

Greenhouse Gas Protocol Revision (GHGP) FAQ Comment Guide

What are the GHGP revisions? How will they affect my business?

Major revisions have been proposed to how companies report their emissions through the GHGP. Numerous new requirements and changes have been proposed, from no longer counting renewable energy unless it's hourly matched and deliverable; to changing the emissions factors for electricity; to adding grid mix; standard supply service, and more.

The new requirements will make it considerably more complex, and in most cases far more expensive, for companies that have reduced emissions by buying renewable energy to report those claims to meet net zero or other emissions targets.

Will my company be affected?

Almost certainly. 96% of companies worldwide with emissions targets use the GHGP. Some companies with particularly small loads may be exempt from some requirements.

Why is there so much opposition to the proposed changes?

Many businesses are concerned because the changes will increase the cost and complexity of buying renewable energy. <u>CEBA Survey</u>

Many NGOs are concerned that as a result, businesses will move away from voluntary investment in renewable energy, which could cause a significant step back in climate progress. <u>WattTime Blog</u>

But most of all, many academics and grid experts are concerned that the changes are not based on credible scientific research, and seem to be a move away from accurately measuring carbon impacts.

<u>Three Pillars Research</u> <u>WattTime Blog</u>

If there is so much opposition, why are the changes happening anyway?

They may not! That's the purpose of the comment period-to gather feedback on whether the proposed changes should go through.

What can I do?

You can help by submitting comments here.

The response form is hundreds of questions! How do I have time for that?

It is not necessary to answer all of the questions. Even answering just a few can really help.



WattTime and other organizations are offering free support to any organizations who need it. We are also developing a free tool that asks for your company's priorities and views, and can help you quickly and easily identify which questions are relevant to you, and offer context on ways you might respond. contact@watttime.org

There are two forms, attributional and consequential. Do I need to answer both? It is not required, but it is helpful. Consider potentially answering a few key questions on both.

Who will make the final decision?

The first draft decision was made by a group of 45 independent technical experts (Scope 2 Technical Working Group). Then a second smaller group, the Independent Standards Board, voted to overrule the recommendations of the TWG. Now the public is being asked to comment on the ISB's alternative proposal. The final decision on whether to accept the ISB's alternative proposal or send it back for revisions will be made by the Steering Committee, after reading the feedback from the public comment period. You can see the members of each committee here.

Are the Scope 2 proposed changes the only option?

No. Two versions of changes have been proposed. One is the current proposal and one is a consequential reporting approach that would also seek to increase impact, but without so much increase in cost and complexity. Studies generally show that consequential reduces the same amount of emissions or more, but at lower cost. The TWG recommended companies be free to report either or both methods, but the ISB overruled this.

There is another, parallel framework being developed called the Marginal Impact Method, which leans heavily on consequential accounting. Consequential accounting focuses more on actual decarbonization. It uses marginal emissions to calculate the induced emissions of a company's load and the avoided emissions of procurement choices (i.e., allowing you to choose the highest impact procurement projects regardless of time and location). Most importantly, it delivers more climate impact without skyrocketing costs.

The experts comprising the various Technical Working Groups submitted both proposals in tandem, and both were supposed to be open for public comment during this period, but the ISB overruled this. Instead, it released a much shorter consultation survey for the consequential metric that lacks questions on key pieces of the proposal. You can, however, weigh in on that survey and push for the consequential metric to be adopted either with or instead of the Scope 2 proposal here.

Yes, but what does this all mean for my company more specifically?

The proposal will likely increase company costs and complexity to be compliant. WattTime and others will also be releasing a free calculator that helps you estimate more specifically what it means for your company. WattTime will send updates soon on its release.