theory of change does not hold if the price signal is insufficient to motivate an expansion of supply, because demand does not exceed supply or other factors)	Market/system level impact assessment. Impact occurs at the market/system level, not necessarily at the individual action level. Relevant for certificate trading systems.	Options may include economic modeling, econometric studies, or other models or empirical studies. Organizations shall report the assessment results, methodologies and assumptions.	An independent third-party organization (e.g. peer reviewed academic research) or the program operator (with independent verification or validation)	*Such as: Electricity sector models demonstrating conditions for market/system level impact*
2) Action level: Emissions are reduced because the activity would not have occurred without the incentive created (e.g. purchase of certificate, contractual arrangement, etc.) by the organization.	Action level. Relevant for individual projects and bilateral mitigation-related contractual arrangements.	Actions and market instruments shall meet regulatory surplus and timing tests, and at least one of the following tests: common practice test, investment test or barrier test. (Draft)	The reporting company, the entity implementing the intervention, the program, or a third-party organization.	As applicable

ISO Partnership

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GHG Protocol – ISO partnership: Corporate Standard workstreams

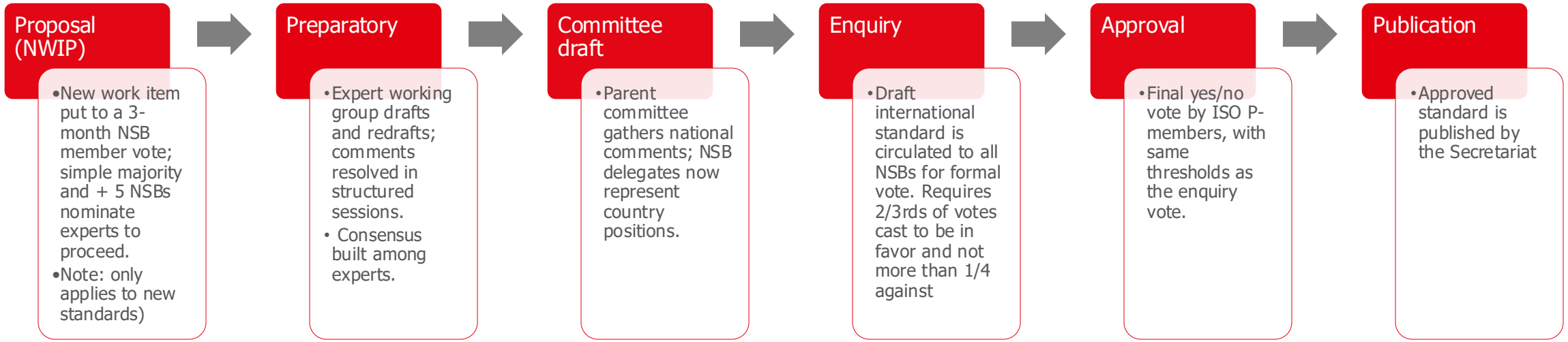
- **GHG Protocol leads the development of consolidated Corporate Standard** through its established TWGs and ISB, in accordance with its Standard Development and Revision Procedure
- **ISO's integration** into each step of the standard development process is summarized in the figure below.
- **ISO will follow its own rules and procedures** as set out in the ISO/IEC Directives for the adoption and co-branding of the standard.



See section 9 (Workplan and timeline) in the Standard Development Plan for the consolidated Corporate Standard for more information.

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How ISO builds consensus



- The process for updating ISO 14064-1 is currently at **preparatory stage**
- Between March 31 and May 11, ISO WG 4 were provided a copy of existing GHG Protocol standards text that combined existing, published requirements and recommendations, and any requirements or recommendations that had, by that time, been established through GHGP's ongoing revision process.
- After the commenting process was closed, comments were analyzed by the WG4 LT. This amounted to ~3000 total comments across the corporate suite of standards
- Comments were discussed and addressed in comment resolution sessions, where each topic was presented before experts provided live feedback on discussed GHGP text, existing ISO WD-1 text, and any other options developed by the WG4 LT. Polls were conducted as needed.
- Where consensus was achieved the agreed text was finalized in-meeting. Where consensus was not achieved, unresolved options were retained while text for each option was updated based on comments resolution.

ISO

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ISO experts roles and responsibilities

Role	No.	Responsibilities	TWG meeting participation
ISO Primary Experts	3 experts per TWG	• Serve as ISO technical experts in the GHGP TWGs • Act collectively on behalf of ISO/TC 207/SC 7/WG 4 (In the absence of a WG 4 position, they may act in their individual capacity)	Yes
ISO Supporting Experts	3 experts per TWG	• Assist Primary Experts in reviewing materials and consolidating ISO technical inputs • Contribute to WG 4 internal review and drafting of consolidated comments • Serve in Primary Expert role in absence of Primary Expert	No, except when they are covering for an absent Primary Expert
ISO WG4 Convenor and Project Leaders	3 (1 WG4 convener and 2 Project Leaders)	• Convene ISO/TC 207/SC 7/WG 4 • Coordinate and transmit ISO contributions into TWGs • Support alignment between ISO WG4 and GHGP TWG discussions • Contribute to WG 4 internal review and drafting of consolidated comments	Yes, as Guest
ISO Secretariat staff	1 or more	• Administers a TC or SC and ensures adherence to ISO procedures. • Oversees meeting logistics, document management, balloting, and communication with member bodies. • Plays a neutral, administrative role, supporting Convenors and Project Leaders	No

Process for reviewing ISO feedback: Scope 2

In consideration of the scope 2 public consultation that had already taken place prior to the establishment of the GHG Protocol–ISO partnership, the process for incorporating ISO feedback for Scope 2 includes the timeline below:

Completed activities

- **Q2 2026:** ISO provides feedback to GHG Protocol

Where we are now:

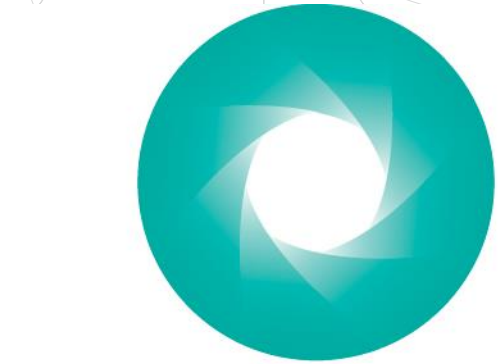
- **Q3-Q4 2026:** Scope 2 TWG engages with both public consultation feedback and feedback from ISO WG4, at the direction of the ISB. The ISB then decides on any post-consultation revisions informed by TWG recommendations.

Next steps:

- **Q2 2027:** Revised Scope 2 output is included in consolidated draft standard for public consultation, during which ISO WG4 will review the draft (CD stage). ISB determines whether any Scope 2 topics require a second round of public consultation at that time.
- **Q2 2027 – Q4 2028:** Scope 2 follows the same process as the other workstreams with continued participation of ISO WG4 experts as TWG members.

See section 9 (Workplan and timeline) in the Standard Development Plan for the consolidated Corporate Standard for more information.

MBM incrementality and deliverability memo walkthrough



GREENHOUSE GAS PROTOCOL

Incrementality



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Background: Question 1: What should the age limit be, and should it vary?

- In the straw proposal based on TWG input, the age limit is counted from a qualifying event, such as commercial operation, return to service, clean fuel conversion, CCS, a capacity upgrade, repowering, or a life extension at a facility facing retirement. How each event is treated is also open for TWG input.
- As drafted, the limit applies to the facility. Output within the window can qualify for any buyer, whenever the contract was signed. A separate pathway would keep output eligible for an original off-taker through its contract term.
- TWG survey suggestions ranged from 2–3 to 25 years. Suggestions of 15 years cited alignment with RE100 and the SBTi Corporate Net-Zero Standard v2.
- Some members proposed differentiating by technology or region, citing different risk profiles, offtake terms and market maturity. Others noted that a single global value reduces fragmentation and is simpler to audit.

Question 1: What should the age limit be, and should it vary?

Key Framing for Discussion: The straw proposal counts a facility's output as incremental for a set number of years after a qualifying event. Members have linked shorter windows to accelerating new clean additions, and longer windows to financing schedules and design lifetimes. What should the window recognize, and should one rule apply everywhere?

1A. What is the appropriate number of years (e.g., 5, 10, 15, 20, or other)? (Memo Q1)

1B. Should the age limit be the same for all technologies and regions? (Memo Q2, Options A–E)

Background: Question 2: How should existing clean generation be reflected?

- Some TWG members noted that if existing clean generation is not reflected, companies in grids with large shares of carbon free energy could report market-based emissions above their location-based emissions. Reaching low emissions could also require more new clean generation than the grid's total demand.

  Example: A company in a grid that is 90% carbon-free voluntarily matches 60% of its consumption with qualifying instruments. No residual mix is available.

Remaining 40% of consumption	Carbon-free share reported
Fossil fallback rate (Option A)	60%
Location-based grid average (Option B)	96% = (60% + 40% × 90%)

1. Alternatively, the company could procure existing clean generation for the remaining 40%.

2. A grid average needs no added calculation and keeps an incentive for new procurement, since it cannot reach 100% alone. Where no residual mix exists it may count clean generation claimed by others, and used together with procurement it could count the same generation twice.

3. Consultation feedback on the fossil fallback was mixed. Supporters said it reduces double counting, while others found it overly conservative in highly renewable grids and markets with less mature registries.

Existing clean generation means carbon-free generation that does not qualify under the age limit, an original off-taker contract, or allocated supply.

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Question 2: How should existing clean generation be reflected?

Key Framing for Discussion: Incrementality limits which clean generation a company can claim. Existing clean generation can still be reflected in two ways, through procurement up to the grid's clean share or through the rate applied to consumption the company has not matched. Where no residual mix exists, that rate decides whether existing clean generation shows up at all. Which route, or combination, should Method 1 use?

2A. Should companies be able to procure existing clean generation up to the grid's clean share? (Memo Q8)

2B. Where no residual mix is available, should unmatched consumption use:

- a fossil fallback rate (Option A) or
- the location-based grid average (Option B)? (Memo Q9)

Deliverability

GREENHOUSE GAS PROTOCOL

Background: Question 1: How should market boundaries be defined?

- ISB members reasoned that generation and load need a plausible physical connection for an EAC to be claimed in the inventory.
- Consultation feedback did not converge on one approach. Narrower boundaries were supported for geographic credibility, broader ones for procurement liquidity and investment flexibility.
- ISO WG4's draft proposes a hierarchy of criteria can be applied. A hierarchy doesn't uniformly scale from narrow to wide the same way everywhere, as the illustration below shows.

Illustrative only: Criterion A gives the US its narrowest option, but gives Australia its broadest.

	A. Single balancing authority, central dispatch	B. Regulator-set zone based on transmission limits	C. Country within one synchronous grid
United States	RTO/ISO footprint, or balancing authority outside RTOs	Possibly DOE Transmission Needs Study regions	Eastern, Western and ERCOT interconnections
Europe	Rarely applies	Bidding zones	National borders
Australia (NEM)	The whole NEM	NEM regions	Mainland NEM (excl Tasmania)
Japan	No clear equivalent	JEPX price areas	East (50 Hz) and West (60 Hz) grids
Mainland China	Provincial dispatch areas	No clear equivalent	Several synchronous areas

GREENHOUSE GAS PROTOCOL

Question 1: How should market boundaries be defined?

Key Framing for Discussion: The straw proposal defines a market boundary as an area that meets one of three physical interconnection criteria. TWG survey views were mixed on whether boundaries should be set centrally, for consistency and auditability, or follow criteria applied locally as grids change. Should the criteria apply in a set hierarchy and would published default boundaries help?

1A. Are these the right criteria? Should they apply as a hierarchy, and if so in what order, or as equal alternatives? (Memo Q1)

A. An interconnected transmission grid operated under a single balancing authority and centralized market dispatch
B. A regional boundary established by an authorized government or regulatory body based on transmission limits and market congestion
C. A country's geographic territory within a single synchronous grid
D. Other

1B. Should default boundaries be published by geography, with other boundaries allowed where they meet the criteria? (Memo Q4)

Background: Question 2: When should power pools and islanded grids qualify?

- The 2025 consultation proposal treated African regional power pools (EAPP, SAPP, WAPP, CAPP, NAPP) as market boundaries where physical interconnection could not be demonstrated, citing their operational regional governance structures.
- Respondents who raised concerns stressed that pool designation alone does not establish that cross-border capacity is operational or that an integrated regional market exists.
- TWG survey feedback noted that overly narrow boundaries could penalize emerging markets and integrated cross-border systems, such as African power pools or developing interconnections in Southeast Asia.
- Feedback highlighted isolated and remote networks, such as Indonesia's islands, off-grid systems in Western Australia and Okinawa, which lack access to mainland grids and may have limited clean supply.
- In the straw proposal, the options for both run from physical connection (operational links, the isolated network itself) to administrative or planned connection (a shared utility or a master plan).

GREENHOUSE GAS PROTOCOL

Question 2: When should power pools and islanded grids qualify?

Key Framing for Discussion: Consultation feedback on recognizing intergovernmental power pools was mixed. Supporters cited wider procurement options, regional clean energy investment and more equal market access. Others noted that pool membership alone does not show that power can move across the pool. Islanded grids may lack access to main grids and have limited clean supply.

2A. (Memo Q2) - Should intergovernmental power pools in developing and emerging markets qualify as market boundaries? If yes, under which condition?

A. Cross-border transmission links are operational
B. Cross-border transmission links exist
C. Links exist or are formally included in the pool's regional master plan for interconnection

2B. (Memo Q3) - What is the appropriate default boundary for islanded grids?

A. The physical boundary of the isolated network
B. The main grid's boundary, if both are served by the same national utility and are in the master plan for interconnection
C. The main grid's boundary, if both are served by the same national utility

Day 2:
Wednesday, 21 October



GREENHOUSE
GAS PROTOCOL

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20–22 October 2026

Workshop agenda

Tuesday, 20 Oct — Day 1

9:30–17:00

9:30 – 10:00
Welcome & Introductions
Agenda review; Participant intros; Workshop goals

10:00 – 10:15
GHG Protocol Governance Overview
TWG and ISB roles in input and decision making

10:15 – 11:00
Joined by Alex Bassen (ISB Chair), Suzanne Greene (ISB Vice-Chair), Paul Munter (ISB member)

11:00 – 11:30
Actions and Market Instruments
Multi-statement reporting framework; Status update

11:30 – 11:50
ISO Partnership

11:50 – 12:30
Discussion

Lunch

13:00 – 17:00
MBM Incrementality & Deliverability
Breakout discussions

Wednesday, 21 Oct — Day 2

08:30–17:30

8:30 – 9:00
Reflections on day 1
Participant reflections; Day 2 agenda

09:00 – 10:15
SSS Status & Design Criteria
Full-group discussion

10:30 – 12:15
Incrementality and Deliverability (Cont.)
Full-group discussion & breakout

Lunch

13:15 – 17:15
MBM Transition & Reporting requirements
Full group discussion & breakout

Thursday, 22 Oct — Day 3

08:30–17:00

8:30 – 9:15
Reflections on day 2
Participant reflections; Day 3 agenda

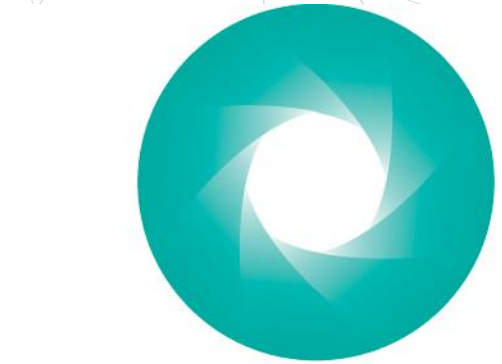
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Full-group discussion

Lunch

13:15 – 16:30
Further discussion on Open Items
Full-group and breakout discussions

16:30 – 17:00
Remaining Topics & Path Forward
Full-group discussions

Standard Supply Service



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Standard Supply Service: Overview

- There is support for the goal of Standard Supply Service (SSS).
- The hard part is that who holds the attributes of publicly supported power is a decision each government makes, and governments have made different decisions, or not at all.
- So, the question is whether a single global 'shall' is the right tool, or whether guidance can do the job.

Standard Supply Service

1. **Where governments keep the attributes with all customers**, existing rules already do this. The residual mix and the unique-claims criteria respect those allocations.

2. **Where governments let the attributes be sold**, SSS would override that choice. Buyers could lose claims they paid for, and program funding could weaken.

3. **Where governments haven't settled it**, GHGP would have to read national law to decide. People applying the same definition to France's nuclear fleet got different answers, and the answers shift as schemes end. Better data helps, but someone still has to decide what goes in the registry. ISO WG4 removed SSS for these reasons.

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Background: Question 1: Should SSS remain a requirement in the standard?

- Consultation examples show that how SSS would work depends on rules each government has set, or not set, about who holds the attributes of publicly supported generation.

	National rules keep attributes with all customers	National rules allow attributes to be sold	National rules do not settle the question
Examples	In Germany, supported generation cannot receive Guarantees of Origin. In Australia, the clean energy regulator allocates the mandated renewable share across consumption.	Japan auctions FIT certificates to lower the surcharge. UK Contracts for Difference generators sell certificates to voluntary buyers.	In New Zealand, majority state-owned generators compete without regulated cost recovery. Respondents disagreed on whether France's nuclear fleet qualifies.
Issue raised	Respondents suggested the existing quality criteria and the residual mix already respect these allocations.	Respondents noted buyers could lose claims they paid for, and program funding could weaken.	Classification would require interpreting national law and funding arrangements, which change over time.

- ISO WG4 removed SSS, concluding it would require regulatory determinations that belong to national energy regulators, and that the residual mix and quality criteria already address double counting.

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Question 1: Should SSS remain a requirement in the standard?

Key Framing for Discussion: The 2025 consultation proposed SSS so each company claims only its proportional share of publicly funded, mandated or shared resources. Supporters pointed to fair allocation and preventing double counting. Others noted that whether a resource counts as SSS should depend on each jurisdiction's funding and allocation rules, and that SSS could prevent buyers from claiming instruments they purchased. ISO WG4 removed SSS from its draft.

1A. Should SSS remain a requirement ("shall") in the Scope 2 standard? (Memo Q1)

1B. If not, should it move to guidance as a recommendation ("should") or an optional ("may")? (Memo Q1)

Background: What would SSS need to address?

- Respondents noted that who paid does not map cleanly to how much each customer uses. Energy-intensive users are exempt from most scheme costs in the UK and parts of the EU, and levies and public budgets are pooled across many purposes.
- Classifications would change over time. Australia's Renewable Energy Target ends in 2030, the UK Renewables Obligation ends in 2037, and ownership changes through privatization.
- The consultation proposal recognized that the GHG Protocol cannot require suppliers to allocate SSS. Data gaps, such as missing registries and supplier data, could be addressed over time, though a registry would still need someone to decide what goes in it.
- TWG survey responses were spread across defining SSS in the standard, setting common principles implemented locally, and removing SSS. Members across these positions wanted certificates retired under clean energy mandates to count toward companies' inventories, up to each company's share.

Incrementality



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Question 1: What should the age limit be, and should it vary?

Key Framing for Discussion: The straw proposal counts a facility's output as incremental for a set number of years after a qualifying event. Members have linked shorter windows to accelerating new clean additions, and longer windows to financing schedules and design lifetimes. What should the window recognize, and should one rule apply everywhere?

1A. What is the appropriate number of years (e.g., 5, 10, 15, 20, or other)? (Memo Q1)

1B. Should the age limit be the same for all technologies and regions? (Memo Q2, Options A–E)

GREENHOUSE GAS PROTOCOL

Question 2: How should existing clean generation be reflected?

Key Framing for Discussion: Incrementality limits which clean generation a company can claim. Existing clean generation can still be reflected in two ways, through procurement up to the grid's clean share or through the rate applied to consumption the company has not matched. Where no residual mix exists, that rate decides whether existing clean generation shows up at all. Which route, or combination, should Method 1 use?

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- a fossil fallback rate (Option A) or
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Deliverability



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C. A country's geographic territory within a single synchronous grid
D. Other

1B. Should default boundaries be published by geography, with other boundaries allowed where they meet the criteria? (Memo Q4)

GREENHOUSE GAS PROTOCOL

Question 2: When should power pools and islanded grids qualify?

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2A. (Memo Q2) - Should intergovernmental power pools in developing and emerging markets qualify as market boundaries? If yes, under which condition?

A. Cross-border transmission links are operational
B. Cross-border transmission links exist
C. Links exist or are formally included in the pool's regional master plan for interconnection

2B. (Memo Q3) - What is the appropriate default boundary for islanded grids?

A. The physical boundary of the isolated network
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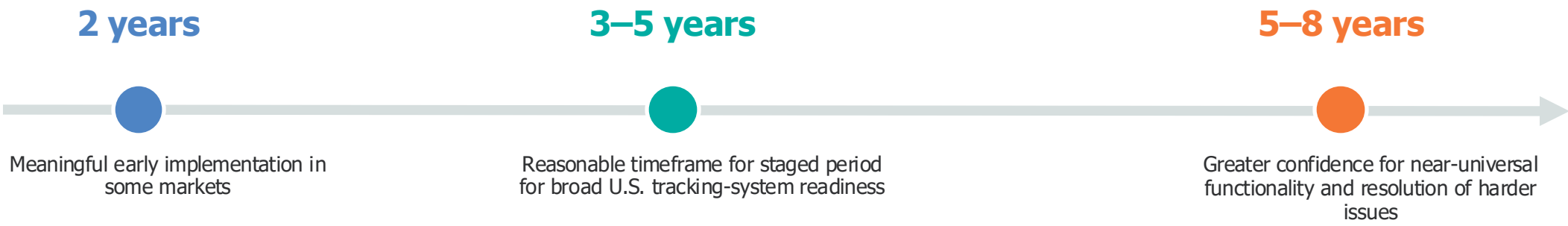
Transition timeline



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U.S. readiness pathway after Standard finalization

The estimates apply to broad U.S. tracking-system readiness for transactional hourly EACs, not to every utility, market, or geography.



Illustrative component elements

Software development
WREGIS historically longer
~3 months to 1 year

Stakeholder engagement + approval
WREGIS potentially longer
9–21 months

Tracking system challenges

- Uneven access to granular source data, including settlement data that may be available at kWh or tens-of-Wh precision rather than uniform Wh precision.
- Limited or inconsistent access to settlement data for storage facilities.
- Demand uncertainty and funding constraints, which can make systems reluctant to prioritize major upgrades.

Utility readiness may be more uneven than tracking-system readiness and may require interval-load data, qualifying supply, product and billing changes, regulatory approval, cost allocation, and sometimes new generation or storage.

GREENHOUSE GAS PROTOCOL

Background: Question 1: When could data and infrastructure support Method 1?

- In the ISB direction, the 2015 Scope 2 Guidance remains available in Statement 2 until a year to be set (203X), beyond the revised standard's expected 2030 effective date.
- Market-based reporting is not required where data meeting the quality criteria is unavailable.
- Consultation respondents noted a phased transition should account for contract renewals, IT investment cycles and alignment with frameworks such as SBTi, RE100, CDP and ISSB.
- TWG survey suggestions included conditioning adoption on local registry and data readiness rather than fixed global deadlines.

GREENHOUSE GAS PROTOCOL

Question 1: When could data and infrastructure support Method 1?

Key Framing for Discussion: The ISB asked what can be said about the state of markets today, so that the transition date reflects market readiness. Some respondents saw a single global date as difficult given differing market maturity, and suggested tying the phase-in to readiness milestones, such as hourly tracking registries, granular metering and published residual mix factors, or longer timelines for emerging markets.

1A. What is the earliest feasible date new data and technology would be available to support Method 1? (Memo Q1)

1B. Which regions have data gaps today, and when are those gaps expected to close? (Memo, ISB request)

GREENHOUSE GAS PROTOCOL

Background: Question 2: When should the 2015 Guidance stop being used in Statement 2?

- A large majority of consultation respondents supported a transition mechanism for existing long-term contracts, citing project finance, good-faith procurement and the value of signed agreements.
- Others, including some who favored a transition mechanism, cautioned that a similar companies would report under different rules, reducing comparability and complicating assurance.
- ISO WG4's draft keeps instruments from pre-publication contracts eligible for up to 10 years from publication. Extensions or amendments must meet the new requirements.
- TWG survey suggestions included 2030 as a stocktake year, Method 1 from 2031, and phase-out of the 2015 Guidance by 2035, noting some respondents argued Method 2 shouldn't be phased out.

2027	2030	203X
Consultation draft published. A contract signed then would have at least three years in Statement 2, longer depending on 203X.	Expected effective date of the revised standard.	2015 Guidance no longer reported in Statement 2. Procurement not meeting Method 1 may be reported in Statement 3 or key indicators.

GREENHOUSE GAS PROTOCOL

Question 2: When should the 2015 Guidance stop being used in Statement 2?

Key Framing for Discussion: The ISB did not include a legacy clause. It intends the phased transition to give certainty to existing contracts and projects seeking investment. Some ISB members favoured keeping the transition short, and several stressed safeguards so the end date cannot later be extended. The ISB also asked what evidence exists on how the length of the transition affects investment.

2A. After what year should the 2015 Guidance no longer be reported in Statement 2? (Memo Q2)

2B. Should Method 1 apply from that same year where data are available, or from a different year? (Memo Q1 and Q2)

Day 3:
Thursday, 22 October



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20–22 October 2026

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Transition timeline



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GREENHOUSE GAS PROTOCOL

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GREENHOUSE GAS PROTOCOL

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- TWG survey suggestions included 2030 as a stocktake year, Method 1 from 2031, and phase-out of the 2015 Guidance by 2035, noting some respondents argued Method 2 should not be phased out.

2027	2030	203X
Consultation draft published. A contract signed then would have at least three years in Statement 2, longer depending on 203X.	Expected effective date of the revised standard.	2015 Guidance no longer reported in Statement 2. Procurement not meeting Method 1 may be reported in Statement 3 or key indicators.

Question 2: When should the 2015 Guidance stop being used in Statement 2?

Key Framing for Discussion: The ISB did not include a legacy clause. It intends the phased transition to give certainty to existing contracts and projects seeking investment. Some ISB members favoured keeping the transition short, and several stressed safeguards so the end date cannot later be extended. The ISB also asked what evidence exists on how the length of the transition affects investment.

2A. After what year should the 2015 Guidance no longer be reported in Statement 2? (Memo Q2)

2B. Should Method 1 apply from that same year where data are available, or from a different year? (Memo Q1 and Q2)

Reporting requirements

Background: Question 1: After 203X, what should market-based reporting require?

- Under the 2015 Scope 2 Guidance, companies with operations in markets with contractual instruments shall report both location-based and market-based results. Where instruments are not available, the location-based result is used in the market-based total.
- ISO WG4 could not reach consensus on dual reporting. Its options range from requiring market-based reporting where instruments exist to making it optional.
- Using the location-based grid average as a proxy keeps the inventory complete, but it may include clean generation already claimed through tracked arrangements, creating a risk of double counting.
- Procurement that does not meet the new method may be reported in Statement 3 (GHG impact of actions) or through key indicators.
- TWG feedback has also raised how "available data meeting the quality criteria" would be defined and verified, and whether requirements could differ by company size.

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Question 1: After 203X, what should market-based reporting require?

Key Framing for Discussion: After 203X, the 2015 Guidance is no longer used in Statement 2, including in markets without data meeting the quality criteria. The ISB left open whether market-based reporting is required, recommended or optional where such data is available. Companies operating across several markets may have qualifying data in some and not in others.

1A. Where data meeting the quality criteria is available, should market-based reporting be required ("shall"), recommended ("should") or optional ("may")? What test should decide that such data is available? (Memo Q1)

1B. Where only some of a company's markets have qualifying data, how should total market-based emissions be reported? (Memo Q2)

A. Partial reporting, only for markets with qualifying data
B. Complete reporting, using the location-based method as a proxy
C. Complete reporting, using a fossil-only proxy
D. Other

Background: Question 2: Before 203X, how should the two methods be reported?

- In TWG survey feedback, some members supported parallel reporting as a temporary bridge, to show performance differences and avoid mid-cycle disruption. These respondents cautioned against permanent side-by-side figures, framing them as likely to confuse users and multiply audit burdens.
- Suggestions in the straw proposal range from letting companies choose by market, to requiring one chosen method across all operations.

Options in memo Question 3

Option	Method applied	Market-based total reported
A	One method across all operations	One total, labelled by method
B	Method chosen by market	One combined total, with the share under the new method disclosed
C	Method chosen by market	Two totals, one under each method

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Question 2: Before 203X, how should the two methods be reported?

Key Framing for Discussion: Before 203X, companies may report using the 2015 Guidance, should report using Method 1, and shall disclose which they apply. Applying different methods in different markets may support early adoption where data exist. Combining results from different methods into one figure may reduce comparability, while two separate totals may add reporting burden.

2A. Should a company apply one method across all operations, or may it choose by market? (Memo Q3)

2B. If methods differ by market, should it report one combined total or a separate total for each method? (Memo Q3)

Location-based method



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Background: Question 1: How should the emission factor hierarchy be structured?

- The consultation proposal prioritized spatial boundary, then temporal granularity, and preferred consumption-based over production-based factors.
- Supporters cited accuracy, reduced ambiguity and comparability. Others raised boundaries narrower than physical delivery, misalignment with statutory reporting rules, and administrative burden.
- Many emission factor datasets are published one to two years after the year they describe. The consultation text did not say how recency ranks against other qualities.
  - *Example:* A two-year-old operational grid factor competes with a one-year-old national factor.

Data recency option (Memo Q1)	Factor used in the example
A. Ranks first	One-year-old national
B. Ranks third, after spatial boundary and type	Two-year-old operational grid
C. Ranks first for reporting-year factors only*	One-year-old national
D. Not a hierarchy component	Reporter chooses

*i.e. a two-year old factor national factor is not prioritized over a three-year old operational grid factor

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Question 1: How should the emission factor hierarchy be structured?

Key Framing for Discussion: The straw proposal ranks emission factor qualities in a fixed order, starting with data recency, then spatial boundary, emission factor type and temporal granularity. Feedback on the order was mixed, with spatial boundary first and emission factor type first both proposed. ISO WG4's draft requires the most detailed boundary and the most granular factor accessible, without ranking one above the other.

1A. Should the GHG Protocol keep a ranked sequence, or follow ISO WG4's principles-based approach? (Memo Q2)

- If ranked, is the proposed order right?

  Data Recency → Spatial Boundary → EF Type → Temporal Granularity.

1B. Where should data recency sit in the hierarchy? (Memo Q1, Options A–D)

Data recency	Spatial boundary	Type	Temporal Granularity
Reporting Year	**CONDITIONAL: Operational grid subregion** Apply only where subregions meet the conditions in section 2 (Spatial boundary)*	Consumed	Hourly
			Monthly
			Annual
	Operational grid boundary Grid balancing area / control area / Independent System Operator (ISO) region / Load-Frequency Control (LFC) area. This boundary sometimes aligns with subnational boundaries (e.g. province, state or territory boundary).	Consumed	Hourly
			Monthly
			Annual
		Produced	Hourly
			Monthly
			Annual
	Grid-wide or national boundary** Wide area synchronous Grid / Grid Interconnection (for countries made up of multiple synchronous grids) or National (rest of world, or where grid-wide emission factor is not accessible)	Consumed	Hourly
			Monthly
			Annual
		Produced	Hourly
			Monthly
			Annual
Prior Year	**CONDITIONAL: Operational grid subregion boundary**	Consumed	Annual
	Operational grid boundary	Consumed	Annual
		Produced	
	Grid-wide or national boundary Wide area synchronous Grid / Grid Interconnection (for countries made up of multiple synchronous grids) or National (rest of world, or where grid-wide emission factor is not accessible)	Consumed	
		Produced	

Background: Question 2: Which emission factors should qualify for use?

- Some respondents supported defining free to use as no payment and an open license, so auditors, software tools and other reporters can use and check the same data. Others asked to align with the IFRS/ISSB and ESRS principle of "undue cost or effort".
- TWG members were divided, with some cautioning that an entity-specific test could lead reporters on the same grid to use different factors. Members also supported keeping paid third-party providers eligible where they meet safeguards such as transparent methods, version control and auditable pipelines.
- Limiting credible sources to governments and grid operators helps comparability, but third-party providers may be the only source of granular factors in some markets.
- ISO WG4 draft includes that an *organization **may** use a higher-quality GHG emission factor that is not publicly available or requires payment*, but they define credible sources as government agency, system operator, or recognized registry – excluding third party providers. (Q10 Option A).

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Question 2: Which emission factors should qualify for use?

Key Framing for Discussion: In the straw proposal, organizations use the most precise accessible factor, meaning publicly available, free to use and from a credible source. Limiting reporters to accessible data supports comparability among peers on the same grid, but may exclude more accurate datasets where public data lags, depending to the choices on free to use, credible source and use of non-accessible factors.

2A. How should paid or restricted factors be treated? (Memo Q7 and Q10)

Two potential options to recognize paid emission factors:

- **Update definition of free:** Should "free to use" mean no payment with an open license (Q7 Option A), or obtainable without undue cost or effort (Q7 Option B)?

OR

- **Add an allowance to use a more precise emission factor even if its not free publicly available:**

  Option A: May be used only if ranking higher in the hierarchy than the highest ranked accessible emission factor.

  Option B: May only be used only if no accessible data is available.

  Option C: Shall not be used.

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Thank you!

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