GREENHOUSE GAS PROTOCOL

GHG Protocol Consultations Overview

Scope 2 and Electricity Sector Consequential Accounting

November 2025

WORLD RESOURCES INSTITUTE

World Business Council for Sustainable Development

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Two Parallel Public Consultations

Scope 2 Inventory Accounting

- **Focus**: Proposed updates to the Scope 2 Guidance (2015)
- **Goal**: Keep scope 2 corporate inventory accounting fit for purpose, including updates to location- and market-based methods.

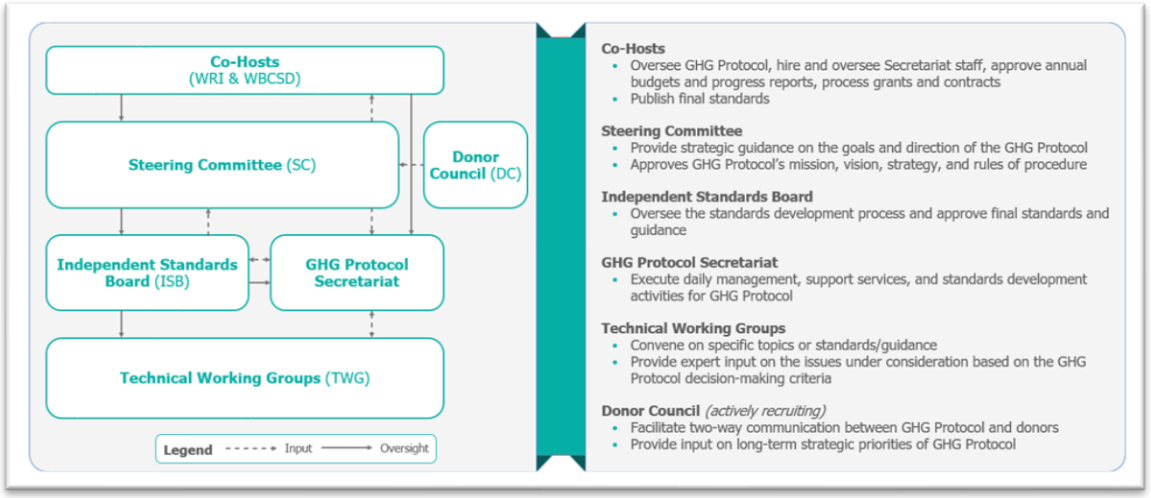
Electricity-Sector Consequential Methods

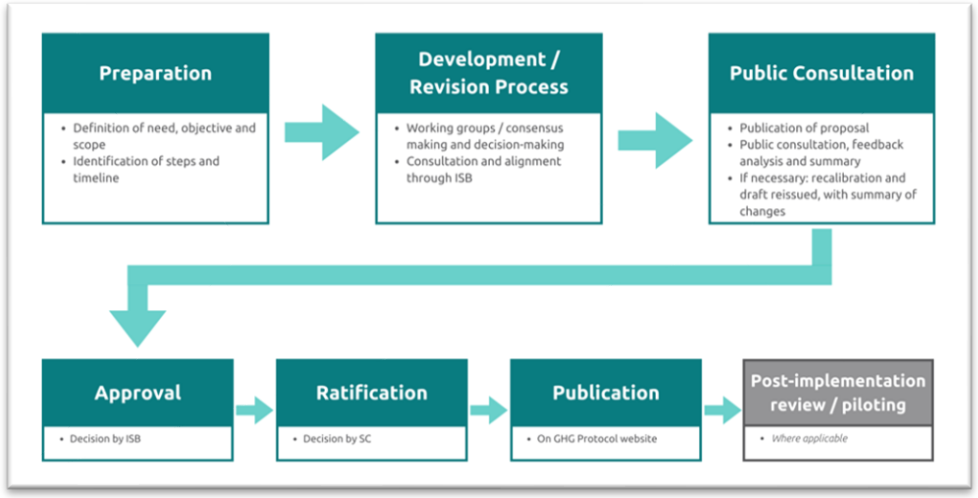
- **Focus**: Estimating avoided emissions from electricity-sector actions.
- **Goal**: Gather input on methodologies that assess the broader climate impact of procurement and investment decisions to inform the Actions and Market Instruments (AMI) Working Group in developing sector-agnostic impact metrics for future standards.

- Please submit all feedback via the relevant online survey form accessible at https://ghgprotocol.org/ghg-protocol-public-consultations

- Feedback shared with GHG Protocol via other channels will not be considered as part of the public consultation process.

GHG Protocol Multi-Stakeholder Governance Structure & Standard Development and Revision Process





https://ghgprotocol.org/our-governance

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Why We're Updating the Scope 2 Standard

- The world has changed dramatically since the original 2015 Scope 2 Guidance. Electricity markets are now more dynamic, renewable technologies widespread, **and GHG Protocol standards are referenced in regulatory and investor disclosure programs**.

- Several key areas of concern raised by stakeholders about the Scope 2 Guidance (2015) include:
  - Lack of accuracy and comparability of scope 2 values
  - Double counting risks
  - Decision-usefulness of the market-based method

- The proposed updates aim to keep scope 2 inventories **decision-useful** and provide **comparable reporting data for use by target setting programs, regulatory and investor frameworks** while staying grounded in GHG Protocol accounting principles.

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Scope 2 Guidance: Key revisions for public consultation

The structure of the updated scope 2 reporting framework will remain the same, including a continuation of the dual reporting requirement for both the location-based and market-based methods.

Location-based method

- Update to the location-based **emission factor hierarchy**
- Requirement to use the **most precise location-based emission factor** *accessible* for which activity data is also available.
- **Definition of accessible**: publicly available, free to use, from a credible source

Market-based method

- **Hourly matching**: require that all certificates be matched on an hourly basis
- **Deliverability**: require that all certificates are sourced from generation deemed deliverable
- **Standard Supply Service (SSS)**: New guidance and requirement that a reporting entity shall not claim more than its pro-rata share of SSS
- **Updated definition of residual mix** and where no residual mix is available, use of fossil only rates

Implementation measures for feasibility

- **Load profiles** to translate annual or monthly data into hourly data
- **Exemption thresholds** for organizations under a threshold
- **Legacy clause** and other transition tools are being considered for existing investments
- **Phased implementation** rules are being considered to facilitate a smooth transition to new requirements

Public consultation will include questions related to **estimating avoided emissions of electric sector actions using consequential methods** to support the Actions & Market Instruments TWG, which is advancing standardized, sector-agnostic requirements for quantifying and reporting impacts such as avoided emissions.

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What is included in public consultation

- Background information on consequential/project accounting concepts, avoided emissions quantification, and GHG Protocol's approach to ongoing development of this accounting method through the *Actions and Market Instruments* working group.

- Questions on:

    1. Marginal emission rate (MER) methodologies

    2. Treatment of additionality

    3. Build and operating margin weighting approaches

    4. Emissions impact formulas: (MWhs procurement) x (MERs) = emissions impacts in tonnes of CO2e

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Next Steps & Thank you!

- Scope 2 and Consequential consultations are open until December 19.
- Please help inform how the scope 2 standard is revised by providing region-specific feedback and examples.
- Please subscribe to GHG Protocol's email list to receive updates.
- ghgprotocol.org/subscribe

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