

## Scope 2 Technical Working Group Meeting

Meeting #9

March 05, 2025



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This meeting is recorded.



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



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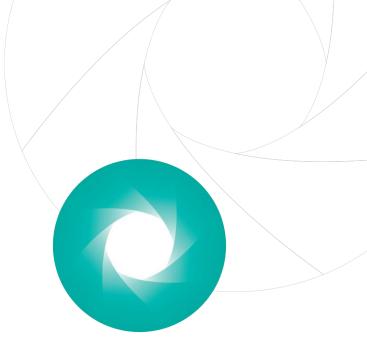
Be mindful of sharing group discussion time; keep comments as succinct as possible.



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## Agenda

- **1.** Housekeeping & goals for meeting
- 2. Feedback from ISB
- 3. Issue 2: Treatment of standard supply service & voluntary procurement
- 4. Next steps



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## Goals of today's meeting



#### **Goals of today's meeting**

**1. Share key feedback from ISB** 

#### 2. Gather feedback and begin polling on areas of convergence and divergence for Issue 2

- a. Poll the group on topics related to standard supply service and order of operations (2a)
- b. Begin discussion on topics related to additional restrictions for voluntary procurement (2b)



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## **Feedback from ISB**



#### February 25<sup>th</sup> ISB meeting – Feedback on Scope 2 revisions

The following slide summarizes initial feedback from some ISB members and is for informational purposes only. It does not represent a formal ISB decision or the consensus of the entire ISB. The points included reflect the Secretariat's interpretation of the discussion and should not be considered final or binding.





#### **Secretariat Interpretation of Initial ISB Feedback**

#### GHGP needs to incentivize ambitious actions

- ISB members generally indicated a desire for companies to be able to make claims related to their actions in order to incentivize climate mitigation practices
- A member noted that GHGP should be setting the standard of what best practice looks like and should minimize setting limitations on the level of ambition where
  possible
- Clarity on attributional and consequential accounting in the context of the MBM
  - Several ISB members emphasized the importance of maintaining clear boundaries between attributional inventory accounting and consequential accounting, advising caution about conflating these concepts.
- Provide clarity on reporting elements within a broader scope 2-related report
  - ISB members generally shared interest in considering what a model comprehensive GHG report could look like for the electric power sector, inclusive of scope 2 inventory and consequential metrics.
- Support for concept of physical deliverability
  - Several ISB members indicated strong conceptual support for refining market boundaries toward demonstrating deliverability of procured generation, ensuring
    procurement plausibly matches consumption locations.
- Ensure global feasibility
  - Several ISB members highlighted practical considerations, urging careful consideration of geographic and physical constraints
  - Several ISB members encouraged further consideration of tiers or thresholds for MBM accounting requirements
  - Several ISB members asked for consideration of situations in which physical connection to projects is not possible



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# Summary of key issues raised in revisions



#### Key issues identified for discussion on market-based method revisions

- **Issue 1:** Vintage and market boundaries
- **Issue 2:** Treatment of standard supply service & voluntary procurement
- **Issue 3:** Estimated vs. actual activity data
- **Issue 4:** Treatment of residual mix
- **Issue 5:** Dual reporting, goal setting and tracking, and additional metrics
- **Issue 6:** Refinement of purposes, uses, and claims; clarifications on reporting impacts





#### **Issue 2a: Treatment of standard supply service and order of operations**

#### Context

• TWG members proposed "standard supply service" (SSS) to include electricity supplied under regulated cost recovery, government mandates, or publicly owned generation.

#### **Key Questions**

- Should reporting entities have the right to claim the pro rata share of SSS carbon-free electricity (CFE) delivered to their facilities?
- If a reporter doesn't opt-in to making this claim, should it be eligible to be allocated to a different reporting entity?
- Should voluntary procurement be "stackable" on top of SSS CFE?
- Should further restrictions be applied to voluntary procurement claims, and if so, should these also apply to standard supply service and fossil attribute claims?





#### **Issue 2b: Additional restrictions on voluntary procurements in marketbased scope 2 inventories**

#### **Key Questions**

- Should causality, incrementality, or other restrictions on voluntary procurements be required in market-based reporting?
- What is the purpose of additional restrictions on voluntary procurement? Are additional restrictions on voluntary procurements necessary for the MBM to:
  - improve alignment with GHGP accounting and reporting principles?
  - o influence electricity suppliers and generation resource supply mix across the grid?
  - serve as a tool for informing company strategies to drive grid-level changes and clean energy investments?
  - o improve alignment with GHG programs and disclosure frameworks based on GHG Protocol standards?
- Do the same reasons for adding additional restrictions on voluntary procurements apply equally to all reporting entities and regions globally?
- If introduced, what types of tests or conditions should be required to meet the additional restrictions (regulatory, financial, facility age, positive list, timing tests etc.)?



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### **Issue 2a: Treatment of standard supply service and order of operations**





#### Summary of status quo for utility- and supplier-specific emission factors

- "Companies may also use certificates conveyed to them by their supplier, separately from the other supplier mix information. This ensures equivalent treatment of certificates regardless of how they are sourced." (Section 6.6, p. 49).
- "A supplier-specific emission rate **can** also reflect certificates retired for compliance purposes (such as U.S. state RPS programs) which also convey attributes for public benefit and claims." (Section 6.11.3, p. 56)
- "For example, a utility delivers 1,000 MWh in total to customers and 200 MWh of that (20 percent) comes from zero-emitting renewables for which the energy attribute certificates have been retired. Any customer of that utility would be able to claim that 20 percent of their electricity is renewable and substantiated with certificates." (Section 6.6, p. 49).
- "For utilities under a supplier quota requirement (such as an RPS in the U.S.), structuring a green power product that covers 100 percent of a customer's electricity load **may** combine voluntary and compliance instruments up to the level of the quota, provided those compliance instruments convey energy use claims." (Section 9.4.1, p. 76-77)





#### Advancing Consensus on "Standard Supply Service" (SSS) – Proportional Allocation & Order of Operations

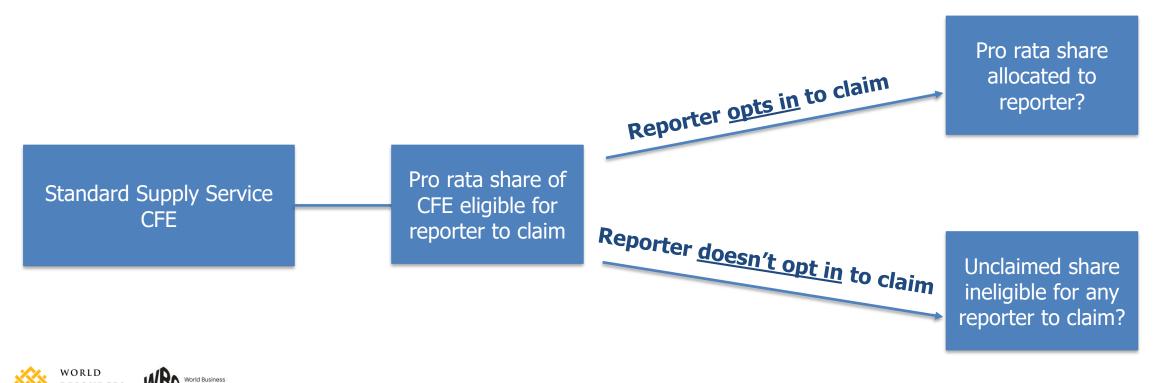
- SSS is being proposed to clarify allocation of supply and contractual instruments associated with:
  - A competitive or regulated supplier complying with a government-mandated clean energy procurement program (e.g., RPS, RET, EEG, RES, and other renewable energy target programs).
  - Generation resources subject to regulated cost recovery.
  - Publicly owned facilities where the majority owner is a government entity.
- Building on the *Scope 2 Guidance*, proposals indicate that SSS allocation should remain a foundational component of MB accounting, with refinements needed to:
  - Define SSS eligibility and attribution rules to ensure fair and transparent allocation while preventing double counting or misalignment with voluntary procurement.
  - Clarify the order of operations, including whether and how SSS clean energy can be used in combination with voluntary procurement.





#### What are the eligibility and attribution rules of Standard Supply Service?

- Should reporting entities have the right to claim Standard Supply Service CFE delivered to their facilities?
- If a reporting entity chooses not to claim its pro rata share of CFE, what should happen to the unclaimed portion? Can it be allocated to a different reporting entity?



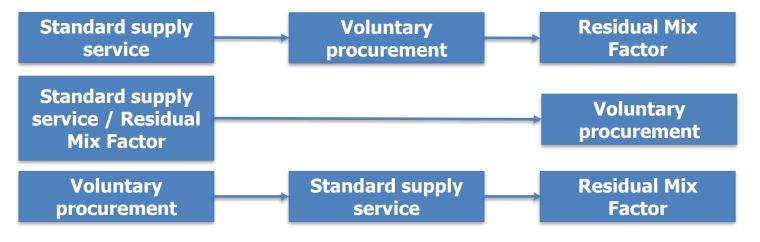


#### How does Voluntary Procurement and SSS Allocation work together?

- How should reporting organizations combine voluntary and SSS (e.g., compliance / mandatory) instruments – Are voluntary claims "stackable" on top of SSS allocation?
- Should voluntary purchases be required for an organization's total load or only to the unmet portion of its load after SSS allocation?

Example: If SSS allocation of CFE is 20%, does the organization need to:

- Voluntarily procure 80% CFE to get to 100%?
- Voluntarily procure 100%?







#### **Poll on Standard Supply Service**

- 1. In the MBM, should reporting entities have the right to claim the pro rata share of Standard Supply Service CFE delivered to their facilities (while following the Scope 2 Quality Criteria)?
  - a) Yes
  - b) No
  - c) Need more information
- 2. If a reporter doesn't opt-in to claim their pro rata Standard Supply Service CFE, should it be eligible for voluntary claims in the market-based inventories of other companies?
  - a) Yes
  - b) No
  - c) Need more information
- 3. If the pro rata share of Standard Supply Service CFE makes up 20% of a reporter's electricity load, what percentage of its load should a reporter need to voluntarily procure to reach 100% CFE?
  - a) 80% of their load
  - b) 100% of their load
  - c) Other (please describe in chat)
  - d) Need more information (please describe in chat)



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# **Issue 2b: Additional restrictions on voluntary procurement**





#### Are additional restrictions on voluntary procurement necessary?

If Standard Supply Service is allocated to reporting organizations, are additional restrictions on voluntary procurement necessary?

Options include one or a combination of the following:

- **Incrementality criteria** Voluntary procurements can only be counted if they meet criteria that indicates the procurement contributes to incremental CFE generation (e.g., facility age, original off taker, subsidy limits).
- **Grid-Based Limit** Voluntary claims cannot exceed the share of clean energy on the grid at a given time.
- **Bundled procurements** Voluntary procurements can only be counted if a reporter procures contractual instruments associated (e.g., "bundled") with generation in combination with electricity.
- **Causality tests** Voluntary procurements can only be counted if they meet criteria that indicates proof of causality (e.g., regulatory, financial, and timing-based tests, positive lists).
- **No further restriction** Voluntary claims are only required to meet spatial and temporal matching and other Quality Criteria, without further tests or restrictions.





#### What is the purpose of additional restrictions on voluntary procurement?

- Does adding additional restrictions on voluntary procurements improve the market-based method's alignment with GHG Accounting and Reporting principles? (Accuracy, Relevance, Consistency, Transparency, Completeness)
- Are adding additional restrictions on voluntary procurements necessary for the following purposes?
  - 1. Influencing electricity suppliers and the generation resource mix across the grid
  - 2. Serving as a tool for informing company strategies to drive grid-level changes and clean energy investments
- Would additional restrictions on voluntary procurements improve alignment with GHG programs and disclosure frameworks based on GHG Protocol standards? (*Interoperability with mandatory and voluntary programs*)
- Do the same reasons for adding additional restrictions on voluntary procurements apply equally to all reporting entities and regions globally? (*Feasibility, equitable application*)





#### Proposed polling question: Additional restrictions on voluntary procurement

4. If additional restrictions should be applied to voluntary procurements, which of the following should be further considered by the TWG (select all that apply):

- a) Incrementality criteria Voluntary procurements can only be counted under the market-based method if they meet criteria that indicates the procurement contributes to incremental CFE generation (e.g., facility age, original off taker, subsidy limits).
- **b) Grid-Based Limit** Voluntary claims cannot exceed the share of existing clean energy on the grid at a given time.
- c) **Bundled procurements** Voluntary procurements can only be counted under the market-based method if a reporter procures contractual instruments associated with generation in combination with electricity (bundled).
- **d) Causality tests** Voluntary procurements can only be counted under the market-based method if they meet criteria that indicates proof of causality (e.g., regulatory, financial, or timing-based tests, positive list).
- e) No further restriction should be considered Voluntary claims are only required to meet spatial and temporal matching and other Quality Criteria, without tests or restrictions to meet incrementality or causality.





#### Proposed polling question: Additional restrictions on voluntary procurement

5. Should the Scope 2 standard require causality tests when allocating emissions to end-users in the market-based method?

- a) Yes
- b) No
- c) Need more information (please describe in chat)

## 6. Should *voluntary* procurement of clean energy be required to meet additional criteria that indicates the procurement contributes to incremental CFE generation?

- a) Yes, voluntary procurement of clean energy in all markets by all reporters must be required to meet additional criteria that indicates the procurement contributes to incremental CFE generation.
- b) Mixed, in general voluntary procurement of clean energy must be required to meet criteria that indicates the procurement contributes to incremental CFE generation, however exemptions may exist for some reporters and/or markets.
- c) No, voluntary procurement of clean energy shall not be required to meet criteria that indicates the procurement contributes to incremental CFE generation.
- d) Need more information (please describe in chat)



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## Next steps



#### Next steps

- **Posting revisions:** Suggested redlines and rationale slides will continue to be posted to SharePoint on a rolling basis as they are received, allowing TWG members to both submit and refine revisions over time.
- **Review expectations**: TWG members should review all posted market and location-based method revision materials . The Secretariat will update on additional submissions from TWG members as they become available. In addition to engaging during TWG calls, members are encouraged to discuss feedback with proposal authors outside of formal meetings.
- **Miroboard engagement:** TWG members should continue engagement on Miro to progress on discussion and alignment for the key issues identified. For questions on accessing and using the Miroboard, reach out to Kyla Aiuto and Chelsea Gillis.
- **Facilitated discussions**: The Secretariat will identify emerging consensus and areas needing further collaboration. We welcome input on these considerations.
- **Ongoing review**: Meetings through June will provide ongoing opportunities to further develop and refine content.
- Next meeting: Wednesday, March 19<sup>th</sup>, 9:00 EST/15:00 CET/ 22:00 CST
- Next iteration of market-based revisions: Updates or new revisions are requested by April 4<sup>th</sup>





#### Thank you!

If you'd like to stay updated on our work, please <u>subscribe</u> to GHG Protocol's email list to receive our monthly newsletter and other updates.





Supplementary slides



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GAS PROTOCOL

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World Business

or Sustainable

Council

#### Core changes to treatment of standard supply service/standard delivery

Proposal 1 Standard Supply Service (SSS)	Proposal 2 Standard Supply Service (SSS)	Proposal 3 Standard Supply Service (SSS)	Proposal 4 Standard Delivery
<ul> <li>There must be a causal relationship between the reporter and the generation facility whose emissions rate is reported.</li> </ul>	<ul> <li>SSS shall be claimable by companies as a pro-rata share of their discrete load served by individual suppliers, through allocation via a supplier-specific</li> </ul>	<ul> <li>SSS shall be claimable by companies as a pro rata share of their discrete load served by individual suppliers, through allocation via a supplier-specific</li> </ul>	<ul> <li>Companies who have energy attribute certificates retired on their behalf through a green power product, or a standard delivery product may count their pro-rata</li> </ul>
Order of operations	emission rate.	emission rate.	share of energy attributes.
<ul> <li>No proposed changes</li> </ul>	Unclaimed SSS cannot be reallocated.	<ul> <li>Unclaimed SSS cannot be reallocated.</li> </ul>	<ul> <li>Companies cannot re- allocate legally conveyed</li> </ul>
Additional requirements for			emissions benefits to a
voluntary procurement	Order of operations	Order of operations	single customer or subset of
• There must be a causal	• SSS is allocated first, before	• SSS is allocated first, before	customer to the detriment
relationship between the reporter and the generation	voluntary procurement.	voluntary procurement.	of other customers of that product (e.g., in a standard
facility whose emissions rate	Additional requirements for	Additional requirements for	delivery product).
is reported.	voluntary procurement	voluntary procurement	
	Authors did not reach consensus.	Authors did not reach	Order of operations
	Five options proposed including	consensus. Two options	Companies may count their
	the following restrictions:	proposed:	pro-rata share of energy
	1. Incrementality criteria	1. No additional requirements	attributes first before
	2. Grid-based limit	2. Causality tests	independent purchases of
	3. Bundled procurements		any remaining certificates.
	4. Causality tests		
	5. Combination of restrictions		Additional requirements for



No proposed changes

voluntary procurement

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#### Summary of topics raised in MBM revision submissions (1/2)

Proposal 1 (2 TWG members)	Proposal 2 (15 TWG members)	Proposal 3 (8 TWG members)
Changing the described purposes and uses of the MBM	<ul> <li>Changing the described purposes and uses of the MBM</li> </ul>	<ul> <li>Consequential impact of procurement and consumption is assumed TBD later (TWG sub-group)</li> </ul>
<ul> <li>Introduce demand-side and supply-side temporal data quality</li> </ul>	<ul> <li>Introduce demand-side and supply-side temporal data quality criteria hierarchy</li> </ul>	<ul> <li>Changing the described purposes and uses of the MBM</li> </ul>
<ul><li>criteria hierarchy</li><li>Introduce a spatial and temporal</li></ul>	Introduce methodology for demonstrating spatial correlation	<ul> <li>Introduce consumption data hierarchy to enable various procurement strategies</li> </ul>
<ul> <li>Introduce a spatial and temporal deliverability requirement</li> <li>➢ Where data is available</li> </ul>	<ul> <li>Introduce a spatial and temporal deliverability requirement</li> </ul>	<ul> <li>Introduce requirement for qualified EACs (or supplier attestation) used in matching consumption with CFE to meet proof of purchase and</li> </ul>
Introduce causality requirement	<ul> <li>For loads above 5 GWh per region</li> <li>If data is not available load profiles can</li> </ul>	<ul><li>deliverability (used for CFE Score %)</li><li>Introduce spatial deliverability criteria</li></ul>
<ul> <li>Requirement for final inventory total to include two totals</li> </ul>	be used	<ul> <li>Introduce temporal hierarchy for EACs</li> <li>Introduce criteria related to the treatment of standard supply /</li> </ul>
	<ul> <li>Introduce criteria related to the treatment of standard supply and preferential claims         <ul> <li>a. Facility age</li> <li>b. Original offtaker</li> </ul> </li> </ul>	<ul> <li>clarify order of operations so all qualified EACs count equally (voluntary and compliance)</li> <li>Introduce a financial relationship/causality requirement (for continued discussion)</li> </ul>
	<ul><li>c. Public ownership</li><li>d. Bundled purchase</li><li>e. %-CFE in grid</li><li>f. Causal relationship</li></ul>	<ul> <li>Introduce emission factor data hierarchy for all unmatched consumption (without qualified EACs) (used to calculate market-based inventory)</li> <li>Use best available fossil EF information (fossil EACs, specific resources, supplier-specific EF, fossil residual mix, fossil grid</li> </ul>
	<ul> <li>Use fossil mix instead of grid-average emission factor where residual mix is unavailable</li> </ul>	<ul> <li>average)</li> <li>Eliminate use of grid system average</li> </ul>
WORLD RESOURCES INSTITUTE	Proposals presented in order received	by GHG Protocol Secretariat 29

#### Summary of topics raised in MBM revision submissions (2/2)

	Proposal 4
(1	TWG member)

- Changing the described purposes and uses of the MBM
- Introduce a temporal deliverability recommendation and explicit temporal matching data requirement
- Updated spatial deliverability requirements based on deliverability of certificates not electrons and characteristics of distribution systems
  - Changes to certificate sales language
- · Change the market-based data precision hierarchy
- Update order of operations guidance

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- Introduce guidance on standard delivered carbon free electricity
- Introduce two types of residual mixes (A and B)
- Update guidance on goal setting and tracking based on what different totals can credibly communicate
- Introduce clarifications on reporting about impact

#### **Proposal 5** (1 TWG member)

- Changing the described purposes and uses of the MBM
- Establish a hierarchy of market boundaries (*TBD, not yet proposed*)
- Define criteria for cross-boundary contracts and accounting (*TBD, not yet proposed*)
- Introduce requirement that contractual procurement options (e.g. PPAs) include EACs
- Introduce regulatory additionality requirement for EACs

#### Proposal 6 (1 TWG member)

 Introduce criteria related to the treatment of standard supply and preferential claims





#### Phase 1 Scope of Work related to market-based method

Clarify objectives and consider any changes to the accounting and reporting requirements of the Scope 2 Standard
 a) Clarify the objectives and purpose of the scope 2 location-based and market-based methods
 b) Clarify the objectives and purpose of dual reporting of the location-based and market-based methods in scope 2
 c) Clarify the relationship between scope 2 inventory accounting and electricity sector project accounting methodologies such as in the GHG Protocol Guidelines for Quantifying GHG Reductions from Grid-Connected Electricity Projects
 d) Explore whether alternative or additional scope 2-related metrics should be included in a GHG emissions report
 2) Location-based method technical improvements

a) Determine whether to require or recommend more accurate data than currently required, such as hourly data or consumption-based grid average emissions data

b) Clarify how to account for electricity generated and consumed from on-site projects within the reporting company's organizational boundary using the location-based method

c) As needed, evaluate technology-specific implications of location-based method technical improvements

#### 3) Market-based method technical improvements

a) Review the Scope 2 Quality Criteria to consider revisions to the market boundary and vintage criteria requirements

b) Review the Scope 2 Quality Criteria to consider new requirements related to impact, additionality, or resource newness

c) Clarify how to account for carbon-free electricity and renewable power supplied under utility programs or regulatory compliance schemes in the market-based method and what information must be included in a supplier- or utility-specific emission factor

d) Evaluate if updates to the emission factor data hierarchy and order of operations in applying emission factors, energy attribute certificates, etc. are appropriate

e) As needed, evaluate technology-specific implications related to market-based method technical improvements

4) Role of project-based accounting methodology relative to scope 2 accounting

a) Clarify the relationship between scope 2 inventory accounting and electricity sector project accounting methodologies such as the GHG Protocol Guidelines for Quantifying GHG Reductions from Grid-Connected Electricity Projects

b) Determine how and to what extent the quantification and reporting of GHG emission impacts of grid-connected electricity projects using the project method is required by the standard

c) Clarify potential interactions between carbon credits sourced from carbon-free generation facilities and EACs from the same resource

5) Guidance for regional variation in energy markets

a) Consider the development of guidance and additional examples of scope 2 calculations for the location-based and market-based methods for various energy markets globally

b) Create additional guidance for accounting for the purchase and sale of energy associated with "off-grid" energy generating installations, including microgrids

6) Interaction with policies and programs

a) Clarify what each scope 2 accounting method/metric represents and provide directions and recommendations for their use by mandatory disclosure rules, target-setting programs, and for individual reporters





#### **Clarifying the Purpose & Use of Location- & Market-Based Methods**

The current *Scope 2 Guidance* purposes & uses list here were reviewed with TWG members to facilitate development of any recommended revisions.

#### Market-based method

- Estimating emissions based on contractual relationships to electricity supply
- Influencing electricity suppliers and generation resource supply mix across the grid
- Risk and opportunity assessment related to contractual relationships
- Enabling decision-making for consumers and companies

#### Location-based method

- Estimating and reflecting emissions based on grid data
- Risk and opportunity assessment related to grid emissions
- Enabling decision-making for consumers and companies
- Improving comparability

#### The TWG's initial recommendations are presented on the following slides.





#### MBM Purpose & Use – Many TWG Supported Retention or Refinement

Most Support	Rationale
Allocates emissions based on contractual relationships, market transactions, and legal frameworks.	The MBM is an allocation method, not an estimation tool, providing accountability for procurement decisions and aligning with market-based electricity transactions.
Enables credible emissions inventory tracking through verifiable contracts and instruments.	Market transactions and contractual instruments can be audited and verified, supporting transparency and consistency in procurement-based claims and reporting.
Facilitates corporate clean energy procurement by enabling supplier and product specific choices.	The MBM allows consumers to select and contract for specific electricity products, including PPAs and supplier-specific options, strengthening engagement in clean energy markets.
Reflects market signals that influence investment decisions and supplier choices.	The MBM captures consumer demand for low-carbon energy, which can shape electricity markets and may contribute to supply change.
An input to risk and opportunity assessments related to contractual relationships	The MBM may be used as an input to an assessment of climate- related transition risks/opportunities related to a company's procurement (e.g., carbon pricing)







# MBM Purpose & Use – Mixed Views, with Some Supporting Retention or Refinement and Others Opposing It

Mixed Support	Rationale
Informing decisions related to grid decarbonization	Some proposals view the MBM as a tool for informing company strategies to drive grid-level changes and clean energy investments. Others suggest a MBM inventory does not directly reflect the full impact of a company's procurement actions or interventions so should not be used to inform these decisions.
Accelerating grid decarbonization	Debate on whether the MBM drives grid decarbonisation by creating market signals that influence electricity suppliers and generation resource supply mix across the grid.
Consumer vs. Supplier responsibility for emissions	Some revisions emphasize the MBM as a consumer-driven tool incentivizing voluntary procurement choices. Others argue that MBM inventories should <i>also</i> allocate supplier-driven or government-mandated clean energy procurements to individual consumers to be fair and complete.
Incentivizing policy engagement	Some proposals suggest MBM can inform corporate engagement with policymakers by highlighting the need for energy market structures that support contractual procurement options. Others did not explicitly address this point.





## MBM Purpose & Use – Many Members Recommending Removal or Expressing Significant Reservations

Minimal Support	Rationale
The idea that MBM should reflect market-based electricity choices regardless of physical connection was not widely endorsed.	Many members agreed that some physical tie between corporate reporters and underlying electricity supply was essential to maintain credibility of the MBM.
TWG members generally did not support MBM as a way to prioritize assembling an optimal mix of energy resources based on transmission constraints, technology advancements, or policy considerations.	TWG members did not broadly support MBM as a mechanism to prioritize assembling an optimal mix of energy resources based on factors like transmission constraints, technology advancements, or policy goals.





#### LBM Purpose & Use – Many TWG Supported Retention or Refinement

Most Support	Rationale
Comparability & standardized emissions allocation	Support for LBM as a standardized tool for comparing emissions across organizations and locations by allocating emissions based on the average grid emissions intensity within a defined geographic area.





# LBM Purpose & Use – Mixed Views, with Some Supporting Retention or Refinement and Others Opposing It

Mixed Support	Rationale
Incentivizing policy engagement	Debate on if LBM should encourage policy and utility engagement to reduce grid carbon intensity where energy consumption occurs or remain strictly an emissions allocation tool without a broader role in policy influence.
Role of LBM in risk and opportunity assessments	Some proposals limit LBM's role in risk assessment to grid emissions intensity, reduction target-setting, and hot spot identification. Some include broader applications like climate-related risk assessment. Others argue LBM should strictly allocate emissions and exclude all risk assessments from the purposes and uses.
LBM as a decision-making tool	Mixed support for describing LBM as a tool for actively guiding procurement, siting, or investment decisions, including tracking targeted actions such as energy efficiency projects aimed at reducing reliance on polluting, peaking resources. Suggestions for replacing "decision-making" language with "target setting" or "abatement planning".





## LBM Purpose & Use – Many Members Recommending Removal or Expressing Significant Reservations

Minimal Support	Rationale
Tracking consumer or supplier influence on grid mix	Limited support for suggesting LBM reflects consumer or supplier decisions over time or tracks engagement with utilities or policymakers, as these are seen as MBM functions and may not be observable in grid-average emissions factors.

