



Actions and Market Instruments Technical Working Group

Meeting #1.03

GHG Protocol Secretariat team:
Kevin Kurkul, Michaela Wagar

January 15, 2025

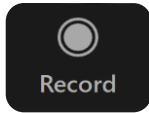


Agenda

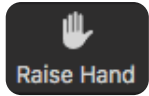
- Housekeeping
- Timeline & deliverables update
- Level setting on scope & objectives
- Review feedback from last meeting
- Open discussion on achieving use cases
- Next steps



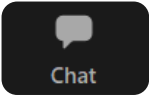
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This meeting is recorded.



Please use the Raise Hand function to speak during the call.



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



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

Guidelines and Procedures

TWG members should **not disclose any confidential information** of their employers, related to products, contracts, strategy, financials, compliance, etc.

In TWG meetings, **Chatham House Rule** applies:

- “When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”

Compliance and integrity are key to maintaining the credibility of the GHG Protocol

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

* Such as pricing, discounts, resale, price maintenance or costs; bid strategies including bid rigging; group boycotts; allocation of customers or markets; output decisions; and future capacity additions or reductions

AMI TWG Shared Values

- Always **be respectful**
- Take space, make space
- There are **no bad ideas or questions**
- **Be pragmatic** – balance perfect with actionable
- **Be open** to differing points of view and **curious** about all sides of a discussion
- **Keep integrity** at the heart of decision-making and consider real word impacts
- **Keep focus** on the long-term goal of developing an effective standard

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Today's Objectives

1. Provide additional detail on timeline, deliverables, and process
2. Reach consensus on condensed list of use cases
3. Discuss options for achieving use cases

Draft for TWG discussion only

Optional Open Discussion Meetings

- Based on feedback and limited time during meetings for discussion we will be offering optional open discussion meetings the Wednesday following each AMI TWG meeting
 - **Recommendations from the TWG to the ISB will not be made during these calls**
- These meetings are intended to provide additional opportunity for members to:
 - Have open discussions on TWG meeting content
 - Present case studies, research or other relevant information
- A feedback form will be made available to submit on an ongoing basis:
 - Request to present
 - Suggestions for the open discussion

Scope 2 Subgroup - consequential electric sector emissions impact measures

- **Purpose**

- To develop recommendations on consequential quantification and reporting of GHG emission impacts resulting from a reporting organization's electricity sector actions for consideration by the AMI TWG

- **Objectives**

- Provide focused, actionable recommendations to advance consequential accounting measures.
- **Part 1:** Outline of additional disclosure elements (e.g., statements, categories, etc.) needed to report on consequential measures of GHG emission impacts of electricity sector actions.
- **Part 2:** Create a detailed proposal for the AMI TWG on consequential accounting and reporting of electricity sector emissions impacts, including clear methodologies and guidance for calculation.

- This output of this subgroup will **serve as an input to the AMI TWG discussions** as we evaluate proposals

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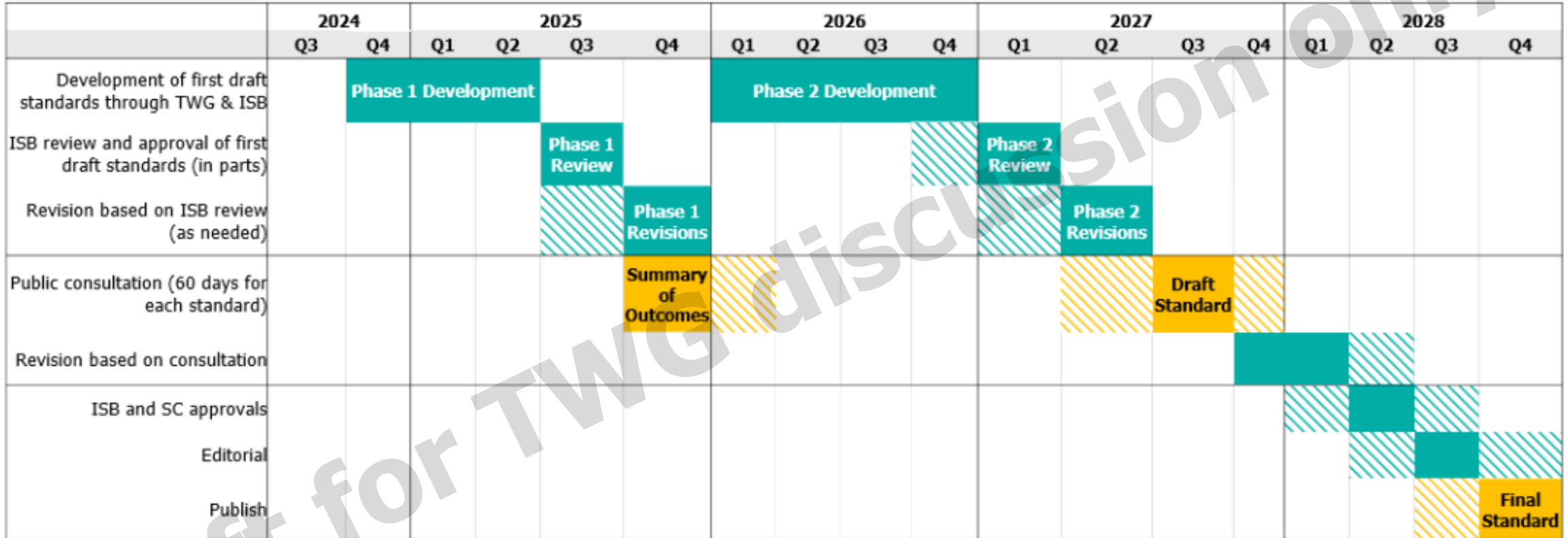
Meeting Schedule

- Early TWG meetings will focus on the use cases of corporate GHG accounting and reporting to identify the relevance and appropriate role of actions and market instruments in the GHG Protocol corporate suite of standards

Meeting	Date	Topic
1	Oct 23, 2024	Content introduction
2	Dec 4, 2024	Current GHG Protocol approach, introduction of use cases
3	Jan 15, 2024	Achieving use cases in relation to reporting structure
4	Feb 19, 2025	Typology and examples of actions and market instruments
5	Mar 26, 2025	Review & discuss proposals



Estimated Timeline for Standard Development



- Phase 2 development is highly dependent on decisions made in Phase 1 (opportunity to reduce timeline with focused scope of work)
- Timeline is subject to change throughout the development process and efficiencies will be pursued wherever possible
- TWG members will be updated if the timeline is reevaluated

Phase 1

Objectives

- Clarify and/or define the purpose, structure, and limitations of individual elements within the corporate GHG emissions report
- Determine additional reporting elements and associated quantification method(s) needed to address the impacts of actions and market instruments

Public Deliverable Q4 2025 - Summary of Outcomes

- An outline of ISB approved outcomes from Phase 1 AMI TWG discussions. May include:
 - Additional reporting elements (e.g. statements, categories etc.) needed to address the impacts of actions and market instruments
 - High level requirements such as accounting methods and boundaries
- Additional clarity on the scope of technical development for Phase 2

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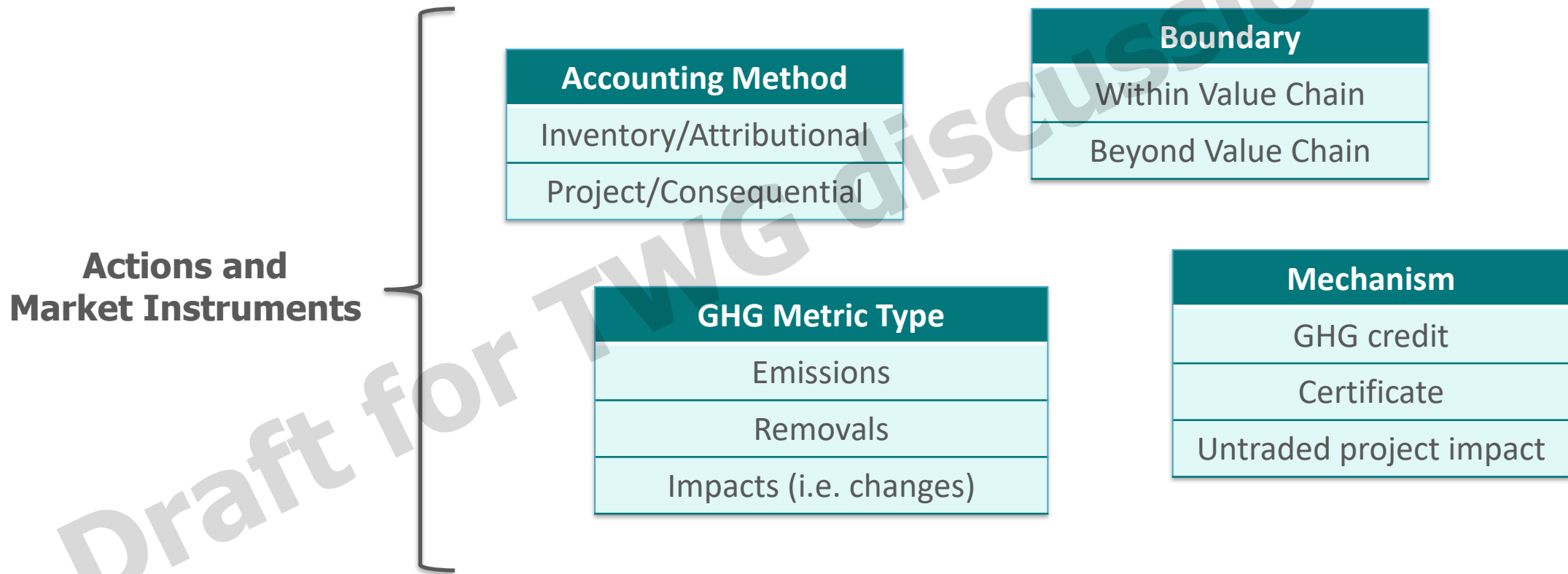


Workstream Objectives

- To determine **the appropriate role and standardize the approach for the quantified impacts of actions and market instruments** in GHG Protocol aligned corporate GHG accounting and reporting
 - This includes:
 - The inventory
 - Clarifying where current guidance allows for actions and market instruments to be reported in the inventory
 - Developing additional guidance to resolve ambiguity
 - The GHG report as a whole
 - Developing additional reporting elements and associated technical requirements as determined necessary
- TWG members are encouraged to consider the various uses of corporate GHG accounting and reporting and how to "solve the puzzle as a whole" rather than focus on individual pieces

Scope of Actions and Market Instruments

- The quantified impacts of corporate actions and market instruments utilize various methodologies and categories within GHG accounting and reporting



GHG Protocol Corporate Reporting

GHG Report (Inventory Report)

Inventory

- Scope 1
- Scope 2 (location-based + market-based)
- Scope 3 (by category)

"Reported Separately"

- GHG trades
- Project-based emissions, reductions or removals
- Avoided emissions

- **Inventory accounting methods**

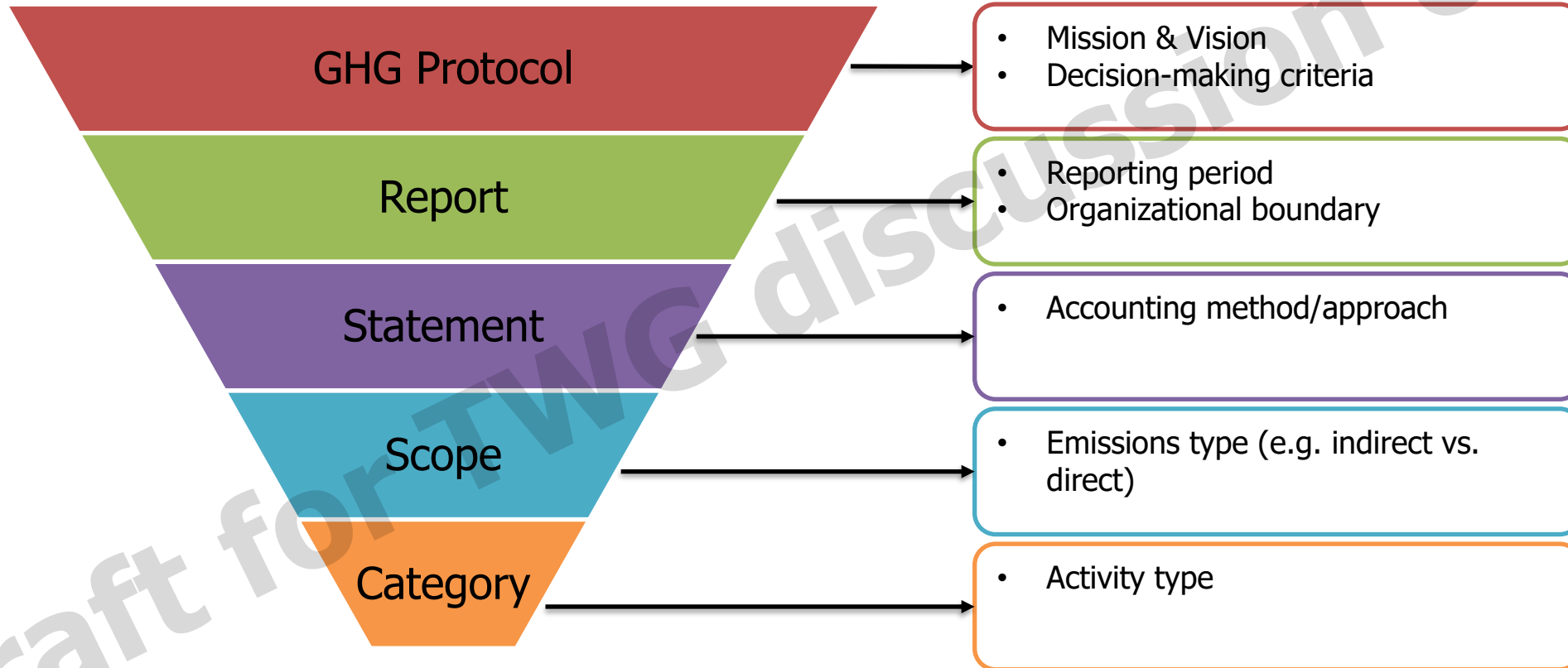
- track GHG emissions and removals within a defined inventory boundary over time relative to a historical base year

- **Project/Intervention accounting methods**

- used to quantify the impacts on GHG emissions or removals of specific projects, actions, or interventions, by estimating systemwide GHG impacts relative to a counterfactual baseline scenario

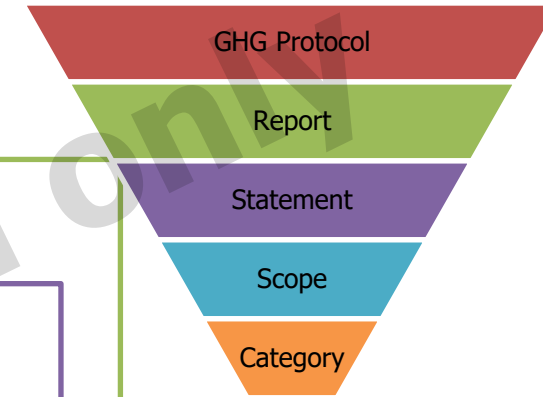
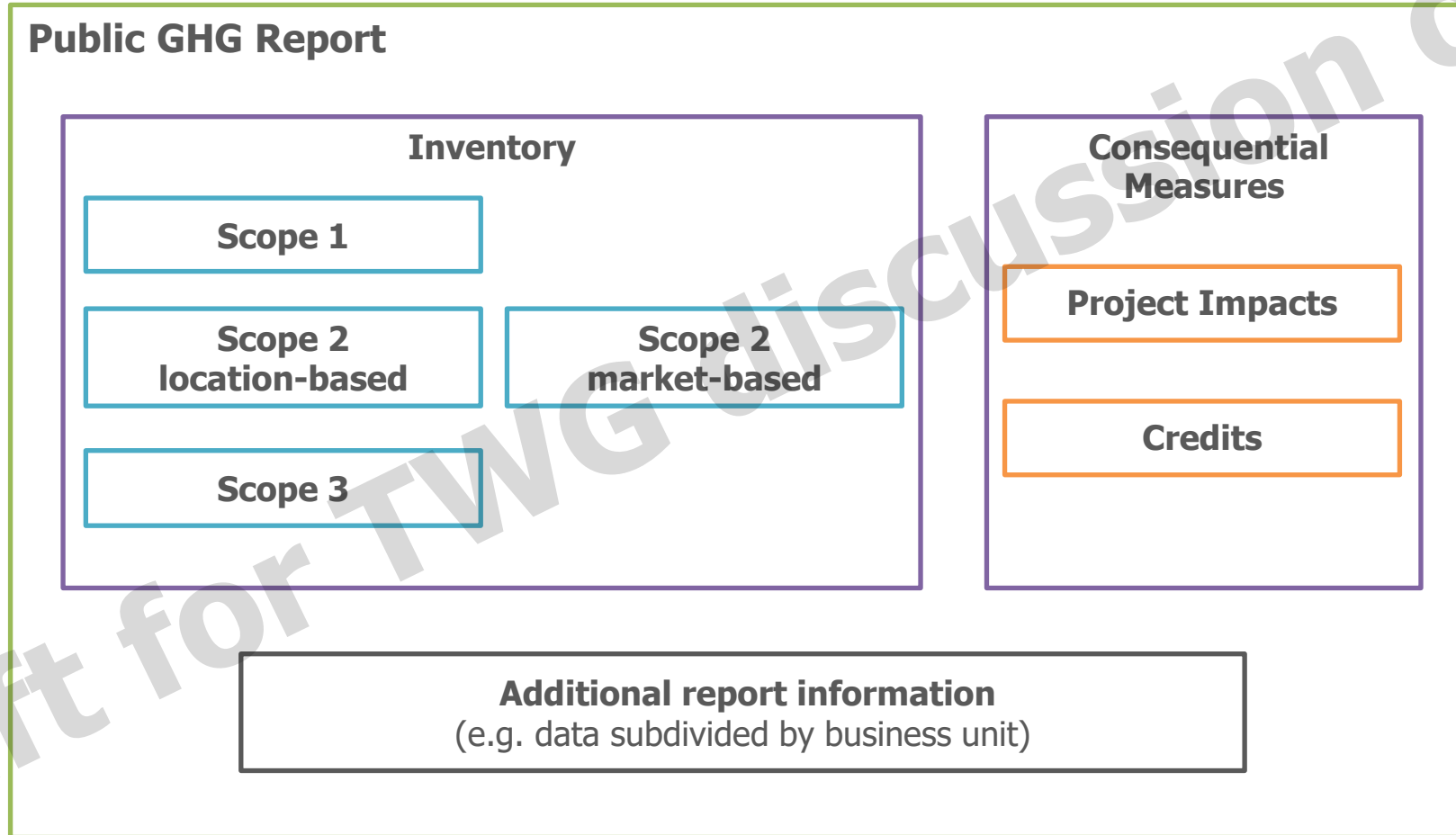
Note: Non-comprehensive, refer to Corporate Standard, chapter 9, for full reporting requirements (e.g. p. 63-64), and the Scope 3 Standard, chapter 11 (e.g. p. 120)

Conceptual Hierarchy/Framework



***This is intended to structure conversation and should not be considered final**

Hierarchy Applied to Current Structure

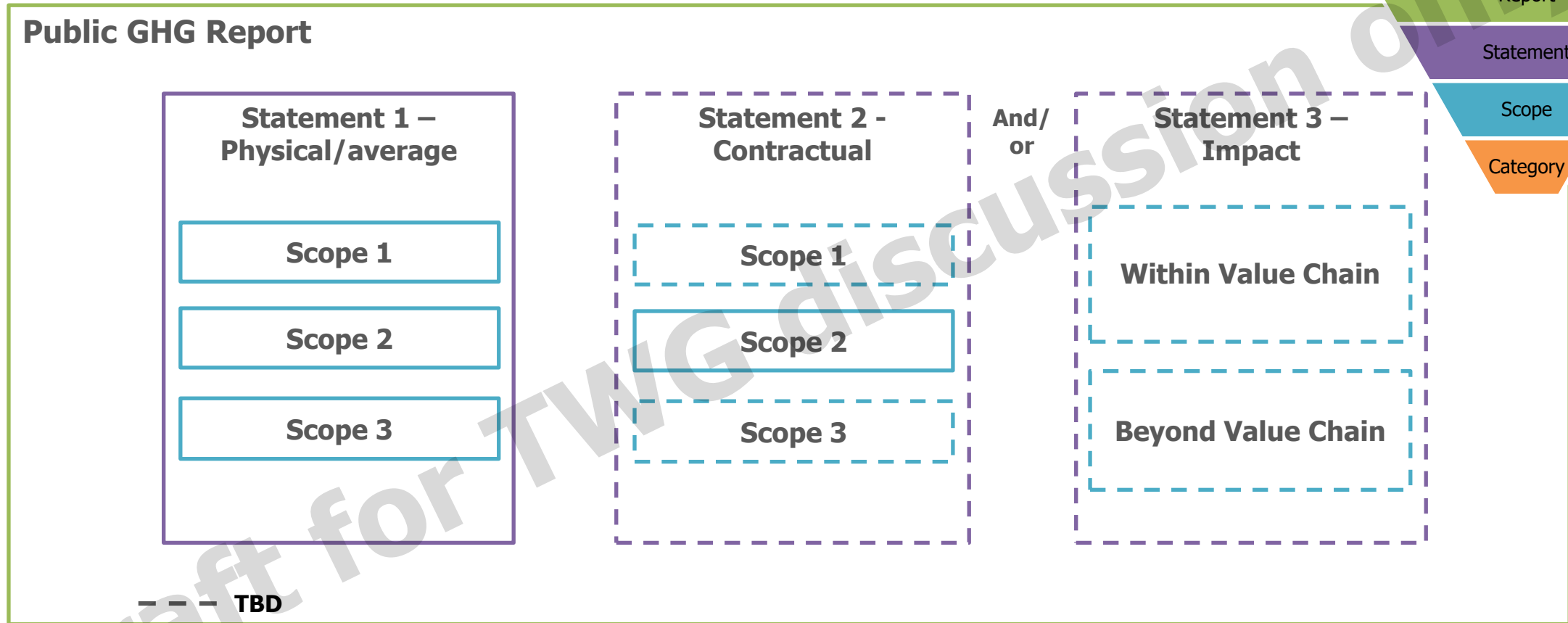


Note: Non-comprehensive, refer to Corporate Standard, chapter 9, for full reporting requirements (e.g. p. 63-64), and the Scope 3 Standard, chapter 11 (e.g. p. 120)

Stakeholder Feedback: Inventory and Emissions Report structures

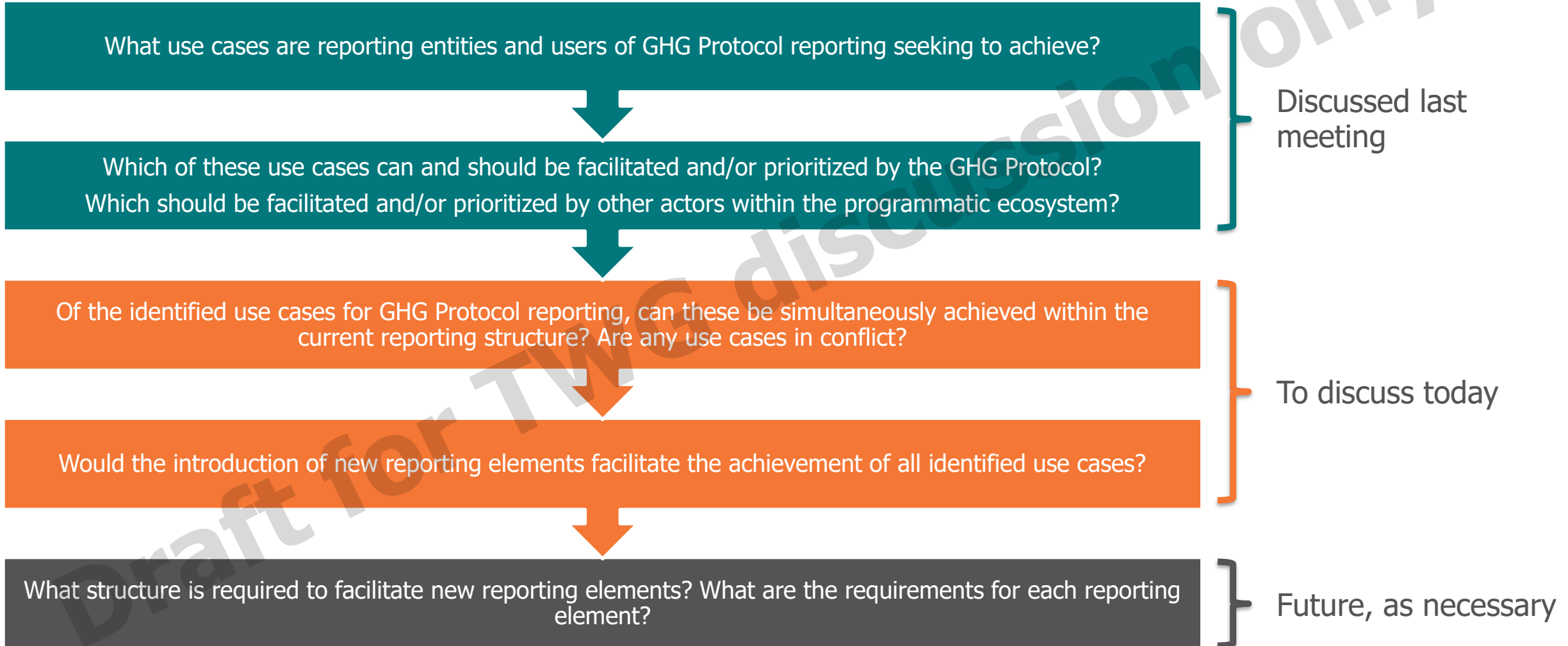
- In the survey and proposals, respondents suggested different Inventory and Emissions Report structures to accommodate or separate market-based or project-based accounting instruments:
 - **Dual reporting in all scopes**
 - Follow the principles for scope 2 dual reporting in all scopes, or
 - **Only market-based** reporting in the Inventory (i.e., scopes)
 - **Only location-based** reporting in the Inventory (i.e., scopes)
 - Note: Market-based, Project-based, etc. instruments would be reported separately in the Emissions Report
 - Introduce **impact or performance-based methods** in addition to the Inventory (e.g., in addition to or alongside scope 1, 2, and 3)
 - **Focus on accounting principles** and allow programs to determine treatment of specific methodologies

Example of a Multi-Statement Reporting Structure



***Need for, number of, and scope applicability of statements to be determined**

Strategic questions relevant to AMI workstream



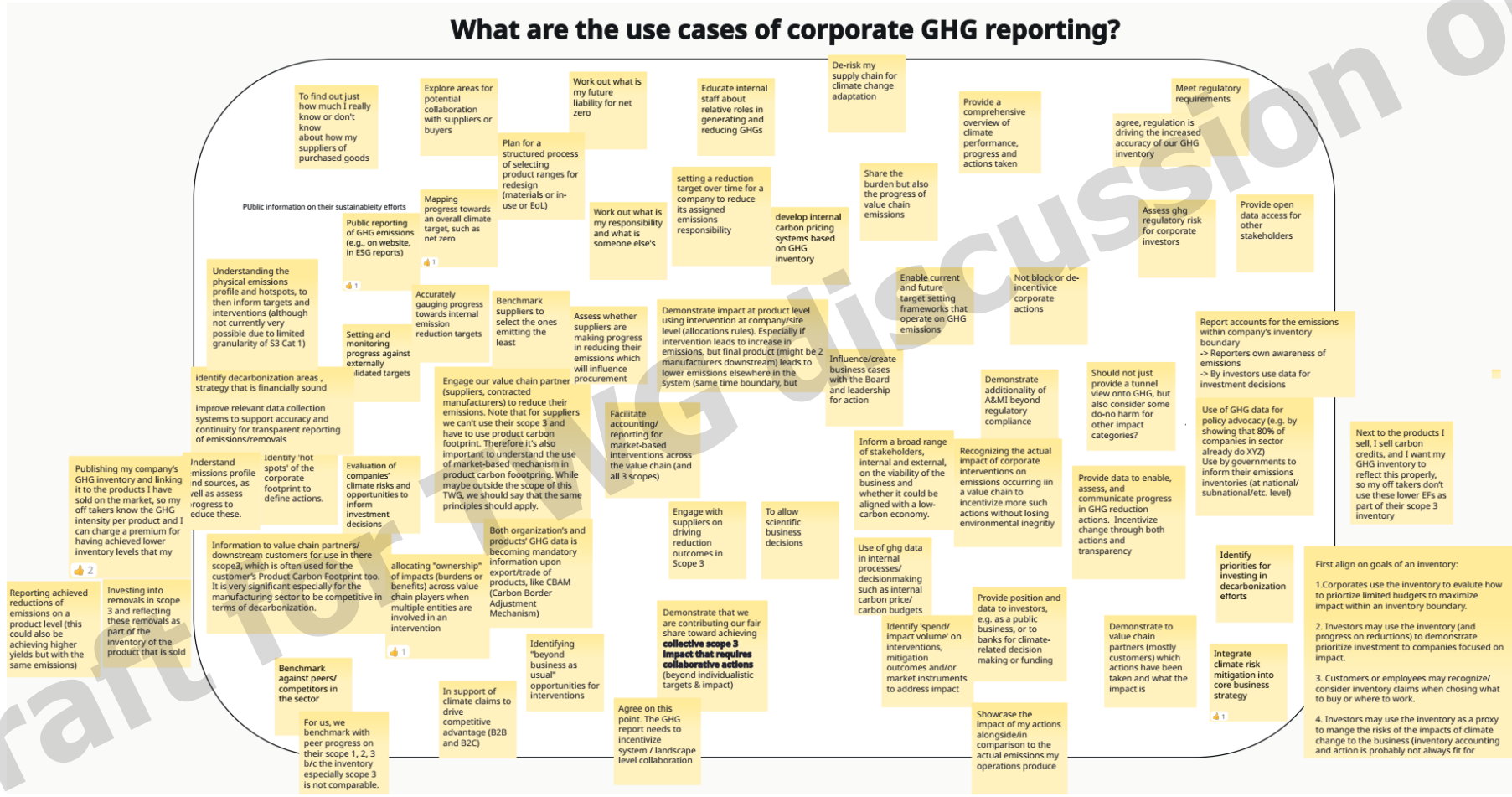
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Recap: Whiteboard activity



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Recap: v1 Condensed use case list

- 1) Publicly report corporate GHG data
- 2) Set and monitor progress against externally validated targets
- 3) Evaluate companies' climate resilience and/or risks
- 4) Identify 'hot spots' to inform internal action
- 5) Demonstrate value to customers and/or employees
- 6) Evaluate regulatory risk with future compliance to GHG rules
- 7) Provide a comprehensive overview of climate performance and progress
- 8) Demonstrate contribution towards collective action
- 9) Demonstrate the impacts of actions at a product-level
- 10) Identify opportunities for collaboration with suppliers and buyers
- 11) Incentivize climate-aligned corporate action
- 12) Demonstrate corporate action that exceeds regulatory alignment
- 13) Evaluate corporate responsibility for emissions
- 14) Differentiate products/companies based on climate performance (upstream and downstream)
- 15) Identify cost-effective mitigation opportunities
- 16) Provide data to meet regulatory requirements
- 17) Provide data to inform national inventories
- 18) Evaluate sector-level performance
- 19) Allocate ownership of intervention outcomes
- 20) Inform development of internal carbon-pricing systems
- 21) Enable comparison or benchmarking against peers or competitors
- 22) Demonstrate the impact of actions in comparison to actual operational emissions

Recap: Feedback questions posed

- Is the condensed list missing any identified use cases?
- Are any of the identified use cases not fit for purpose within inventory reporting or broader GHG Protocol corporate emissions reporting?
 - (e.g. are any of the identified use cases best accomplished external to GHG Protocol corporate emissions reporting?)
- Are there any internal conflicts within the identified use cases?
 - (e.g. could any identified use case be viewed as partially or fully in conflict with another identified use case?)

Draft for TWG discussion only

Feedback: General themes

- Condensing the list further would better enable analysis and application
- Suggestion that there are broad categories of use cases, e.g.:
 - Publicly report GHG inventories
 - Publicly report corporate actions to reduce/avoid emissions
 - Incentivize climate-aligned corporate action
- Some question of whether use cases should be specific to inventories or encompass broader elements of GHG Protocol reporting
- Some question of whether all use cases are fit for purpose, especially those related to interventions, product accounting, national inventories, or financial analysis
- Some members suggested alternative groupings of use cases, which can be found in the appendix

Feedback: Use cases of corporate GHG accounting and reporting that should be supported by GHG Protocol

Measure and publicly report on corporate GHG information

- Provide a comprehensive overview of climate performance and progress
- Set and monitor progress against externally validated targets
- Enhance stakeholder information and corporate reputation
- Inform purchase decisions based on climate performance

Measure and report a GHG inventory

- Evaluate GHG regulatory risk
- Evaluate corporate responsibility for emissions
- Provide data to meet regulatory requirements
- Identify GHG-related risks in the value chain
- Identify 'hot spots' to inform internal action
- Identify opportunities for collaboration with suppliers and buyers
- Enable comparison or benchmarking against peers or competitors

Measure and report on corporate actions to reduce/avoid emissions

- Demonstrate contribution towards collective action
- Demonstrate the impacts of actions at a product-level
- Allocate ownership of intervention outcomes
- Demonstrate the impact of actions in comparison to actual operational emissions

Note: Non-comprehensive. Refer to stated business goals in the corporate suite of standards for currently supported use cases.

Feedback: Use cases **outside of the scope** of GHG Protocol or the corporate suite of standards

- Evaluate companies' climate resilience and/or risks
- Provide data to inform national inventories
- Evaluate sector-level performance
- Demonstrate corporate action that exceeds regulatory alignment
- Identify cost-effective mitigation opportunities
- Inform development of internal carbon-pricing systems

Is it the role of GHG Protocol to incentivize climate aligned corporate action?

Examples:

- Provide support to grow nascent markets for climate-positive products
- Reward first-movers in adoption of climate-positive solutions

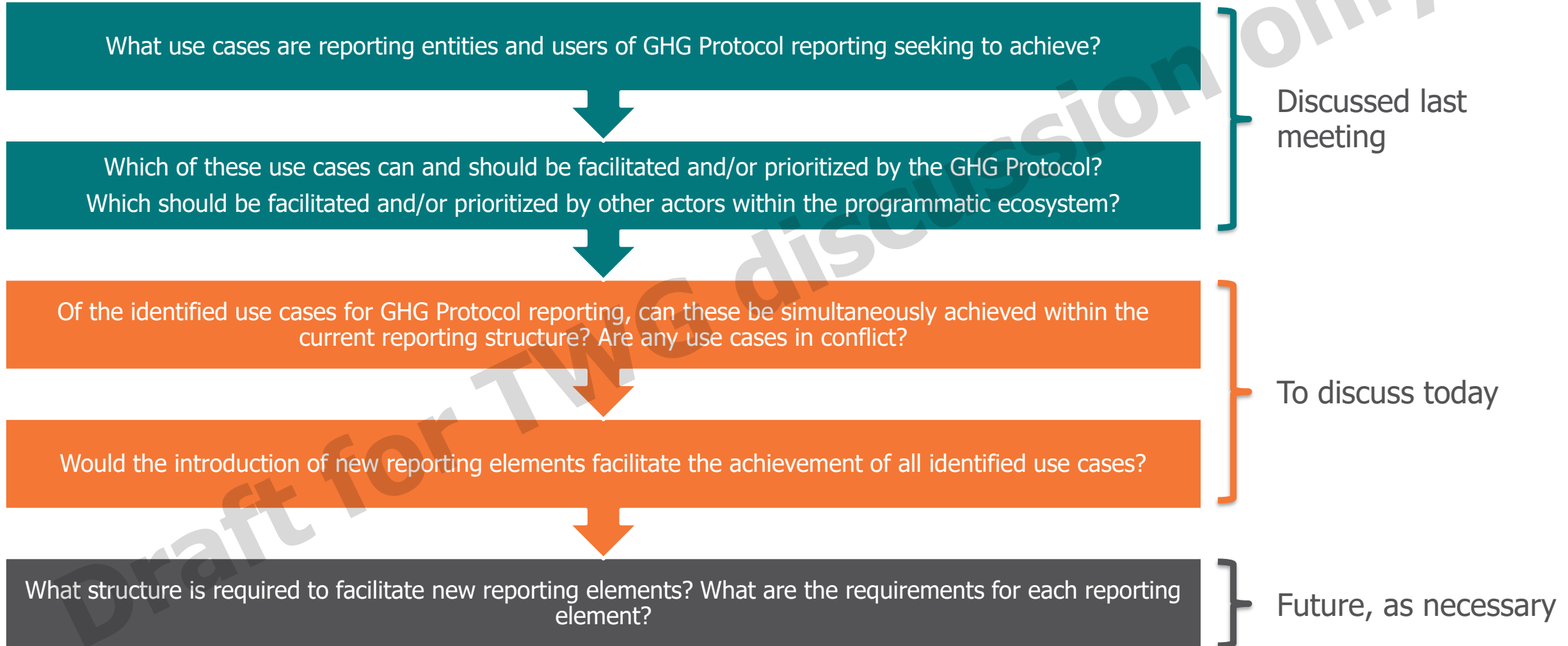
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Strategic questions relevant to AMI workstream



Discussion questions

Can all use cases be simultaneously achieved within the current reporting structure (e.g. inventory and 'reported separately')?

Would the introduction of new reporting elements facilitate the achievement of all identified use cases?

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Next Steps

Asks for TWG Members

- Submit requests to the [open discussion form](#) **by Friday, Jan 17th** to be considered for call on Jan 22nd
 - Agenda for optional open discussion calls will be sent out the Monday prior (i.e. Jan 20th)
- Actions and market instruments typology worksheet will be circulated prior to next meeting

Next Meeting Dates

- **Open Discussion Meeting**
 - Wednesday, January 22nd
- **TWG meeting # 1.04**
 - Wednesday, February 19th

Thank you!

Contact information

Kevin Kurkul

kevin.kurkul@wri.org

Michaela Wagar

michaela.wagar@wri.org



Draft for TWG Discussion

Appendix



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WORLD
RESOURCES
INSTITUTE



World Business
Council
for Sustainable
Development

Feedback – member-suggested alternative use case structures

Grouping 1	
Use cases currently suitable for corporate inventories	
1	Publicly report corporate GHG data
4	Identify 'hot spots' to inform internal action
6	Evaluate regulatory risk with future compliance to GHG rules
10	Identify opportunities for collaboration with suppliers and buyers
16	Provide data to meet regulatory requirements
20	Inform development of internal carbon-pricing systems
Uses related to corporate targets & performance	
2	Set and monitor progress against externally validated targets
7	Provide a comprehensive overview of climate performance and progress
8	Demonstrate contribution towards collective action
11	Incentivize climate-aligned corporate action
12	Demonstrate corporate action that exceeds regulatory alignment
13	Evaluate corporate responsibility for emissions
18	Evaluate sector-level performance
22	Demonstrate the impact of actions in comparison to actual operational emissions
Uses requiring comparability or aggregation of GHG data	
9	Demonstrate the impacts of actions at a product-level
14	Differentiate products/companies based on climate performance (upstream and downstream)
17	Provide data to inform national inventories
18	Evaluate sector-level performance
21	Enable comparison or benchmarking against peers or competitors
Unused	
3	Evaluate companies' climate resilience and/or risks
5	Demonstrate value to customers and/or employees
15	Identify cost-effective mitigation opportunities
19	Allocate ownership of intervention outcomes

Grouping 2	
Publicly report GHG inventories	
2	Set and monitor progress against externally validated targets
7	Provide a comprehensive overview of climate performance and progress
13	Evaluate corporate responsibility for emissions
16	Provide data to meet regulatory requirements
17	Provide data to inform national inventories
18	Evaluate sector-level performance
21	Enable comparison or benchmarking against peers or competitors
Publicly report on corporate actions to reduce/avoid emissions	
7	Provide a comprehensive overview of climate performance and progress
8	Demonstrate contribution towards collective action
9	Demonstrate the impacts of actions at a product-level
12	Demonstrate corporate action that exceeds regulatory alignment
13	Evaluate corporate responsibility for emissions
14	Differentiate products/companies based on climate performance (upstream and downstream)
19	Allocate ownership of intervention outcomes
22	Demonstrate the impact of actions in comparison to actual operational emissions
Incentivize climate-aligned corporate action	
3	Evaluate companies' climate resilience and/or risks
4	Identify 'hot spots' to inform internal action
5	Demonstrate value to customers and/or employees
6	Evaluate regulatory risk with future compliance to GHG rules
10	Identify opportunities for collaboration with suppliers and buyers
15	Identify cost-effective mitigation opportunities
20	Inform development of internal carbon-pricing systems
Unused	
1	Publicly report corporate GHG data
11	Incentivize climate-aligned corporate action

Feedback – member-suggested alternative use case structure

- This list of uses cases is a combination of actions and goals. With this blending there are some list items that are prerequisites to addressing other items on the list. The actions may or may not be relevant to specific goals, would recommend something like the following:
- Goals Relevant to GHG Inventory:
 - 1. Incentivize continued climate-aligned corporate action to report and/or reduce emissions
 - 2. Develop relationships with suppliers and corporate buyers / partners
 - 3. Demonstrate value to customers (consumers) and/or employees
 - 4. Evaluate compliance risk of current/potential regulatory GHG reporting & reductions rules
 - 5. Demonstrate corporate has/is paying their fair share towards voluntary collective action to reduce GHG emissions
 - 6. Evaluate companies' climate resilience and/or risks
- Not Listed but Relevant Goals:
 - Providing information to shareholders who invest based on company action to reduce GHG emissions

Feedback synthesis - revised use case list

Publicly report GHG inventories

Report

- 2 Set and monitor progress against externally validated targets
- 3 Evaluate companies' climate resilience and/or risks
- 7 Provide a comprehensive overview of climate performance and progress
- 13 Evaluate corporate responsibility for emissions
- 16 Provide data to meet regulatory requirements

Compare

- 5 Demonstrate value to customers and/or employees
- 14 Differentiate products/companies based on climate performance (upstream and downstream)
- 17 Provide data to inform national inventories
- 18 Evaluate sector-level performance
- 21 Enable comparison or benchmarking against peers or competitors

Publicly report on corporate actions to reduce/avoid emissions

- 7 Provide a comprehensive overview of climate performance and progress
- 8 Demonstrate contribution towards collective action
- 9 Demonstrate the impacts of actions at a product-level
- 12 Demonstrate corporate action that exceeds regulatory alignment
- 19 Allocate ownership of intervention outcomes
- 22 Demonstrate the impact of actions in comparison to actual operational emissions

Identify and incentivize climate-aligned corporate action

Internal

- 4 Identify 'hot spots' to inform internal action
- 15 Identify cost-effective mitigation opportunities
- 20 Inform development of internal carbon-pricing systems

External

- 6 Evaluate regulatory risk with future compliance to GHG rules
- 10 Identify opportunities for collaboration with suppliers and buyers

Unused

- 1 Publicly report corporate GHG data
- 11 Incentivize climate-aligned corporate action