Public Consultation – GHG protocol Scope 2

QuiEstVert's responses

We have responded to the questions that are relevant to QuiEstVert and its members; our responses are shown here in green.

To submit your own response to the consultation, we recommend referring to the consultation draft available here: GHG-Protocol-Scope2-Public-Consultation.pdf

The link to participate in the consultation is as follows: Greenhouse Gas Protocol Scope 2 Public Consultation Survey

Blue font is the text on the consultation document
Green font is the text of the response produced by *QuiEstVert*

(The first 17 questions are about the organization submitting the response)

18. **Please provide any feedback on the proposal to refine the definition of scope 2, to emphasize its role within an attributional value chain GHG inventory and clarify that scope 2 must only include emissions from electricity generation processes that are physically connected to the reporter's value chain, excluding any emissions from unrelated sources?**

Please note that feedback on specific changes to the location- and market-based method can be provided in sections 4 and 5. (Max 4000 characters)

It is important to note that the physical market for electricity does not exist, and that physical traceability of the origin of the electricity is not possible. Statements to the contrary are preconceived ideas that must be dispelled to understand the reality of electricity markets. The mechanisms for allocating energy flows are based on the principle of mass balancing, which allows CO_2 emissions to be tracked and allocated within a system. According to ISO 22095 and ISO FDIS 13659, attribution-based market instruments such as GOs and RECs, based on accepted chain-of-custody models, do not rely on demonstrating physical delivery. This principle must respect the principle of additivity and exhaustive accounting, excluding any double counting. Nevertheless, the physical reality is necessarily simplified for the calculation of the attribution of the origin of the electricity consumed and its CO_2 emission factor.

The first worrying idea is therefore that it seems that instead of having more impact on physical reality, it prefers to create a virtual system giving the illusion of getting close to physical reality. If the complexity of this proposal does not potentially lead to an improvement in the physical reality, then the accusation of greenwashing would be quite valid.

In the absence of a physical electricity market, contracts have been set up to enhance certain characteristics of electricity. For example, balance responsibility values the place and time of delivery of electricity and allows economic actors to contribute to the financing of the balancing of an electricity grid, while EACs define electricity according to the exact origin of its production and allow economic actors to value the origin of the electricity produced. EACs therefore potentially encourage the development of renewable or low-carbon energies. These two markets are complementary and allow the electricity produced to generate more income if its origin is valued through EACs. But beware, the producer already receives remuneration for his contribution to grid balancing through the balancing responsibility.

The second worrying idea of this proposal is that, in addition to ignoring the distinction between the physical reality of an electric grid and the scope 2 allocation calculations, which imply a necessary simplification or even distortion of physical reality, it seems that the GHG Protocol is not aware of the economic role of contractual tools and their purpose. Thus, by wishing to better match contractual tools such as EACs to physical reality, it is creating a tool that makes no economic sense, the EAC at an hourly pace, whose impact on the energy transition of the electric grid is zero, already from a theoretical point of view, without even taking into consideration the difficulties of implementation. The hourly EAC is a clear error from an economic point of view, as it is impossible for it to any value in a voluntary market. Indeed, by switching to hourly matching, a major loophole is created with a possibility given to the actors to cherry pick on each hourly EAC.

For these reasons, we do not believe that the proposed requirements would improve accuracy or comparability in practice.

19. **Please provide any feedback on the proposal to clarify the LBM definition to reflect scope 2 emissions from generation physically delivered at the times and locations of consumption, with imports included in LBM emission factor calculations where applicable?**
    Please note that feedback on specific changes to the location-based method can be provided in section 4. (Max 4000 characters)

The proposal to revise the definition of the location-based method (LBM) to reflect electricity physically delivered at the times and locations of consumption misrepresents the fundamental nature of power systems.

First, LBM policy-based modeling exercise, not a reflection of how electricity physically behaves and inevitably uses a lot of abstractions and simplifications, which makes it inherently far removed from physical reality. Electricity does not flow like water in a pipe from point A to point B. Instead, it behaves more like a wave, where energy propagates through the grid without the physical movement of electrons over long distances. Power systems balance generation and consumption across the entire network to maintain system frequency, rather than delivering specific units of generation to specific locations.

Additionally, the LBM relies on artificial boundaries—such as national borders or Transmission System Operator (TSO) zones—that are politically or contractually defined, not electrically meaningful. These abstractions can lead to unfair distributions of emission factors, as they ignore the dynamic and interconnected nature of power grids. For example, an area is often considered

homogeneous even though it contains unsaturated cable areas with bordering areas. An attempt to bring the LBM closer to physical reality can be interesting if it correctly takes into account the saturation of the interconnections between the areas considered homogeneous. Thus, it is not necessarily a question of reducing the geographical perimeter but in many cases of expanding it to unsaturated areas. Let's take the case of the CWE zone (Benelux, France, Germany), unsaturated periods must be considered homogeneous in terms of the origin of the electricity consumed.

While attempts to align the LBM with physical reality could be valuable, they must correctly account for interconnection saturation. This often means expanding—not reducing—the geographical scope to include unsaturated areas where electricity flows without constraint.

Additionally, it is important to note that the MBM (Market Based Method) is designed to reflect a company's choices and impact on its reporting. Unlike LBM, which provides an indicative value based on the location of a facility, MBM allows a company to reflect its own electricity initiatives and choices. To obtain a complete and balanced picture of scope 2 emissions, it is essential to maintain a dual approach that includes both LBM and MBM. This dual approach allows for consideration of both the grid's energy mix and company-specific initiatives, encouraging better understanding and transparency in emissions reporting.

In the context of the MBM, the matching of EACs on an hourly basis is harmful. It destroys any possibility of impact of electricity consumers on the energy transition of the electricity network due to the fundamental error of market design with the cherry-picking flaw and the complexity of implementation which will reduce the possibility of signing PPAs in particular.

20. **Please provide any feedback on the proposal to clarify the MBM definition to retain its existing basis, quantifying scope 2 from contractually purchased electricity via contractual instruments, while specifying temporal correlation and deliverability when matching instruments to consumption?** Please note that feedback on specific changes to the market-based method can be provided in section 5. (Max 4000 characters)

We agree with incorporating the contractual instrument as the basis for allocation. However, we disagree with both the way temporal correlation (hourly matching) is imposed and prioritized in the current draft, and the deliverability requirements.

The term *market-based* is misleading; *contractual* is more accurate, as the method relies on contractual instruments that account for physical reality. The fact that these instruments can be traded does not define the mechanism itself. Moreover, framing it as market-based creates a false impression of financial tracking, especially when it is wrongly contrasted with the location-based approach by claiming the latter reflects physical reality.

The proposal to introduce a temporal correlation based on hourly matching as the major quality criteria raises major structural problems. Hourly EACs give the illusion of reflecting physical reality but falsely claim to be an economic solution. They suggest precision yet weaken existing mechanisms while enriching intermediaries. For decarbonized balancing, it is better to rely on established tools—balancing responsibility, CO_2 quotas, and, above all for Scope 2, a strict annual correlation between electricity use and EACs, still missing today.

GHG Protocol's proposal to move to hourly EACs, whether via PPA, green bidding from electricity providers, or direct EAC purchase, will destroy any value in the EAC market for two main reasons.

Firstly, hourly matching for contractual instruments opens the door to cherry-picking behavior, allowing consumers to avoid financial support for renewable energy. In a voluntary system with no penalties for uncovered hours, players can systematically skip difficult hours and abandon the purchase of EACs needed to cover electricity use. Because hourly prices vary, a 100% renewable coverage target becomes unrealistic. Faced with high costs, consumers select only the cheapest hours, reducing overall EAC usage and disengaging from full renewable commitments.

Secondly, shifting to hourly contractual instruments leads companies to disengage from 100% renewable consumption and adopt flexible targets. As noted, high hourly prices push them to choose only cheaper hours, lowering total EAC demand. This transition may cause firms to delay or abandon voluntary commitments, since annual 100% coverage is no longer recognized for decarbonization. The resulting drop in volume disrupts market balance and ends direct consumer support for the energy transition.

Finally, it should be noted that even if a company plans to allocate a budget, this amount of money will simply result in enriching intermediaries (traders) or even a producer, but without encouraging him to invest in new means of production. Because if the price paid by a specific consumer is out of step with the market consensus, the payment of such a sum can have no other impact than that of unfairly enriching the beneficiary of this payment. The logic of a budget to be allocated to hourly coverage does not solve the systemic problem of the transition to an hourly EAC.

For these reasons, we do not consider them to be appropriate improvements in accuracy for the market-based method. Instead, we suggested:

- strict annual matching to avoid oversupply of EAC and assure market balance that would support energy transition.
- a mandatory physical link as it is a condition of credibility. To strengthen the legitimacy of the mechanism, one rule is necessary: to require a physical link between production and consumption of electricity, i.e. an effective electricity connection. This measure would directly respond to a recurring criticism: that of a system disconnected from physical reality, where "electric islands" – such as Iceland – participate in the market without contributing to the decarbonization of the European grid.

21. **Please provide any feedback on the proposed purposes of the location-based method.** Please note that feedback on specific changes to the location-based method can be provided in section 4.

Those propositions seem vague and aleatory. it's necessary to be clearer about the purpose of the location-based method.

First, the text does not clearly explain the goals of the location-based method. A single sentence is provided, but it fails to show what this approach really involves—especially since the

same objectives could also apply to the market-based method. This lack of clarity is problematic, because defining the purpose of LBM is what guides its development. Without clear challenges or objectives, the situation remains vague, and it becomes impossible to provide a meaningful answer. Thus, it is impossible to have any reason to support those propositions.

Second, if the purpose is to get close to physical reality, then we shall first admit that there is no chance we get anywhere close to physical reality. Consequently, no one should claim to have a low carbon footprint from a physical point of view thanks to LBM. That would be clear greenwashing supported by GHG Protocol.

LBM could have two purposes:

- Complete the missing information provided by MBM in areas where the additivity principle is not assured (no residual mix, no fuel consumption disclosure).

In that case, LBM should be aligned with the MBM in terms of geographical and temporal boundaries.

- Be as accurate as possible, in order words, as close as possible to physical reality.

In that case, the calculation of the production mix leads to a carbon emission factor applicable to a specific consumer by taking into consideration grid saturation, a precise temporal granularity and a credible emission factor per technology. If we want LBM to be "closer" to physical reality, we need to work on the grid saturation to define geographical boundaries. This means that geographical boundaries are flexible and should not be defined according to national boundaries or TSO operation areas as those notions have nothing to do with physical reality.

22. **Please provide any feedback on the proposed purposes of the market-based method.** Please note that feedback on specific changes to the location-based method can be provided in section 4.

Those propositions seem vague and random. The purpose of the market-based method (MBM) must be stated more clearly. At present, only one sentence is given per objective, without explaining what these goals involve in detail. This is problematic, since defining the purposes of MBM is what guides the development of the location-based method (LBM). If there are no defined challenges or goals, it is impossible to provide an answer to the question.

The MBM estimates emissions using contractual instruments that allow specific claims about purchased electricity attributes. It is not meant to reflect real-time physical delivery of power. Both LBM and MBM assign origin claims, while physical electricity always flows according to price signals and grid constraints, not contract location.
In Europe, the electricity system has been shaped by two decades of cross-border market integration. Mechanisms such as the Single Day-Ahead Coupling (SDAC) optimize physical flows to maximize welfare across markets, with gains exceeding €1 billion per year. This shows that dispatch outcomes are determined algorithmically, not by individual consumption or procurement choices.

It is important to differentiate between signals of scarcity and those of investment. If scarcity does not appear in aggregated pricing, consumption choices alone cannot drive investment incentives. Electricity prices signal system balancing, while EAC procurement signals demand for renewable attributes. These are separate incentives, not the same market signal.
EAC systems differ widely across regions. In Europe, Guarantees of Origin (GOs) serve as tools for providing information in an open market, rather than being used for investment purposes. Any framework revisions must reflect these structural differences rather than assume a universal investment role.

Grid optimization focuses on maximizing welfare, while renewable disclosure frameworks allow organizations to take responsibility for procurement choices. Claims such as "influencing suppliers or the resource mix" belong under LBM logic, where emissions reflect grid averages. It is unclear why MBM should be positioned as a tool for abatement planning or target setting. Instead, MBM enables organizations to:

- Benchmark performance against peers.
- Build stakeholder trust through transparent reporting.
- Meet customer and investor expectations for accountability.
- Comply with disclosure rules and global frameworks.
- Show leadership in renewable procurement and policy dialogue.

23. **On a scale of 1-5, do you support the update to the location-based emission factor hierarchy to identify the most precise location-based emission factor accessible according to spatial boundaries, temporal granularity, and emission factor type (consumption or production)?**

Scale of 1 (no support) – 5 (full support) Reponse : 1

Please note this question only relates to the structure of the hierarchy, subsequent questions will address its intended use.

24. **Please provide your reasons for support, if any (select all options that apply)**

- ☐ Agree that guidance on selecting location-based emission factors should be presented as a hierarchy
- ☐ Enhances the accuracy and relevance of the location-based method
- ☐ Enables use of emission factors that support abatement planning and target-setting
- ☐ Improves use of location-based method to provide risk and opportunity assessment related to consumption of grid electricity
- ☐ Aligns with emission factors used by your organization for location-based emissions reporting
- ☐ Aligns with emission factors used for mandatory or voluntary reporting in your region
- ☐ Prioritizes consumption-based factors that include imports/exports over production-based factors
- ☐ Clarifies application of the EF hierarchy (spatial > temporal > consumption-based > production- based)

- ☐ Agree with listing the most precise temporal granularity as "hourly"
- ☐ Agree with listing the most precise spatial boundary as "local boundary"
- ☐ Agree that the proposed spatial boundaries reflect electricity deliverability in your region
- ☐ Other (please provide)

25. **Please provide comments regarding your reasons for support**

26. **Please provide your concerns or reasons for why you are not supporting, if any (select all options that apply)**

- ☐ Prefer guidance on selecting location-based emission factors to be identified as a single globally applicable option to increase comparability
- ☐ Concern about increased administrative burden and complexity from identifying the most precise emission factors accessible
- ☐ Concern that the most precise temporal granularity "hourly" is too detailed
- ☐ Concern that the most precise spatial boundary, "local boundary", is too narrow
- ☐ Concern that the proposed spatial boundaries do not reflect electricity deliverability in your region +
- ☐ Concern hierarchy does not align with emission factors used by your organization for location- based emissions reporting
- ☐ Concern hierarchy does not align with emission factors used for mandatory or voluntary reporting in your region
- ☐ Prefer a different order (e.g., consumption-based first, then spatial boundary, then temporal granularity) ?
- ☐ Unclear how the changes will affect your GHG emissions reporting
- ☐ Other (please provide)

27. **Please provide comments regarding your reasons for why you are not supporting (if any).**

First, the GHG Protocol does not clearly define the purpose of the Location-Based Method (LBM). Without such a definition, there is no valid basis for supporting the proposed revisions.

Second, if the LBM is intended to approximate physical reality, we must recognize that this goal is unattainable. No one should claim a low carbon footprint from a physical standpoint by relying on the LBM. Doing so would amount to clear greenwashing, implicitly endorsed by the GHG Protocol.

The LBM could serve two possible purposes:

- Filling gaps left by the Market-Based Method (MBM): In cases where the additivity principle is not guaranteed (e.g., absence of residual mix or lack of fuel consumption disclosure), the LBM could provide complementary information. In this scenario, it should be aligned with the MBM in terms of both geographical and temporal boundaries.
- Striving for maximum accuracy, i.e., proximity to physical reality: Here, the calculation of the production mix would yield a carbon emission factor applicable to a specific consumer, taking into account grid saturation, precise temporal granularity, and credible emission factors per technology. To make the LBM "closer" to physical reality, geographical boundaries must be defined based on grid saturation rather than national borders or Transmission System

Operator (TSO) zones, which are political or contractual constructs unrelated to physical reality.

At this point, it is important to explain what *load profiles* are and why their use in the LBM is problematic.
A *load profile* is essentially a statistical estimate of how electricity consumption is distributed over time (for example, across hours of the day or seasons). Instead of measuring actual consumption with smart meters, regulators or grid operators use average patterns to approximate when and how much electricity consumers are likely to use.

While load profiles are useful for grid operators to balance supply and demand, they are not designed for emissions accounting. Their reliance on estimates means they do not improve the accuracy of carbon footprint calculations. Instead, they create the illusion of precision while still depending on assumptions. This reliance introduces several issues:

- Illusion of accuracy: Load profiles suggest detailed allocation of emissions but are based on averages, not real data.
- Administrative burden: They impose unnecessary complexity, especially on Balance Responsible Parties, without improving comparability.
- Mismatch with reality: In many EU countries, smart meters are not yet fully deployed, so time-resolved consumption data is unavailable. In less liberalized markets, smart meters are even rarer.
- Misuse of purpose: Load profiling was created to help grid operators balance and settle the system. It was never intended for consumer renewable claims or emissions allocation, and therefore adds no environmental integrity.

In short, introducing load profiles into the LBM does not bring us closer to physical reality. Instead, it adds complexity, administrative burden, and the illusion of precision, while failing to reflect how the grid truly operates.

28. **For different views on the order the hierarchy should be applied (e.g. preference for consumption- based emission factors, then spatial boundary, then temporal granularity) please explain the preferred order.**

This hierarchy lacks a clear purpose and therefore cannot be justified.

Since the objectives of the location-based method remain undefined, we cannot support such a framework. How can a mechanism be developed when its goals are uncertain?

We also disagree with placing hourly granularity above monthly and annual correlation; Hourly granularity should be the lowest priority. This approach ignores the real challenges of the energy transition. At a critical moment when political support is weak, voluntary renewable energy consumption risks being undermined by reporting rules that impose hourly basis.

29. **Regarding regions that you operate in or have experience in, please provide**

comments on whether the LBM emission factor hierarchy allows you to identify an accessible emission factor that appropriately reflects how electricity is delivered in that region (please clearly identify the region you are referring to in your answer).

30. **Regarding regions that you operate in or have experience in, please provide comments on whether the LBM emission factor hierarchy is likely to cause any region-specific challenges in its application (**provide specific examples, and clearly identify the region you are referring to in your answer**).**

31. **Do you agree that "local boundary" should be listed as the most precise spatial boundary for LBM emission factors? If not, select which should be listed as the most precise spatial boundary?**
    - ☐ Yes, I support local boundary as the most precise spatial boundary
    - ☐ No, a more precise spatial boundary should be added
    - ☐ No, a less precise spatial boundary should be used. Use Operational grid boundary
    - ☐ No, a less precise spatial boundary should be used. Use Grid-wide or national boundary
    - ☐ Other (describe)
32. **If you selected "Other" in question 31, please describe.**

33. **Should the LBM emission factor hierarchy be adjusted to include the deliverable market boundaries outlined in the proposed MBM Methodologies for demonstrating deliverability where they do not already overlap? If so, should they be included in addition to, or as a replacement for, the spatial boundaries currently proposed in the hierarchy?**
    - ☐ No, different spatial boundaries are appropriate for the location-based and market-based methods
    - ☐ Yes, include the MBM deliverability market boundaries in addition to the proposed LBM hierarchy (explain why they should be added)
    - ☐ Yes, include the MBM deliverability market boundaries as a replacement for the proposed LBM hierarchy (explain why they should replace the current hierarchy) +
    - ☐ Other (explain)
    - ☐ Do not support boundaries as proposed in either method (explain alternative boundaries for the location-based emission factor hierarchy and how they support integrity, impact, and feasibility for a value chain inventory)

34. **Please provide additional explanations or further details regarding your answer to question 33.**

This hierarchy lacks a clear rationale and therefore appears meaningless.

In addition, expecting proof of physical deliverability, as highlighted earlier, is unrealistic under both the LBM and the MBM. In practice, electricity is never physically transferred as a discrete unit from producer to consumer. What actually occurs is the injection and withdrawal of energy into and from the grid to maintain overall system balance. Where dual reporting is required, national boundaries

under the LBM may serve as a reference point alongside market boundaries under the MBM, but they should not be mistaken for evidence of physical delivery.

We also contest the prioritization of hourly granularity over monthly or annual correlation. Hourly granularity should be considered the least relevant. Elevating it above broader timeframes disregards the real challenges of the energy transition. At a moment when political support is fragile, voluntary renewable energy consumption risks being weakened by reporting rules that impose an hourly framework.

35. **On a scale of 1-5 do you support the new definition of accessible: publicly available, free to use, and from a credible source?**

Scale of 1 (no support) – 5 (fully support): response 4

36. **Please provide your reasons for support, if any. Select all options that apply.**

- ☐ Definition supports feasibility and lower-cost reporting
- ☐ Supports transparency and public verifiability of emission factors
- ☐ Implements a common comparability baseline across reporters
- ☐ Creates data equity for smaller reporters and underserved regions
- ☐ Encourages open publication of emission factors
- ☐ High quality accessible emission factors already exist for most markets globally today
- ☐ Ensures reporters can immediately apply the updated LBM hierarchy
- ☐ Clarifies reporting requirements
- ☐ Other (please explain)

37. **Please provide comments regarding your reasons for support**

38. **Please provide your concerns or reasons for why you are not supporting (if any).** Select all options that apply

- ☐ Definition needs further clarification about what is recognized as a credible source
- ☐ Definition should not exclude emission factors that are publicly available and credible even if they have a reasonable associated cost (i.e. not free)
- ☐ A list of suitable location-based emission factors should be published for each region, rather than requiring reporters to individually determine what is accessible in their region
- ☐ Definition should also consider level of administrative effort in addition to external costs for emission factor data
- ☐ Another criterion should be added to the definition
- ☐ Other (please explain)

39. **Please provide comments regarding your reasons for concern (if any).**
40. **The following questions (40-43) concern which entities should qualify as credible sources for accessible LBM emission factors to ensure transparency, faithful representation, and comparability.**

Which entities should qualify as credible sources (select all options that apply)

- ☐ Government agency
- ☐ System operator
- ☐ Recognized registry
- ☐ Accredited statistics body
- ☐ Independent methodology meeting minimum criteria (outlined in question 42)
- ☐ Other (please specify and explain)

41. **Please provide additional comments concerning your selected credible sources, including at least one example per region you operate in or have experience with, if possible.**

42. **If you selected independent methodologies in question 40, please describe what documentation or assurance (if any) is needed for it to be recognised as a credible source? (select all that apply, then add brief detail):**

- ☐ Publicly documented methods and system boundaries
- ☐ Update cadence (e.g., annual) and version control
- ☐ QA/QC procedures and uncertainty disclosure
- ☐ Governance/independence and conflict-of-interest safeguards
- ☐ Geographic/system boundary and temporal coverage fit for use
- ☐ Other (please explain)

43. **Please provide any additional comments concerning your selected minimum criteria in question 42**

44. **On a scale of 1-5 do you support the update to the requirement to use the most precise location-based emission factor accessible for which activity data is also available?**
    Scale of 1 (no support) – 5 (fully support)

45. **Please provide your reasons for support, if any (select all that apply).**

- ☐ Improves accuracy and scientific integrity of LBM results
- ☐ Strengthens transparency and public verifiability
- ☐ Enhances comparability across reporters and frameworks
- ☐ Better reflects grid operation in time and space, reduces misallocation
- ☐ Enables emission changes from storage and demand-flexibility to be reflected more accurately
- ☐ Prioritizes consumption-based factors that include imports/exports
- ☐ Aligns emission factor precision with available activity data
- ☐ Aligns positively with mandatory or voluntary reporting requirements in your region
- ☐ Enables use of load profiles when hourly activity data are unavailable
- ☐ Provides a common, accessible baseline for inventories
- ☐ Supports phased improvement as data availability expands
- ☐ Improves decision-usefulness for external disclosures

- ☐ Other (please provide)

46. **Please provide any additional comments regarding your reasons for support.**

47. **Please provide your concerns or reasons for why you are not supporting (select all that apply).**
    - ☐ Concern about negative impact on comparability, relevance and/or usefulness of LBM inventories
    - ☐ Concern that administrative, data management, and audit challenges posed by this approach would place an undue burden and costs on reporters
    - ☐ Concern that the most precise spatial boundary in the LBM emission factor hierarchy, "local boundary', is too narrow to require even when accessible
    - ☐ Accessible factors may be less accurate than non-accessible options and primary users of emission reporting data may expect the most representative factors
    - ☐ Material differences to inventory accuracy are too small to justify cost
    - ☐ Concern about the update cadence or representativeness of datasets (hourly/monthly)
    - ☐ Other (please provide)

48. **Please provide any additional comments regarding your concerns or reasons why you are not supporting (if any).**

49. **For concerns or support for alignment with mandatory or voluntary reporting requirements in your region, please provide an example of the programmatic requirements and the impacts of these changes on alignment.**

50. **For concerns that the most precise spatial boundary (local boundary) is too granular to be required even if emission factors are accessible, please outline why and identify whether reporting at this level of granularity should be a "may", "should" or "shall not" requirement?**

51. **For concerns that choosing an accessible factor over a more accurate "non-accessible" one can reduce accuracy and decision-usefulness please describe the conditions when a non-accessible factor should be required to be used over an accessible one (e.g., material difference threshold, investor relevance), and what transparency/assurance is needed (public methods, QA/QC, independent assurance). Please note any cost/effort implications.**

52. **Considering investor and assurance needs, how do the proposed location-based method revisions change the extent to which information is decision-useful to users relative to incremental cost and complexity for preparers?**
    - ☐ No meaningful improvement (unlikely to change decisions/interpretations)
    - ☐ Minor improvement (noticeable but unlikely to change decisions)
    - ☐ Moderate improvement (could change some decisions/assessments)
    - ☐ Substantial improvement (likely to change decisions benchmarks)
    - ☐ Not sure / no basis to assess

53. **Please provide additional context for your answer to question 52**

54. **Considering investor and assurance needs, how do the proposed location-based revisions change the comparability of information relative to incremental cost and complexity for users?**
- ☐ No meaningful improvement (unlikely to change comparability/interpretations)
- ☐ Minor improvement (noticeable but unlikely to change comparability)
- ☐ Moderate improvement (could change some comparability/assessments)
- ☐ Substantial improvement (likely to change comparability benchmarks)
- ☐ Not sure / no basis to assess

55. **Please provide additional context for your answer to question 54.**

56. **For questions 52-55, please provide the basis for your assessment.**
- ☐ Direct empirical analysis (e.g., back-testing with hourly factors)
- ☐ Operational experience (e.g. applying hourly LBM emission factors)
- ☐ Professional judgment informed by literature/briefings
- ☐ General awareness (no direct analysis)
- ☐ Prefer not to say

57. **The following questions refer to the availability of hourly data for LBM reporting.**

At the Operational Grid Boundary level (of the proposed location-based emission factor hierarchy), what share of your load has hourly emission factors accessible: (select one)
- ☐ 0%
- ☐ 1–25%
- ☐ 26–50%
- ☐ 51–75%
- ☐ 76–100%
- ☐ Unsure
- ☐ Not applicable

58. **Please provide additional context for the data sources included in your answer to question 57.**

59. **Please indicate the share of your load with hourly activity data available: (select one)**
- ☐ 0%
- ☐ 1–25%
- ☐ 26–50%
- ☐ 51–75%
- ☐ 76–100%
- ☐ Unsure
- ☐ Not applicable

60. **If your answer to questions 57 & 59 includes significant geographical differences (some regions with hourly emission factor and higher volumes of hourly activity data, other regions with minimal hourly activity data and/or no hourly emission factors), please include additional context.**

61. **When actual hourly activity data are unavailable, and solely to enable use of more precise LBM emission factors, the proposed revisions allow a reporter to use load profiles to approximate hourly data from monthly or annual load data. How would the use of load profiles affect the comparability, relevance, and usefulness of LBM inventories relative to your current practice? Please describe potential advantages, limitations, and any conditions under which impacts may differ.**

62. **On a scale of 1-5, please indicate the incremental preparer cost/effort to implement the proposed revisions to the location-based method.**

- ☐ Scale of 1 (minimal) – 5 (high)
- ☐ Not applicable (not a preparer)

63. **Please select the main drivers of cost/effort (select all that apply).**
- ☐ Data access/rights to granular emission factors
- ☐ Hourly activity data availability/metering rollout
- ☐ Tooling/IT integration or data pipelines
- ☐ Assurance/internal controls readiness
- ☐ Staffing/capacity/training
- ☐ Contracting/procurement or budget cycle constraints
- ☐ Third-party publication cadence (emission factors)
- ☐ Multi-jurisdiction complexity (many grids/regions)
- ☐ Policy/regulatory or commercial terms
- ☐ Other (specify)

64. **Please provide additional context on the main drivers of cost/effort.**

65. **Which two measures would most reduce burden in your context? (select up to 2)**
- ☐ Standardized publication of consumption-based emission factors by grid/system operators
- ☐ Load profile hierarchy/templates to approximate hourly activity data when meters are unavailable
- ☐ Phased implementation (staged effective dates)
- ☐ API/automated access to emission factor datasets
- ☐ Example calculations and disclosure templates
- ☐ Assurance safe-harbors for estimates
- ☐ Other (specify)

66. **Please provide additional context on the measures that would most reduce burden in your context.**

67. **For which reporting year would your organization be ready to apply the revised Scope 2 Standard based on these proposed changes in its GHG inventory? For example, if the Standard is published in 2027, the reporting year 2027 inventory is typically prepared and reported in 2028:**
    - ☐ Earlier than reporting year 2027 (already aligned)
    - ☐ Reporting year 2027 (inventory prepared in 2028)
    - ☐ Reporting year 2028 (inventory prepared in 2029)
    - ☐ Reporting year 2029 (inventory prepared in 2030)
    - ☐ Reporting year 2030 (inventory prepared in 2031) or later
    - ☐ Later than Reporting year 2030
    - ☐ Not applicable

68. **Please provide additional context regarding how this timeline could be shortened and note any region or sector-specific context.**

69. **If you have operations or experience in the US, please select your preferred deliverable market boundary for the US.** (Please see the table Proposed methodologies for demonstrating deliverability above for references to these options):
    - ☐ The US Environmental Protection Agency's Emissions & Generation Resource Integrated
    - ☐ Database (eGRID)
    - ☐ DOE Needs Study Regions (45V)
    - ☐ Wholesale market/balancing authority
    - ☐ Don't have operations or experience in the US

70. **All respondents, please select your preferred exemption threshold per deliverable market boundary.**
    - ☐ 5 GWhs
    - ☐ 10 GWhs
    - ☐ 50 GWhs

71. **On a scale of 1-5 do you support an update to Quality Criteria 4 to require that all contractual instruments used in the market-based method be issued and redeemed for the same hour as the energy consumption to which the instrument is applied, except in certain cases of exemption.**
    Scale of 1 (no support) – 5 (fully support)

72. **Please provide reasons for support, if any (select all that apply)**
    - ☐ Improves accuracy and scientific integrity of MBM results
    - ☐ Strengthens transparency and supports public verification
    - ☐ Enhances comparability across reporters and frameworks using GHG Protocol data
    - ☐ Better reflects grid operation, reduces misallocation of generation (e.g., "solar at night")
    - ☐ Reduces risk of greenwashing/time-shifting claims by aligning claims to time of

use
- ☐ Improves decision-usefulness for external disclosures
- ☐ Helps create price signals for times and places where renewables are not already abundant
- ☐ Helps accelerate the development of technologies that will be needed at scale for fully decarbonized grids
- ☐ Enables emission changes from storage and demand-flexibility to be reflected more accurately
- ☐ Improves risk and opportunity assessment related to contractual relationships
- ☐ Other (please explain)

73. **Please provide comments regarding your reasons for support.**

74. **Please provide concerns or reasons for why you are not supporting, if any (select all that apply)**
- ☐ More information is necessary to understand how investments not matched on an hourly basis will be accounted for and reported via the framework under development by the Actions & Market Instrument TWG
- ☐ Hourly matching should follow an optional 'may' rather than a required 'shall' approach
- ☐ Hourly matching should follow a recommended 'should' rather than a require 'shall' approach
- ☐ Concern about negative impact on comparability, relevance and/or usefulness of MBM inventories
- ☐ Concern that a phased implementation would be insufficient for development of the infrastructure necessary (e.g., registries, trading exchanges, etc.) to support hourly contractual instruments
- ☐ Concern that administrative, data management, and audit challenges posed by this approach would place an undue burden and costs on reporters
- ☐ Concern that requiring hourly matching does not create meaningful improvements to inventory accuracy
- ☐ Concern that a requirement for hourly contractual instruments could discourage global participation in voluntary clean energy procurement markets
- ☐ Other (please explain)

75. **Please provide comments regarding your concerns or reasons for why you are not supportive.**

According to the GHG Protocol "The proposed updates to the market-based method were developed by the Scope 2 Technical Working Group and advanced by the Independent Standards Board for public consultation. They reflect the perspective that closer alignment with how grids operate can strengthen accuracy, scientific integrity, and comparability in scope 2 inventory reporting and can support ambitious climate action, with the consideration that feasibility remains central."

If the objective is truly to improve accuracy by aligning more closely with grid operations, then it must be acknowledged that the current proposals fall short. These revisions cannot legitimately support claims that a carbon footprint is physically accurate. Such assertions amount to greenwashing, implicitly endorsed by the GHG Protocol. Even more concerning, the proposals

undermine the economic function of Energy Attribute Certificates (EACs)—whether used through PPAs, green tariffs, or direct transactions. By moving in this direction, the GHG Protocol promotes a mechanism that misrepresents physical reality while simultaneously distorting the economic role of EACs in supporting the energy transition.

Under the draft, when hourly data is unavailable, consumers would be required to approximate it. Yet this simply substitutes one estimate for another, reducing accuracy and comparability rather than improving them. The expected market outcomes, investment incentives, and implementation timelines for hourly matching remain undefined. At present, granular matching is practiced only by a small group of large consumers. Extending this requirement to the broader market would impose heavy administrative burdens on suppliers and smaller consumers. Without national regulators issuing certificates on an hourly basis, such a system is unlikely to be workable.

Electricity markets operate virtually, while the physical grid must balance generation and consumption in real time. Because contracted schedules cannot always match actual grid conditions, market operations are deliberately separated from physical operations. This separation gave rise to balancing responsibility: contracts traded ahead of real time to help Transmission System Operators plan, with deviations corrected through imbalance settlement. In practice, markets exchange virtual supply and demand, while the grid ensures stability. Electricity is therefore treated as fungible—what matters is when and where it is produced, not its physical path.

Energy Attribute Certificate (EAC) markets are distinct from power markets and do not influence physical balancing. Certificates can be traded flexibly and matched annually, which makes them practical and accessible.

By contrast, hourly matching does not provide the price signals needed to stimulate new renewable capacity. Strong demand and weak supply rarely coincide within the same hour, and corporate 24/7 targets—typically covering only 50–80% of consumption—allow companies to avoid the most difficult hours. Dispatchable technologies further reduce the sense of scarcity, and existing studies have not tested willingness-to-pay for those hours. Moreover, attribute markets impose no penalty for failing to purchase specific hours, weakening the incentive structure.

It is therefore misleading to speak of "physical deliverability" to a specific consumer. Electricity flows cannot be traced from one generator to one user; all claims rely on book-and-claim systems. More granular matching does not change this reality and should not be interpreted as proof of delivery.

Making hourly matching mandatory at this stage risks discouraging participation. Distribution system operators lack the infrastructure, and the approach relies on existing modelling that does not ensure physical deliverability. Denmark's Energinet even abandoned its hourly matching platform due to low demand.

Finally, if consumption is to be matched with production as a path to grid decarbonisation, this principle must apply consistently across all generation sources—not only renewables—to remain coherent within the market-based method.

76. **Load profiles enable organizations without access to hourly activity data or hourly contractual instruments to approximate hourly data from monthly or annual data. How would the use of load profiles affect the comparability, relevance, and usefulness of MBM inventories relative to your current practice? Please describe potential advantages, limitations, and any conditions under which impacts may differ.**

This approach is misguided. It effectively encourages misleading claims about the physical accuracy of corporate carbon footprint disclosures.

Load profiles are not records of actual organizational activity; they are statistical models of consumption patterns created for utility planning, not environmental accounting. Using them within the market-based method undermines comparability, since profiles differ widely across utilities, tariff categories, climates, and customer types. Nor do they improve accuracy: substituting measured consumption with modeled estimates does not bring reporting closer to real grid conditions. The problem is especially acute in regions where hourly smart-meter data is scarce, including much of Europe, leaving many organizations dependent on generic utility averages rather than their own measured values.

Beyond these limitations, reliance on modeled profiles introduces several practical risks. It creates asymmetry: organizations with access to real hourly metering or direct asset contracts can report actual data, while others are forced to rely on assumptions. This reduces comparability between entities. It also opens the door to perverse incentives, where utilities or buyers may choose or design load profiles that make their hourly matching look favorable rather than accurate. Moreover, it exacerbates inequities: smaller buyers and those in less-digitized markets face heavier reporting burdens and diminished ability to participate compared to large firms with advanced metering.

Most importantly, this reliance shifts the market-based method away from its original purpose—providing consistent, certificate-based claims—and toward a system dependent on utility planning models. Under such conditions, matching consumption to modeled profiles only complicates reporting, without delivering clearer, more accurate, or more meaningful disclosure outcomes.

77. **What is the approximate share of your organization's total load that would be subject to hourly matching, excluding any exemptions:**
    - ☐ 0%
    - ☐ 1–25%
    - ☐ 26–50%
    - ☐ 51–75%
    - ☐ 76–100%
    - ☐ Unsure

78. **Please indicate your best estimate of the internal administrative effort (people/process/controls) of the proposed hourly matching requirement relative to your current MBM process using annual matching. Assume 3 is your current level of effort.**

Scale of 1 (much less) – 5 (much more)

79. **Please indicate your best estimate of the external service cost (cash outlays to vendors, data, assurance) of the proposed hourly matching requirement relative to your current MBM process using annual matching. Assume 3 is your current external cost.**
Scale of 1 (much less) – 5 (much more)

80. **What are the feasibility measures you would anticipate relying on** (select all that apply):
- ☐ Load profiles for activity data (facility-specific)
- ☐ Load profiles for activity data (utility/customer-class or regulator-approved)
- ☐ Load profiles for activity data (time-of-use averages)
- ☐ Load profiles for activity data (flat average across hours)
- ☐ Load profiles for contractual instruments (same production asset)
- ☐ Load profiles for contractual instruments (facility-specific)
- ☐ Load profiles for contractual instruments (regional publicly available)
- ☐ Phased implementation
- ☐ Legacy clause

81. **What are the assumed main drivers affecting internal workload and external service costs after applying feasibility measures** (select all that apply):
- ☐ Registry/market access for hourly EACs
- ☐ Vendor/platform upgrades or new tools
- ☐ Data integration (profiles, APIs), system configuration
- ☐ Assurance/internal controls and evidence trails
- ☐ Staff capacity/training
- ☐ Contracting/sourcing changes for hourly instruments
- ☐ Metering/interval data access arrangements
- ☐ Other (specify)

82. **Please provide any additional comments regarding your response to questions 77-81.**

The proposed measure risks creating a strong dependency of corporations on IT providers—a dependency that could become so significant it raises strategic concerns at both corporate and national levels. In this sense, the GHG Protocol's proposals may appear questionable.

Load profiles do not represent the contractual foundation of market-based method (MBM) claims, and their inclusion in MBM reporting would neither improve clarity nor enhance accuracy. On the contrary, requiring their use would add administrative burdens without increasing the usefulness or comparability of disclosures.

Although the draft text suggests that load profiles could support grid planning, reporting and disclosure frameworks are not designed for this purpose. Large industrial consumers that need to secure physical grid capacity already work directly with grid operators, typically through specialized commercial and technical teams that manage physical system considerations. For most reporting entities, however, this type of operational coordination is neither relevant nor

proportionate to their electricity procurement.

Finally, it is unrealistic to expect all reporting entities to be energy market experts. Imposing such requirements risks adding unnecessary complexity while failing to deliver clearer, more accurate, or more meaningful outcomes for market-based disclosures.

83. **Update to Scope 2 Quality Criteria 5**

On a scale of 1-5 do you support an update to Scope 2 Quality Criteria 5, to require that all contractual instruments used in the market-based method be sourced from the same deliverable market boundary in which the reporting entity's electricity-consuming operations are located and to which the instrument is applied, or otherwise meet criteria deemed to demonstrate deliverability to the reporting entity's electricity-consuming operations?

- ☐ Scale of 1 (no support) – 5 (fully support)

Response 1

84. **Please provide reasons of support, if any (select all that apply).**
    - ☐ Improves accuracy and scientific integrity of MBM results
    - ☐ Strengthens transparency and public verifiability
    - ☐ Enhances comparability across reporters and frameworks using GHG Protocol data
    - ☐ Improves decision-usefulness for external disclosures
    - ☐ Better reflects grid operation, reduces misallocation
    - ☐ Provides sufficiently flexible options for organizations to demonstrate deliverability outside of the defined deliverable market boundaries
    - ☐ Defined market boundaries reflect a boundary your organization already uses for procuring contractual instruments
    - ☐ Agree that the proposed market boundary for my region(s) accurately reflects deliverability
    - ☐ Agree that the defined market boundaries align with mandatory or voluntary reporting requirements in your region
    - ☐ Improves risk and opportunity assessment related to contractual relationships
    - ☐ Helps create price signals for times and places where renewables are not already abundant
    - ☐ Other (please explain)

85. **Please provide comments regarding your selected reasons for support.**

86. **Please provide reasons of concern or why you are not supporting, if any (select all that apply)**
    - ☐ Proposed deliverability requirements do not improve alignment with GHG Protocol Principles
    - ☐ Concern that narrower market boundaries restrict companies' abilities to invest in areas where renewable energy development could yield the greatest decarbonization impact
    - ☐ Concern that narrower market boundaries could prompt a shift away from long-term agreements (i.e., PPAs) to spot purchases (unbundled certificates)
    - ☐ Sourcing contractual instruments within deliverable market boundaries should follow an

optional "may" rather than a required "shall" approach
- ☐ Sourcing contractual instruments within deliverable market boundaries should follow a recommended "should" rather than a required "shall" approach
- ☐ Concern that the defined market boundaries do not align with mandatory or voluntary reporting requirements in your region
- ☐ Support deliverability in principle, but the proposed market boundary for my region does not reflect deliverability
- ☐ Market boundaries should be defined as the geographic boundaries of electricity sectors, which align with national, and under certain circumstances, multinational boundaries
- ☐ Exemptions to matching within deliverable market boundaries should be allowed for markets lacking sourcing options
- ☐ Other (please explain)

87. **Please provide comments regarding your selected reasons for why you are not supporting.**

From an accuracy perspective, introducing the notion of "physical deliverability" amounts to greenwashing. There is no credible way to calculate such a concept, and any suggestion to use it should be rejected.

In terms of market impact, combining physical deliverability with hourly Energy Attribute Certificates (EACs) creates a loophole that undermines the value of EACs and weakens their potential to drive consumer action in support of the energy transition. The idea itself rests on a misconception: electricity systems cannot demonstrate physical deliverability, even within narrow boundaries, because power does not flow through the grid in discrete units. Instead, inputs and withdrawals are managed to keep frequency stable. Any tool implying otherwise is misleading. Market boundaries should therefore be defined geographically, in line with national or multinational electricity markets such as Europe. In this context, harmonization and standardization of the internal market provide far greater benefits than trying to embed deliverability concepts into disclosure frameworks. These systems serve different purposes, and conflating them does not improve accuracy or transparency.

Using bidding zones as market boundaries does not solve the issue. Deliverability of a specific unit of power from producer to consumer does not exist. Bidding zones are regulatory constructs designed to manage network constraints and support price formation, but they are not isolated systems. They depend on neighboring zones to maintain balance, which means they cannot credibly represent physical deliverability.
Moreover, prices in bidding zones do not generate strong investment signals for new renewable capacity. In Europe, such signals primarily come from policy frameworks and support mechanisms, not short-term zonal pricing. Linking MBM disclosure claims to bidding zones therefore fails to strengthen investment outcomes and risks creating unnecessary fragmentation.

Finally, restricting deliverability boundaries to bidding zones conflicts with the EU's Four Freedoms, particularly the free movement of goods and services. Electricity and related instruments, such as Guarantees of Origin, are tradable under the EEA Agreement. Narrowing deliverability to sub-national zones contradicts the principles of the European Single Market. Boundaries should not be more

restrictive than those recognized under the Single Market, which guarantees the free movement of energy and energy certificates across EU and EEA member states.

Please answer the following questions 88-91 in regard to regions that you operate in or have experience in.

88. **For the United States, which of the following market boundaries would best uphold the principle of deliverability and align with the decision-making criteria?** (Please see the table Proposed methodologies for demonstrating deliverability above for references to these options):

- ☐ The US Environmental Protection Agency's Emissions & Generation Resource Integrated Database (eGRID)
- ☐ DOE Needs Study Regions (45V)
- ☐ Wholesale Market/Balancing Authority
- ☐ Unsure
- ☐ Other

89. **If you selected options (a), (b) or (c) for question 88 please explain why this option best upholds the principle of deliverability and balances integrity, impact, and feasibility of the MBM. Please also provide comments on the relative feasibility challenges of applying the other options.**

90. **For deliverable market boundaries (outside of the United States) identified in the table Proposed methodologies for demonstrating deliverability: Deliverable Market Boundaries, please provide comments on whether these market boundaries:**

- appropriately reflect the deliverability of electricity in that region
- align with mandatory or voluntary reporting requirements in that region, please provide an example of the programmatic requirements and the impacts of these proposed changes on alignment
- are likely to cause any region-specific feasibility challenges (provide specific examples)
- If you prefer a different deliverable market boundary than identified in the table *Proposed methodologies for demonstrating deliverability: Deliverable Market Boundaries*, please describe this boundary

Please clearly identify the region you are referring to in your comments.

91. **For regions not specified in the table Proposed methodologies for demonstrating deliverability: Deliverable Market Boundaries, please provide examples of market boundaries that uphold the principle of deliverability and balance integrity, impact, and feasibility of the MBM.**

The following questions concern how a requirement to use deliverable market boundaries would change your workload and implementation costs relative to current MBM practice after applying feasibility measures (e.g., phased timing and legacy clause)? Please answer with respect to the deliverable boundary requirement only, the combined impact of market-based method changes on feasibility will be evaluated in the "combined questions for updates to MBM" section.

Please also assume the default exemption conditions selected in Section 5.3.1.

Note: This section is about administrative implementation (internal effort and external service costs). Do not include procurement price differences for EACs/PPAs; those are covered in the "combined MBM questions" section 5.4.

Who should answer: This item is optional and intended primarily for reporters (or service providers responding on behalf of a specific reporter/client) with direct knowledge of implementation effort and spend. If you are not preparing or overseeing a scope 2 inventory for a specific organization, you may skip this item or answer only where you have direct experience.

92. **Please estimate the anticipated internal administrative effort (people/process/controls) of the proposed deliverability requirement relative to your current MBM process using broad market boundaries. Assume 3 is your current level of effort.**

    Scale of 1 (much less) – 5 (much more): response 5

93. **Please estimate the anticipated external service cost (cash outlays to vendors, data, assurance) of the proposed deliverability requirement relative to your current MBM process using broad market boundaries. Assume 3 is your current external cost.**

    Scale of 1 (much less) – 5 (much more): Response 5

94. **What are the feasibility measures you would anticipate relying on to report using deliverable market boundaries** (select all that apply):
    - ☐ Phased implementation
    - ☐ Legacy clause

95. **What are the assumed main drivers affecting internal workload and external service costs after applying feasibility measures** (select all that apply):

    - ☐ Data access/rights for EACs/registries aligned to deliverable market boundaries
    - ☐ Vendor/platform upgrades or new tools
    - ☐ Data integration (profiles, APIs), system configuration
    - ☐ Assurance/internal controls and evidence trails
    - ☐ Staff capacity/training
    - ☐ Contracting/sourcing changes for contractual instruments within deliverable market boundaries
    - ☐ Metering/activity data reporting configured to match deliverable market boundaries
    - ☐ Other (specify)

96. **Please provide any additional comments regarding your response to questions 92-95.**

97. **New guidance for Standard Supply Service (SSS).**

    On a scale of 1-5 do you support the new guidance for Standard Supply Service

(SSS) and requirement that a reporting entity shall not claim more than its pro-rata share of SSS.
Scale of 1 (no support) – 5 (fully support)

98. **Please provide reasons of support, if any (select all that apply).**
    - ☐ Helps ensure that SSS resources are fairly allocated to all consumers and prevents procurement by specific organizations
    - ☐ Clarifies the order of operations so that organizations may claim SSS first and then make voluntary procurements
    - ☐ Supports consistent treatment of shared supply across different market structures
    - ☐ Protects the integrity of market-based accounting by avoiding double counting of attributes from SSS
    - ☐ Other (please explain)

99. **Please provide comments regarding your selected reasons for support.**

100. **Please provide concerns or why you are not supporting, if any (select all that apply).**

    - ☐ Markets should self-determine how resources that fall under SSS are allocated to customers
    - ☐ Concern of regionally applicable challenges to implementation
    - ☐ Unclear how partial subsidies affect SSS classification
    - ☐ Unclear rules/definition of SSS
    - ☐ All contractual instruments should be eligible for voluntary procurement.
    - ☐ Other (please explain)

101. **Please provide comments regarding your selected reasons for why you are not supportive.**

102. **Are there resources in your region that do not fit clearly within the outlined examples of SSS but should be allocated to all customers under this framework? If so, please provide examples and explanations for each.**

103. **Are there resources in your region that fit within the outlined examples of SSS but should not be allocated to all customers under this framework? If so, please provide examples and explanations for each.**

104. **Proposed examples of SSS include 'facilities and/or supply that are subject to regulated cost recovery from a monopoly supplier as part of default service in a particular service area and are not part of a resource-specific supplier product (e.g. a green tariff)'. In this context, should a monopoly supplier include: (select all that apply)**
    - ☐ Vertically integrated investor-owned utility
    - ☐ Government entity operating in a service area without supplier choice
    - ☐ Distribution utility in a restructured market where certain electricity supply and/or contractual instrument purchases are subject to non-by passable, regulated cost recovery
    - ☐ Other (please explain)
    - ☐ Unsure

105. **Please provide any additional comments regarding your response to question 104.**

106. **Allocation of SSS requires either suppliers allocating their SSS resources to customers or the development of a credible centralized registry or third-party registries that track SSS in order for organizations to claim their share. Is it acceptable that some reporters may be unable to claim SSS prior to a credible centralized registry or third-party registries being established? If not, how else might SSS be allocated in the absence of a registry?**

107. **Would you support a default option in cases where SSS data is not supplied by electricity providers, and no third-party registry is available, to designate certain resources as automatically qualifying as SSS?**
- ☐ Yes
- ☐ No
- ☐ Unsure

108. **If you answered "No" to question 107, please provide any additional comments on why you would not support a default option.**

109. **If you answered "yes" to question 107, which of the following criteria, if any, would you support as a method of designating resources as SSS. (select all that apply)**
- ☐ Project age
- ☐ Technology or fuel type
- ☐ Project ownership (e.g. government owned projects)
- ☐ Projects tracked in compliance registries
- ☐ Combination of above criteria
- ☐ Other (please specify)

110. **If you answered 'Other' please provide additional feedback.**

111. **If SSS is not uniformly available across regions, how would this affect comparability of scope 2 MBM reporting? What interim solutions or disclosures would reduce inconsistency?**

112. **Please provide any additional feedback on SSS.**

113. **Updated definition of residual mix emission factors**

On a scale of 1-5 do you support the updated definition of residual mix emission factors to reflect the GHG intensity of electricity, within the relevant market boundary and time interval, that is not claimed through contractual instruments, including voluntary purchases or Standard Supply Service allocations?

Scale of 1 (no support) – 5 (fully support)

114. **Please provide reasons of support, if any (select all that apply).**
- ☐ Establishes clear definition for residual mix emission factors
- ☐ Improves accuracy and relevance of market-based reporting
- ☐ Protects the integrity of market-based accounting by avoiding double counting of attributes within the MBM
- ☐ Clarifies the market boundary a residual mix emission factor should be

calculated for
- ☐ Improves comparability and transparency across organizations and regions
- ☐ Helps incentivize voluntary sourcing of contractual instruments
- ☐ Provides an option for reporters without access to an hourly residual mix emission factor
- ☐ Other (please explain)

115. **Please provide comments regarding your selected reasons for support.**

116. **Please provide reasons of concern or why you are not supporting, if any (select all that apply).**
- ☐ Requiring a residual mix emission factor to be calculated per market boundary will further reduce availability of residual mix emission factors
- ☐ Allowing reporters to use different temporal precision of residual mix emission factors within a deliverable market boundary will negatively impact comparability
- ☐ Market boundaries used for calculating a residual mix emission factor should be defined as the geographic boundaries of electricity sectors, which align with national, and under certain circumstances, multinational boundaries
- ☐ Markets should self-determine if Standard Supply Service is included in a residual mix emission factor
- ☐ Increases administrative complexity of calculating a residual mix emission factor
- ☐ Other (please explain)

117. **Please provide comments regarding your selected reasons for why you are not supporting.**

118. **The following questions refer to the availability of residual mix emission factor data in global markets.**

Who should answer: Respondents with direct operational knowledge (users, operators, vendors, auditors): Please answer for up to three registries/markets you know well.

In the regions/markets you follow, how close are certificate systems/registries/data providers to being able to publish residual mix emission factors within deliverable market boundaries? (For the US, please answer in regard to your preferred deliverable market boundary as outlined in Section 5.3.1 question 69.)
- ☐ Scale of 1 (Far from ready) – 5 (largely ready)
- ☐ Insufficient basis to assess

119. **Short comment (optional, ≤100 words): Name regions where this already works vs. does not, in your view.**

120. **Please indicate your expected lead-time to reach "ready" (score 4–5), based on your current trajectory:**

- ☐ <12 months
- ☐ 12–24 months
- ☐ 24–36 months
- ☐ >36 months
- ☐ Unknown

121. **Please indicate your expected lead-time to reach "ready" (score 4-5), if investment/coordination accelerate:**

- ☐ <12 months
- ☐ 12–24 months
- ☐ 24–36 months
- ☐ >36 months
- ☐ Unknown

122. **Please describe the basis for your assessment:**

- ☐ Public roadmap/docs
- ☐ Operator/vendor commitments
- ☐ Pilot/production use
- ☐ Professional judgment
- ☐ Other (specify)

123. **Please provide any additional feedback on residual mix emission factors.**

124. **Provide new requirement for use of fossil-based emission factors**

On a scale of 1-5, do you support the requirement that for any portion of electricity consumption not covered by a valid contractual instrument and where no residual mix emission factor is available, a reporter shall apply a fossil-based emission factor?
Scale of 1 (no support) – 5 (fully support)

125. **Please provide reasons for support, if any (select all that apply).**

- ☐ Helps improve accuracy and scientific integrity of MBM by reducing the risk of double counting of carbon free electricity
- ☐ Provides an option for reporters without access to a residual mix emission factor
- ☐ Incentivises development and publication of residual mix emission factors by requiring use of a more conservative emission factor as a fallback option
- ☐ Other (please specify)

126. **Please provide comments regarding your selected reasons for support.**

127. **Please provide reasons for concern or why you are not supporting, if any (select all that apply).**

- ☐ Defaulting to fossil-based emission factors is overly conservative and may overstate actual emissions
- ☐ Organizations that lack access to residual mix data due to systemic or regional limitations may be disproportionately impacted

- ☐ Undermines comparability between organizations that can access residual mix data and those that cannot
- ☐ Misaligned with the definition and/or purpose of the MBM
- ☐ Other (please specify)

128. **Please provide comments regarding your selected reasons for why you are not supporting.**

129. **Please provide feedback regarding whether the requirement to apply a fossil-based emission factor, where no residual mix emission factor is available, should incorporate global equity considerations given the different levels of residual mix emission factor data available globally? And if so, how?**

130. **Combined questions on updates to the market-based method**

The following questions refer to the complete set of proposed market-based revisions and feasibility measures, inclusive of:

- Hourly matching requirement
- Deliverability requirement
- Standard supply service
- Updated guidance on residual mix factors
- Fossil-based emission factor default
- Threshold exemptions
- Legacy clause
- Phased implementation

Responses to questions should focus on the impact of these combined revisions, and not specific components of the market-based revision. Please assume the default exemption conditions selected in Section 5.3.1

Are the proposed feasibility measures (e.g., use of load profiles for matching, exemptions to hourly matching, legacy clause, and phased implementation) sufficient to support implementation of the proposed market-based revisions at scale?

- ☐ Scale of 1 (insufficient) – 5 (highly sufficient)
- ☐ No basis to assess

Response: 1

131. **Please provide any additional comments regarding load profiles that need adjustment to support implementation of the proposed market-based revisions at scale. Explain how changes would make implementation feasible without undermining accuracy and integrity of the MBM.**

132. **Please provide any additional comments regarding phased implementation that need adjustment to support implementation of the proposed market-based revisions at scale. Explain how changes would make implementation feasible without undermining accuracy and integrity**

of the MBM.

133. **Please provide any additional comments on other feasibility measures (not outlined in questions 131- 132) that need adjustment to support implementation of the proposed market-based revisions at scale. Note, any comments on exemptions to hourly matching and the legacy clause should be provided in sections 6 and 7.**

134. **Considering investor and assurance needs, how do the proposed market-based method revisions change the extent to which information is decision-useful to users relative to incremental cost and complexity for preparers?**

- ☐ No meaningful improvement (unlikely to change decisions/interpretations)
- ☐ Minor improvement (noticeable but unlikely to change decisions)
- ☐ Moderate improvement (could change some decisions/assessments)
- ☐ Substantial improvement (likely to change decisions benchmarks)
- ☐ Not sure / no basis to assess

135. **Please provide additional context for your answer to question 134.**

Hourly EACs represent a fundamental flaw in market design that leads to value destruction. They do not provide improvements for investors or assurance needs. Moreover, Q134 fails to offer a way to express concerns that the proposed revisions could reduce the usefulness of information for decision-making and weaken the performance of the MBM.

The idea of assessing deliverability or impact by defining market boundaries through bidding zones or synchronous grids is based on a misunderstanding of physical reality. Bidding zones are regulatory constructs created to manage congestion and system operation; they are not regions of physical delivery and are periodically reconfigured as grid conditions evolve. Congestion itself signals the need for long-term grid reinforcement and coordinated planning—tasks that fall to Transmission System Operators (TSOs) and, in some cases, large industrial consumers with predictable loads. These responsibilities are already managed through capacity booking and grid connection agreements, and should not be turned into disclosure requirements for all reporting entities. Fragmenting reporting boundaries in this way would only create inconsistent frameworks and raise administrative costs, without improving environmental integrity or the usefulness of disclosures.

Using bidding zones or synchronous grids as accounting boundaries would also undermine comparability. Zonal configurations differ in size, scope, and data availability—particularly in Europe—and are periodically revised through ENTSO-E and ACER reviews. As a result, reporting outcomes would vary depending on when and where a company operates, making results non-comparable even within the European market. Dividing the European Single Market into smaller accounting zones would not strengthen comparability; it would weaken it. Just as Europeans trade goods, services, and labour across an integrated region, electricity procurement and disclosure should follow the same principle.

Adding deliverability or hourly matching requirements on top of these boundaries would further increase administrative burdens and fragment data without enhancing decision-usefulness. Many

balance responsible parties and suppliers manage integrated renewable and Guarantee of Origin (GO) portfolios across multiple countries. Narrowing boundaries would force them to maintain separate procurement, balancing, settlement, and reporting systems for each region. This would raise costs, reduce liquidity, and ultimately increase retail tariffs, regardless of whether consumers are actively pursuing renewable disclosure claims. The outcome would be heavier reporting obligations and higher costs, without any real improvement in transparency, comparability, or environmental impact.

Finally, regions with higher grid carbon intensity still depend on industry for economic development, and not all sectors can relocate based on grid composition. Decarbonisation, system planning, and renewable investment are therefore matters of policy and infrastructure—not responsibilities that should be shifted onto corporate disclosure frameworks.

136. **Considering investor and assurance needs, how do the proposed market-based revisions change the comparability of information relative to incremental cost and complexity for users?**

- ☐ No meaningful improvement (unlikely to change comparability/interpretations)
- ☐ Minor improvement (noticeable but unlikely to change comparability)
- ☐ Moderate improvement (could change some comparability/assessments)
- ☐ Substantial improvement (likely to change comparability benchmarks)
- ☐ Not sure / no basis to assess

137. **Please provide additional context for your answer to question 136.**

Hourly EACs represent a flaw in market design: they create value destruction and add implementation complexity, without offering any benefit for investors or assurance providers. In addition, Q136 does not even allow stakeholders to express concerns that the proposed revisions could reduce comparability. In practice, the revisions would significantly increase complexity and administrative burden, while failing to improve the consistency of information for those who rely on it.

By introducing temporal and deliverability requirements, reported data would become dependent on local grid structures, market boundaries, and data availability—factors that differ across regions and change over time. This would make disclosures less consistent and harder to compare between companies.

It is important to stress that these changes are not minor adjustments to the market-based method (MBM). Instead, they represent a reversal of the foundations on which the MBM and corporate renewable energy targets were built. The GHG Protocol originally allowed companies to credibly report 100% renewable electricity procurement through traceable certificate claims under a dual reporting framework. This approach helped launch global voluntary markets and initiatives such as RE100. Redefining the method so that companies can no longer claim 100% renewable procurement—simply because the grid itself is not fully renewable—confuses grid decarbonisation with corporate procurement. It shifts the rules after an entire ecosystem has aligned around the existing standard. While rules can evolve, undoing these principles undermines long-term credibility and creates uncertainty for investors, suppliers, and reporting entities.

The current Scope 2 guidance is widely understood and embedded in corporate reporting, voluntary market initiatives, and even legislation in several jurisdictions. Changing its foundations

so drastically threatens the trust and predictability expected from a global standard. Although some stakeholders have raised criticisms, most of these could be addressed through targeted improvements—such as stricter annual matching, clearer time-stamping, greater digitalisation and API use, monthly disclosure periods, and better harmonisation in Europe—rather than redefining the method itself. Instead of refining the framework, the proposed revisions attempt to rebuild it from the ground up. Discouraging 100% renewable electricity claims under dual reporting erodes confidence in the system: companies can no longer rely on the continuity of the standard they invested in, especially when the push for hourly matching is based on niche advocacy and limited understanding of how electricity systems actually work. This reversal introduces methodological uncertainty and weakens incentives to report, since entities lose the stability of a predictable accounting foundation.

Moreover, the revisions do not improve comparability relative to the added cost and complexity they impose. They create structural inequities between regions with different levels of data availability, market design, metering infrastructure, and EAC systems. Many companies would be forced to rely on synthetic load profiles, proxy data, or other estimation tools that appear more detailed but in reality reduce accuracy and comparability. Instead of moving toward a consistent and fair basis for disclosure, the proposed requirements risk widening disparities and diminishing the value of procurement claims.

Ultimately, the additional costs and operational effort required under these revisions outweigh any informational benefit. They weaken an established and widely adopted disclosure system, undermining both trust and effectiveness.

138. **For questions 134-137, please provide the basis for your assessment (select all that apply).**

- ☐ Direct empirical analysis (e.g., back-testing with hourly factors)
- ☐ Operational experience applying hourly MBM
- ☐ Professional judgment informed by literature/briefings
- ☐ General awareness (no direct analysis)
- ☐ Prefer not to say

139. **Please estimate the anticipated change in procurement cost (i.e., price paid) for hourly-matched, deliverable EACs and/or PPAs relative to your current sourcing strategy. Assume 3 is your current external cost.**

Scale of 1 (much less) – 5 (much more): response: 5

140. **What are the assumed main drivers affecting procurement price differences for hourly/deliverable EACs/PPAs relative to your current sourcing strategy** (select all that apply):

- ☐ Hourly matching and deliverability requirements may change prices due to supply available at specific times and locations of demand
- ☐ Shaping/firming or storage products required to align hourly supply with load
- ☐ Contract tenor or credit/collateral requirements that increase all-in price
- ☐ Need to structure multiple smaller PPAs instead of one large, aggregated contract, reducing economies of scale and increasing fixed transaction and development costs
- ☐ If an entity elects to self-supply hourly matched, deliverable EACs exclusively via PPAs (and not use secondary/spot EAC markets), over-procurement may be needed to ensure full hourly coverage across deliverable sites and periods

- ☐ Procurement costs to purchase EACs in secondary/spot markets to cover residual hours
- ☐ Other (please explain in next question)
- ☐ None

Other : The proposed drivers concentrate on reshaping procurement portfolios to achieve hourly matching within restricted market boundaries. However, they overlook broader system impacts such as reduced liquidity, heavier administrative burdens, weaker comparability of disclosures, and the shift of costs away from renewable project financing toward intermediaries and data platforms. These factors are critical because they directly influence prices and the feasibility of procurement, especially in cross-border markets like Europe.

Fragmenting market boundaries reduces liquidity and can make EACs scarcer. This scarcity raises procurement costs while delivering little environmental benefit. In a more complex reporting environment, a growing share of these costs is absorbed by market intermediaries, since many consumers will depend on them to navigate the added complexity. As a result, more of the procurement budget flows to IT platforms and intermediaries rather than to renewable project financing, weakening the connection between procurement activity and the creation of new renewable capacity.

Suppliers and consumers also face higher administrative and data integration costs, including reliance on third-party platforms to reconcile hourly load profiles. Hourly matching requires parallel portfolio management systems that are disconnected from physical balancing responsibilities, adding further inefficiency and complexity.

Finally, the requirement creates uneven burdens across market participants. Large entities with in-house energy market expertise are better positioned to manage these demands, while smaller or less energy-intensive consumers are disadvantaged, facing higher costs and reduced ability to participate effectively.

141. **Please provide any additional comments on the anticipated change in costs for hourly-matched, deliverable EACs, PPAs, etc. relative to current practices. If applicable, please include comments if and how this would impact your procurement strategy for carbon free electricity?**

If the norm leads to the use of hourly EACs, consumer costs will rise because companies would become dependent on IT providers and trading intermediaries. On one side, these actors would manage the strategic energy data of corporates, creating risks and raising costs. On the other, hourly matching and deliverability requirements would make organizations operationally reliant on specialized platforms to coordinate data and procurement across multiple balancing zones—something most companies cannot achieve without third-party service providers. As a result, a growing share of expenditure would shift toward intermediaries and IT platforms rather than supporting renewable project financing or long-term procurement instruments such as PPAs.

This situation undermines the objective of strengthening the link between renewable procurement and new capacity. For global companies operating across several regions, the

complexity multiplies further, as separate systems would need to be maintained for each boundary. Overall, this approach does not enhance procurement effectiveness and instead makes renewable sourcing more administratively burdensome, less cost-efficient, and of limited environmental benefit.

142. **Beyond scope 2 reporting, do the proposed MBM criteria (hourly matching, deliverability, inclusive of feasibility & transition design) pose material IFRS/GAAP financial-reporting impacts for PPAs or similar instruments (e.g., IFRS 9 own-use/hedge accounting, IAS 37 onerous contracts)?**
Scale of 1 (No impacts) – 5 (Significant impacts)

143. **Please briefly explain your rating: identify which accounting areas could be affected and why (for example, IFRS 9 own-use eligibility, hedge accounting, IAS 37 onerous-contract risk), and note the main factors driving the impact** (for example, hourly matching, deliverability, contract terms such as tenor, penalties, or close-out provisions).

144. **If mid–high impacts: select affected areas** (select all that apply):
- ☐ Own-use
- ☐ Hedge accounting
- ☐ IAS 37
- ☐ Other (please explain)

145. **For each area selected in question 144, briefly note key drivers (e.g., main contract or accounting features driving the impact).**

The following section of questions focuses on principle-based considerations for the reporting of emissions associated with electricity within and outside of the scope 2 inventory.

146. **Considering the full set of proposed revisions to the market-based method as discussed previously in this consultation, would the existence of a separate metric outside of scope 2 to quantify the emissions impact of electricity-related actions change your perspective on the proposed revisions?**
- ☐ Yes
- ☐ Somewhat
- ☐ No
- ☐ I do not support the development of impact metrics outside the scope 2 inventory.

147. **If you answer "yes" or "somewhat" to question 146, which of the following rationale captures your views** (select all that apply).
- ☐ Allows for continued investment in electricity projects outside of my deliverable market boundary
- ☐ Provides a complementary metric to quantify actions such as energy storage or demand response
- ☐ Causes less disruption of existing electricity procurement practices
- ☐ Provides additional relevant information for users of GHG data
- ☐ Provides additional approaches for target setting
- ☐ Other (please specify)

148. **Please provide comments regarding your selected choices in question 147.**

149. **If you answered "no" to question 146, please explain why a separate impact metric for electricity projects does not change your view of the proposed market-based inventory revisions.**

A separate "impact" metric does not change our position because it serves a very different role than the market-based method (MBM). The MBM is designed to provide clear and verifiable reporting of how companies source their electricity, based on contracts and certificates. It is the foundation of the voluntary renewable energy market and has enabled initiatives such as RE100. Thanks to this framework, organizations can credibly claim that they procure 100% renewable electricity and make transparent, auditable disclosures.

By contrast, impact metrics are built on models and assumptions about how the wider power system behaves. These assumptions vary depending on the region, the policies in place, and the time period considered. As a result, impact metrics are not consistent across markets and are not reliable enough for assurance. They describe estimated system-wide effects rather than actual contractual procurement choices. For this reason, they may be useful as additional narrative indicators, but they should remain separate from market-based Scope 2 reporting.

The proposed revisions risk undermining this established approach by suggesting that 100% renewable procurement claims are no longer valid unless the entire grid is fully decarbonized. This confuses corporate electricity sourcing decisions with system-level generation and reverses the principle on which the MBM was built. The existence of an impact metric does not justify restricting or redefining the MBM, nor does it justify removing the ability for companies to report 100% renewable electricity consumption through traceable, book-and-claim instruments.

150. **If you answered "I do not support the development of impact metrics outside the scope 2 inventory" to question 146, which of the following rationale captures your views** (select all that apply).

- ☐ There is no agreed-on methodology for calculating these impact metrics
- ☐ The existence of impact metrics would divert investment from time-matched and deliverable electricity procurement
- ☐ These metrics are not currently required in mandatory disclosure frameworks
- ☐ These metrics are not currently part of target setting programs
- ☐ These metrics may not be appropriately auditable
- ☐ These metrics could result in greenwashing
- ☐ Other (please specify)

151. **Please provide comments regarding your selected choices in question 150.**

Introducing impact metrics risks changing the role of Scope 2 reporting. Instead of focusing on clear, contract-based disclosure of how companies source their electricity, it would shift toward speculative modeling of system-wide effects. Such modeling is not consistent across regions, is difficult to compare, and is not suitable as the basis for a global standard.

The market-based method (MBM), by contrast, allows companies to make auditable claims tied to real contractual instruments, such as certificates. This is what enables organizations to credibly report 100% renewable electricity procurement. Impact metrics, on the other hand, estimate broader system outcomes and should only be used, if developed, as optional supplementary indicators. They must not replace or restrict the ability to report renewable electricity consumption through traceable book-and-claim instruments.
Keeping these two approaches separate is essential. It preserves integrity, transparency, and continuity for investors and market participants, ensuring that renewable procurement claims remain credible and comparable across markets.

152. **In your view, balancing scientific integrity, climate impact, and feasibility, what scope 2 revisions or combination of revisions are most appropriate? Please address each of the three core decision-making criteria: integrity, impact, and feasibility in your answer, and describe how the approach satisfies each criterion.**

Here are two measures that address integrity, impact and feasibility.

First, we need to establish strict annual matching.
EACs markets are structurally unbalanced. Contrary to popular belief, the current mechanism does not impose a strict calendar annual step between the period of electricity consumption and that of its production. This shortcoming has led to a structural build-up of unused volumes, particularly in the European market, transforming the market into a fundamentally "long" system. Indeed, the remaining volumes of one year are systematically carried over to the following year in several countries. However, a market where supply exceeds demand for a long time cannot generate significant price signals — a major brake on investment in carbon-free means of production.

The successive postponements of the lengths accumulated in previous years condemn the GO market. The "Figure 2-1: *Monthly market length and balance of the GO market*" from the *Final report of European Commission "Technical assistance to monitor functioning of the guarantees of origin (GO) system,* 2025" illustrates the evolution of the volumes of renewable GO available on the registers of the AIB European Hub (emissions deducted from uses and expirations). There is a seasonal "wave" due to the concentration of the use of guarantees of origin in March and April of the year following consumption. It is during this period that most of the work of allocating GOs to consumers is carried out. Worse, this market length continues to increase, directly attributable to the carry-over of unused volumes from one year to the next. Without correction, this dynamic is likely to continue, even if demand increases.

A balance is necessary to maintain incentive prices. The introduction of a strict annual matching would change the situation. Given the relatively small annual differences between emissions and uses (in the range of 50 to 70 TWh), such a framework would naturally regulate supply and demand. As a result, the market would be systematically balanced, and prices — historically above €3 or €4/MWh in a balanced situation — could remain at this level. This would finally create a strong economic signal for renewable energy investors.

One observation is damning because the annual matching is an exception rather than a norm. To date, only a few countries (such as Germany and France) apply this strict annual step. Its widespread adoption, beyond its economic benefits, will further enhance the credibility of the mechanism on a global scale. This measure is all the more urgent as its current absence undermines confidence in the system and limits its effectiveness for the energy transition.

Second, we should establish a mandatory physical link: a condition of credibility.
This principle is simple and consistent. To strengthen the legitimacy of the mechanism, one rule is necessary: to require a physical link between production and consumption of electricity, i.e. an effective electricity connection. This measure would directly respond to a recurring criticism: that of a system disconnected from physical reality, where "electric islands" – such as Iceland – participate in the market without contributing to the decarbonization of the European grid.

While the introduction of a strict annual step would have a major economic impact, the physical link is just as crucial for the image of the market. It would ensure that each guarantee of origin reflects a tangible reality – electricity fed into the relevant grid – and eliminate distortions created by external actors. In short, this rule will increase confidence in the system, while accelerating its ability to meet its climate goals.

Exemptions – hourly matching exemption threshold

153. **On a scale of 1-5 do you support allowing for exemptions to hourly matching using one of the options (1-4) described above?**
Scale of 1 (no support) – 5 (fully support)

154. **Please provide your reasons for support, if any (select all that apply).**

- ☐ Reflects a reasonable balance of integrity, impact and feasibility as organizations under a threshold collectively contribute to fewer scope 2 emissions than the largest consumers
- ☐ Encourages organizations under a threshold to continue to engage in voluntary procurement using an annual procurement approach
- ☐ Provides a more equitable approach for reporting as hourly matching could be more challenging for organizations under a threshold
- ☐ Reduces transition strain on the electricity market and hourly matching infrastructure.
- ☐ Other (please provide)

155. **Please provide any additional comments regarding your reasons for support.**

156. **Please provide your concerns or reasons for why you are not supporting, if any (select all that apply).**

- ☐ Reduces accuracy and relevance of MBM reporting
- ☐ Introduces inconsistencies across companies, reducing transparency and comparability for users
- ☐ Creates reputational risk and increases skepticism about MBM claims.
- ☐ Fragments the voluntary market and may slow the transition to wider availability/use of hourly data
- ☐ Feasibility is better addressed via temporary measures (e.g., phase-ins/legacy)

rather than ongoing exemptions
- ☐ Tools and infrastructure are improving rapidly, making broad exemptions increasingly unnecessary
- ☐ Support an exemption, but a different criterion should be used for defining eligibility.
- ☐ Other (please provide)

157. **Please provide any additional comments regarding your concerns or reasons for why you are not supporting.**

158. **What evidence and/or reasoned rationale supports the need for exemptions (e.g., data access, costs, feasibility)?**

We suggest total exemption of hourly matching EACs for the following reasons:

The propaganda of the "physical link" of the hourly EACs is an abuse that masks the economic error concerning it

The hourly GO does not create any more physical link with a power plant than an EAC at an annual pace

Whether it is annual, monthly or hourly, a guarantee of origin remains an accounting tool based on the principle of mass balance:

1. No "green" electrons are physically traced to the consumer. It is also wrong to consider that we use electrons. This rhetoric leads to fallacious reasoning such as using Kirchhoff's laws to justify that we use the electrical energy of the nearest power plants. As soon as we use a sufficiently interconnected network, geographical distance no longer matters because we, as a consumer, have a direct and instantaneous impact on the entire electricity network.
2. The link to a specific plant is an abstraction: whether the GO is hourly or annual, the consumer does not receive electricity from a specific wind or solar farm. For example, a company buying an hourly GB to cover its consumption from 2 p.m. to 3 p.m. does not physically consume the electricity of a wind farm at that time. It buys a right to claim renewable production, without direct impact on the grid.

The illusion of an economic impact on decarbonization

Beyond the false physical promise, the hourly GO cannot solve the challenge of the decarbonized balancing of the network because it is a tool intrinsically incapable of meeting this challenge.

As we explained earlier, it does not generate any strong economic signals in the context of a voluntary market. Unlike the electricity market, cherry-picking (avoidance of expensive hours) and the absence of constraints (targets below 100%) prevent any scarcity, and therefore any incentive price for a possible hourly EAC market.

159. **Load-based exemption threshold**

Options 1, 3, and 4 introduce a GWh load threshold applied within a defined

boundary. In section 5.3.1 question 70 you selected an exemption threshold of either of 5, 10, or 50 GWh per deliverable market boundary. If you prefer a GWh load threshold based on a different amount, propose a single threshold amount in GWh per boundary and explain why.

- ☐ Threshold [enter number] GWh per [deliverable market boundary/site/other]
- ☐ Preferred option selected in section 5.3.1, question 70

160. **If you provided a different threshold amount in (a), how does your proposed threshold better fit the intent of the exemption (reducing reporting burden while maintaining MBM integrity and impact)? How would this exemption threshold impact the administrative and cost burden of the proposed MBM requirements compared to an exemption threshold of 5, 10, or 50 GWh per deliverable market boundary?**

161. **Exemption options 2, 3, and 4 introduce a criterion based on a reporter meeting the small and medium company categorization. This categorization framework is being developed by the Corporate Standard Technical Working Group. What specific criteria should be considered to define Small and Medium Companies?** (select all that apply)

- ☐ Number of employees
- ☐ Net annual turnover
- ☐ Balance sheet
- ☐ Emissions (scope 1 + LBM scope 2)
- ☐ Company location (high and upper-middle income countries and low- and lower-middle income countries)
- ☐ Other (please explain)

162. **Please provide any additional comments regarding the criteria to define Small and Medium Companies.**

163. **Which of the four draft eligibility options for an exemption to hourly matching reflect the most reasonable balance of integrity, impact and feasibility of the MBM? Apply the exemption threshold selected in question 159.**

- ☐ Option 1
- ☐ Option 2
- ☐ Option 3
- ☐ Option 4
- ☐ None of the above (please explain)

164. **If you selected "None of the above" in question 163, please describe your preferred eligibility conditions to apply an exemption to hourly matching and outline how this reflects a reasonable balance of integrity, impact and feasibility of the MBM.**

165. **Please provide additional comments regarding your answer to question 164, including the main reasons why it is the most appropriate and any geographic or industry specific considerations that influenced your response. (≤300 words).**

166. **Should exemptions be time-limited (i.e. phased-out over time) or ongoing?**
- ☐ Time-limited (i.e. phased out over time)
- ☐ Ongoing
- ☐ Unsure
- ☐ Do not support exemptions

167. **If you selected that exemptions should be time-limited in question 166, please explain how this phase- out should be implemented and why this suggestion fits the intent of the exemption (i.e., reducing reporting burden while maintaining integrity and impact of the MBM).**

168. **Aside from any suggestions provided in question 167, please describe any safeguards needed to ensure exemptions are not misused and that comparability across reporting organisations is maintained?**

169. **In exercising the exemption, should the organization be considered in conformance with the Corporate Standard and Scope 2 Standard?**
- ☐ Yes, organizations using the hourly matching exemption should be considered in conformance
- ☐ No, organizations using the hourly matching exemption should NOT be considered in conformance
- ☐ A separate conformance level should be defined for companies exercising the exemption
- ☐ Unsure
- ☐ Other (please explain)

170. **Please provide any additional comments regarding your response to question 169.**

171. **On a scale of 1-5 do you support introduction of a Legacy Clause to exempt existing long-term contracts that comply with the current Scope 2 Quality Criteria from being required to meet updated Quality Criterion 4 (hourly matching) and Quality Criterion 5 (deliverability)?**

Scale of 1 (no support) – 5 (fully support) - response: 5

172. **Please provide your reasons for support, if any (select all that apply).**
- ☐ Reflects a reasonable balance of integrity, impact and feasibility as existing long-term contracts reflect significant financial and operational commitments to energy resources
- ☐ Encourages organizations with legacy contracts to continue to engage in voluntary procurement using an annual procurement approach
- ☐ Provides a more equitable approach by ensuring that early adopters of Scope 2 Guidance are not disadvantaged
- ☐ Helps maintain trust and market confidence in long-term contracts
- ☐ Provides a pragmatic pathway for organizations to transition to updated Quality Criteria
- ☐ Other (please provide)

173. **Please provide any additional comments regarding your reasons for support.**

174. **Please provide your concerns or reasons for why you are not supporting, if any** (select all that apply).
- ☐ Reduces overall accuracy and relevance of MBM reporting
- ☐ Introduces inconsistencies across companies, reducing transparency and comparability for users
- ☐ Not aligned with MBM's purpose, weakens credible market signals and abatement planning,
- ☐ and may conflict with regulatory expectations
- ☐ Creates reputational risk and increases skepticism about MBM claims
- ☐ Fragments the voluntary market and may slow the transition to wider availability/use of hourly data
- ☐ Other (please provide)

175. **Please provide any additional comments regarding your concerns or reasons for why you are not supporting.**

176. **Which date should determine a contract's eligibility under a Legacy Clause?**
- ☐ Contract signed prior to implementation date of the Scope 2 Standard (post phase-in period)
- ☐ Contract signed prior to publication date of the Scope 2 Standard
- ☐ Other (please explain)
- ☐ Do not support Legacy Clause

177. **Please provide any additional comments regarding your response to question 176.**

178. **If a Legacy Clause is included, please provide comments on the following design elements to balance integrity, impact, and feasibility of the MBM. Respond only to items relevant to your context.**

a. Eligibility by instrument type and term: Define which instruments qualify (e.g., PPAs, utility green tariffs, supplier-specific contracts, unbundled certificates) and any minimum original term, including treatment or eligibility of perpetual or undefined-term contracts.
b. Duration of legacy treatment: Specify the time limit or maximum remaining term after which updated Scope 2 Quality Criteria apply to all contracts.
c. Allocation rules to prevent legacy contractual instruments being used to target the most challenging hours or locations.
d. Transfers and resale requirements when legacy instruments are sold or transferred to third parties.
e. Extensions and amendments: Define how contract extensions or material amendments after the cutoff affect eligibility (e.g., whether the extended or modified portion is treated as a new contract subject to updated Scope 2 Quality Criteria).

f. Disclosures: Scope and granularity of disclosures for any use of a Legacy Clause (for example separate presentation of MBM results with and without legacy-treated instruments, percentage of contracts covered, share of load covered, expected end date of legacy status).

g. Pre-effective-date guardrails: Approaches to discourage contracting intended solely to expand legacy eligibility before the cutoff (for example, disclosure of execution date and negotiation timeline).

h. Global equity: Approaches to address regional concentration of eligible contracts and related equity considerations.

179. **Questions 179-180 seek input on potential challenges for users of climate-related financial risk disclosure programs arising from a legacy clause. Please only respond to this section if these issues are relevant to your organization or you have direct expertise or experience with climate-related financial risk disclosure programs.**

Does a legacy clause pose material implications for users of climate-related financial risk disclosure programs?

Scale of 1 (No material implications) – 5 (Significant implications)

180. **Please briefly explain your rating: identify what the potential impacts could be and the main factors driving the impact (for example, comparability, transparency etc).**

181. **Some stakeholders have outlined a preference for transition tools other than a legacy clause as a way to balance continuity and comparability for the scope 2 MBM.**

Which transition approach best balances continuity and comparability for the scope 2 MBM whilst maintaining integrity, impact, and feasibility?

- ☐ Legacy clause: allow existing contracts that meet the current Scope 2 Quality Criteria to continue to be reported under the MBM as described in your response to Question 178.
- ☐ Uniform effective date: rather than using a legacy clause, instead apply the updated quality criteria to all contractual instruments from a specific date following a defined lead time. The lead time would seek to facilitate companies having time to consider changes to existing contracts. Contracts executed before the effective date could continue to be used during the lead time, with separate, clearly labelled disclosure identifying results affected by those contracts.
- ☐ Other (please specify)

182. **If you selected "Other" in question 181 please provide details of an alternative transition approach that better balances continuity and comparability for the scope 2 MBM whilst maintaining integrity impact and feasibility.**

183. **If a uniform effective date was applied rather than a legacy clause, what would be an appropriate date for organizations to be required to apply the updated quality criteria to all contractual instruments? (enter in 20XX).**