Overview of the Outcomes from Scope 2 Technical Working Group Workshop

See more on how we got here: Scope 2 Market-based Method Update: From 2025-2026 Public Consultation to Current Status | GHG Protocol

The below is an overview, and the full technical summary can be found here: https://ghgprotocol.org/sites/default/files/2026-11/Scope2-Workshop-Outcomes-Full-2026.10.30.pdf

Overview:

The Scope 2 Technical Working Group (TWG) recently met in Washington DC and online for a three-day workshop, the latest step in the scope 2 standard revision process. The outcomes of this workshop, as reflected in the minutes, are an interim step towards a final standard which will require additional steps and public consultation.

Following the workshop, scope 2 TWG members are actively leading work to further develop the TWG proposal through parallel subgroups and anticipate a second workshop in early 2027. The TWG workshop advanced approaches to improve accounting methodologies for estimating greenhouse gas (GHG) emissions from electricity consumption and procurement actions. It includes four key elements – location-based method, market-based method, consequential impact measures, and key indicators, detailed below. Many key aspects are still under active development in TWG subgroups. Determining which elements are required or optional is still under discussion.

(1) Location-based method: This method estimates the emissions associated with electricity consumption from the power grid by using average emission factors reflecting the mix of electricity used in that location. The TWG indicated support for a ranked hierarchy of emission factors that provides companies with clearer guidance on which emission factor to use.

2) Market-based method: This method estimates GHG emissions from a company's electricity use based on power it buys from generators that could plausibly deliver to its operations. The TWG is still defining the grid regions and rules for when a generator's power counts as deliverable to a company's operations. The method would be calculated on an hourly basis. It would not require energy users to procure energy attribute certificates for every hour of the year, often called "24/7 matching." Instead, purchases would be compared with electricity use hour by hour, so reports show how much of a company's use in each hour is covered by clean electricity purchases. Targets for how much to match are set by companies and programs.

The method would apply only where data meeting set quality criteria are available. What data would be sufficient is still to be defined, as is a phase-in schedule that would start with the largest electricity users.

The TWG framework recommends, but does not require, that clean electricity purchases be incremental, meaning they come from recently built generation, e.g., in the last 15 years, or generation the buyer supported through a long-term contract. Companies would be required to report the share of their purchases that is incremental.

A key question still under consideration by the TWG is whether reporting under the market-based method will be required or optional in the revised standard.

3) Consequential impact measures: The TWG direction includes a separate accounting measure to be reported in companies' GHG impact statement that would show the extent to which their electricity use and procurement resulted in changes to GHG emissions globally. Purchases made anywhere and at any time could be assessed, with results that estimate each one's effect on emissions from the power system, which can differ greatly depending on how much a purchase changes which power plants are built and run. The method is still to be developed, with work scheduled to continue in Q2 2027.

4) Key indicators: The TWG began developing a list of additional metrics that provide energy users with additional means to report on their electricity purchases and activities.

Transition period, existing contracts, and smaller users: The TWG supported phasing in the revised market-based method over time, applying first to the largest energy users and then to other energy users

above a threshold. The phase-in schedule and thresholds are under development. If market-based reporting is required for larger users, the TWG also supported making it optional for smaller users below a threshold, to be determined. The market-based method in the 2015 Scope 2 Guidance would remain available as a reporting option for several years as the new method is phased in.

The TWG highlighted the need to consider how long-term contracts signed under the 2015 Scope 2 Guidance are treated. The ISB direction provides transition relief by keeping the 2015 method available until the transition ends, so the new method includes only contracts that meet its requirements. Options discussed in the TWG include: counting existing contracts in the new method even if they do not meet its requirements (a legacy clause), reporting the new and 2015 methods side by side, and recognizing existing contracts outside the market-based method, such as in the GHG impact statement or through target-setting programs. The TWG has not made a recommendation. Open questions include:

1. whether a legacy clause is needed beyond the transition,
2. which contracts would be eligible, and
3. how any relief would fit with the phase-in dates.

What's next: The Scope 2 TWG will continue developing the proposal and plans another workshop in early 2027. Throughout this process, the TWG will interact with the Independent Standards Board to exchange information and resolve key issues aligned with the GHG Protocol due process procedures.

The outcomes of the TWG and ISB processes for scope 2 will be integrated into the combined draft GHG Protocol-ISO Corporate Standard and exposed for public consultation, currently planned for Q2 2027. The combined draft GHG Protocol-ISO Corporate Standard will consolidate all requirements and updates related to scope 1, scope 2, scope 3, and actions and market instruments.