30.1.2026

Finnish Energy response to the GHG Protocol Scope 2 public consultation

Selected Questions on Definition & Purpose

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?

The proposed scope 2 definition update claims to clarify that scope 2 must only include emissions from physically connected generation. However, this is a fundamental point which we see flawed in this draft proposal regarding electricity market set-up in Europe. Electricity markets operate through traded balancing responsibilities, not the transfer of physical electrons. Electricity does not move through the grid as a directed flow, it moves as untraceable electromagnetic current. System operators balance frequency, which they continuously manage without regard to which generator serves which load. Power markets cannot adjust at this speed, so commercial transactions are virtual and do not map onto physical flows. Deliverability or physical traceability therefore has no meaning in an interconnected AC grid. Attempting to "increase accuracy" by adding temporal or locational matching requirements reflects a fundamental misunderstanding of book-and-claim systems. According to ISO 22095 and ISO FDIS 13659, attribution-based market instruments such as GOs and RECs, based on book-and-claim chain-of-custody model, do not rely on demonstrating physical delivery. Current GO market in Europe is built on continent-wide single-market practices with the foundation of the Single Market - where energy, labour, and goods flow freely across borders. Introducing bidding-zone-based boundaries as a corrective for "accuracy" does not strengthen comparability; it fragments it since the size, number, and configuration of bidding zones vary widely across countries and reflect policy or operational choices rather than consistent physical or market realities.

Finnish Energy has understood that GHG protocol would simultaneously also remove the annex that discusses about heat and would use similar requirements also for heat GOs than for electricity. **Heating and electricity differ significantly from one another.** For example, in a district heating system, depending on the customer's location relative to the production plant and on the amount of thermal storage, the produced heat may reach end-users only after several hours – in some cases even days. Therefore, allocating guarantees of origin to specific consumption hours is technically challenging. In addition, guarantees of origin are almost

always used within the same network, meaning that the requirement for a physical connection and deliverability is already inherently fulfilled on the heating side.

Heating-sector operators and networks are much smaller than those in the electricity sector. Consequently, an hourly monitoring requirement would be unreasonable for many small operators and networks.

We propose continuing with the current approach for heat, meaning the existing method described in the annex with current requirements coming from other parts of the document would remain in place. For example, heat GOs in Finland are admitted in accordance with the EU RED Directive and the EN16325 standard (please see: https://energiavirasto.fi/en/guarantee-of-origin).

Selected Questions on the Location-Based Method

26.Please provide your concerns or reasons for why you are not supporting, if any.

Select all options that apply

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

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?

- a. Yes, I support local boundary as the most precise spatial boundary
- b. No, a more precise spatial boundary should be added
- c. No, a less precise spatial boundary should be used. Use Operational grid boundary
- d. No, a less precise spatial boundary should be used. Use Grid-wide or national boundary
- e. Other (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

Demonstrating physical deliverability is not a reasonable expectation under either the LBM or the MBM. Where dual reporting is required, national boundaries under the LBM may serve as an indicative reference alongside market boundaries under the MBM, but should not be interpreted as evidence of physical delivery.

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)

1

47. Please provide your concerns or reasons for why you are not supporting (select all that apply).

- a. Concern about negative impact on comparability, relevance and/or usefulness of LBM inventories
- b. Concern that administrative, data management, and audit challenges posed by this approach would place an undue burden and costs on reporters
- c. Concern that the most precise spatial boundary in the LBM emission factor hierarchy, "local boundary', is too narrow to require even when accessible
- d. Accessible factors may be less accurate than non-accessible options and primary users of emission reporting data may expect the most representative factors
- e. Material differences to inventory accuracy are too small to justify cost
- f. Concern about the update cadence or representativeness of datasets (hourly/monthly)
- g. Other (please provide)

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

We recognise the value of improving temporal and spatial granularity in location-based emission factors, as this can better reflect grid operations and thus paint a more detailed picture of Scope 2 emissions. However, strict application of the "most precise location-based emission factor available" requirement raises significant concerns.

First, regarding comparability, highly granular factors can vary widely in availability and quality across regions, especially when activity data also differ across reporting entities. Mandating their use could fragment reporting practices and undermine comparability between companies and jurisdictions. For that reason, one boundary category for all would be preferable.

Second, regarding integrity, in some cases, more granular emission factors than the current system may not be more accurate than well-established broader averages, particularly if they lack robust quality control or timely updates. Using such factors could hamper the effective, correct use of the location-based method.

While finer geographical granularity may seem desirable, it does not necessarily guarantee reliable factors nor reflect the physical reality of the grid. For most cases, national-level factors are more robust and practical. Local boundaries should be reserved for isolated grids such as insular systems.

Third, regarding feasibility: Applying local and hourly factors risk imposing disproportionate administrative and cost burdens, requiring new IT systems, data pipelines and assurance processes. Smaller entities and multi-country operators would face particular challenges. The incremental accuracy gains may not justify these costs.

Fourth, the definition of a "accessible source" (as referenced in section 4.1.2) needs to be clarified to ensure consistency across jurisdictions, particularly on the credibility aspect.

If the proposed changes were to take effect, the GHG Protocol should publish a comprehensive, updated list of data sources that should be allowed to be used to report this location-based emission factor.

In addition, the Greenhouse Gas Protocol should provide a clear, comprehensive impact assessment of its proposed changes to Scope 2 emissions reporting before introducing them. To inform the Scope 2 changes and an accompanying impact assessment, the GHG Protocol should also consult additional relevant stakeholders in the specific EU/EEA context, such as the European Commission, national regulators, etc. These exchanges should go beyond the current consultation phase.

Finally, any move towards increased granularity should happen in a gradual, phased manner, to allow stakeholders to adapt.

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?

Local boundaries are too granular to mandate universally. While they improve theoretical accuracy, they risk undermining comparability and might be difficult to apply in practice. Reporting at this level should be a "may" requirement, not "shall." For most EU/EEA contexts, operational grid or bidding zone boundaries provide a more practical balance between integrity and feasibility.

65. Which two measures would most reduce burden in your context? (select up to 2)

- a. Standardized publication of consumption-based emission factors by grid/system operators
- b. Load profile hierarchy/templates to approximate hourly activity data when meters are unavailable
- c. Phased implementation (staged effective dates)
- d. API/automated access to emission factor datasets
- e. Example calculations and disclosure templates
- f. Assurance safe-harbors for estimates
- g. Other (specify)

There is a focus on the challenges with matching of the consumption side due to the lack of hourly meter data, but the same problem exists on the production side as well. Guarantees of origin can only be issued retroactively. Even though production is measured accurately, the retrospective hourly matching of production and consumption, along with hourly trading of guarantees of origin, significantly increases complexity, costs and administrative burden. This would require significant IT system development and time. A quick implementation of such a change is not feasible. A potential solution to not having access to real-time data could be the use of load profiles.

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:

- a. Earlier than reporting year 2027 (already aligned)
- b. Reporting year 2027 (inventory prepared in 2028)
- c. Reporting year 2028 (inventory prepared in 2029)
- d. Reporting year 2029 (inventory prepared in 2030)
- e. Reporting year 2030 (inventory prepared in 2031) or later
- f. Later than Reporting year 2030
- g. Not applicable

Selected Questions on the Market-Based Method

Update to Scope 2 Quality Criteria 4

70. All respondents, please select your preferred exemption threshold per deliverable market boundary.

- a. 5 GWhs
- b. 10 GWhs
- c. 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.

- a. Scale of 1 (no support) – 5 (fully support)

1

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

- a. 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
- b. Hourly matching should follow an optional 'may' rather than a required 'shall' approach
- c. Hourly matching should follow a recommended 'should' rather than a require 'shall' approach
- d. Concern about negative impact on comparability, relevance and/or usefulness of MBM inventories
- e. 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
- f. Concern that administrative, data management, and audit challenges posed by this approach would place an undue burden and costs on reporters
- g. Concern that requiring hourly matching does not create meaningful improvements to inventory accuracy
- h. Concern that a requirement for hourly contractual instruments could discourage global participation in voluntary clean energy procurement markets
- i. Other (please explain)

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

Finnish Energy recognises that the proposal to introduce hourly matching in Scope 2 reporting aims to strengthen the credibility of corporate greenhouse gas accounting by improving the temporal alignment between electricity consumption and fossil-free generation. While the ambition to enhance accuracy and transparency is sound, making hourly matching a mandatory requirement would create disproportionate complexity, undermine existing market structures, and risk delaying decarbonisation efforts across the energy sector.

Introducing an hourly matching obligation would dramatically increase operational complexity for all market participants - including reporting companies, suppliers, and producers. It would require the management of large volumes of granular data, significant IT system upgrades, and new verification procedures, alongside substantial skills development. This administrative and data burden would materially raise compliance costs, particularly for mid-sized and smaller companies, while offering limited incremental improvements in accuracy.

In addition, national registries and IT infrastructures across Europe are not yet equipped to handle hourly issuance, redemption, and verification of Guarantees of Origin (GOs). Building such capabilities would require major investments in data management and assurance processes, imposing disproportionate burdens on market participants.

From a market perspective, mandatory hourly matching would fragment today's liquid and integrated European GO market into thousands of separate sub-markets — one for each hour of the year and, in some cases, each bidding zone. This fragmentation would erode liquidity, increase volatility, drive up procurement costs, and undermine the efficiency of the EU's internal energy market. Such a shift would also contradict the EU's broader simplification and competitiveness agenda, including the CSRD Omnibus initiative aimed at reducing unnecessary reporting obligations.

Hourly matching risks discouraging voluntary renewable energy procurement and long-term Power Purchase Agreements (PPAs), which have been critical drivers of renewable deployment. Higher complexity and cost could reduce corporate appetite for PPAs, slowing down investment in new renewable capacity – contrary to EU and global decarbonisation objectives. Moreover, a fragmented market combined with narrow deliverability requirements could distort procurement strategies, restrict cross-border flexibility, and disrupt well-functioning voluntary markets that currently enable companies of all sizes to participate.

The current success of the GO system rests on its simplicity, accessibility, and liquidity - characteristics that have made voluntary renewable energy procurement an efficient and inclusive tool for climate action. Introducing a mandatory hourly matching requirement would jeopardise these strengths and could cause consumers to withdraw from voluntary procurement altogether.

For these reasons, Finnish Energy recommends that any movement toward finer temporal granularity should be voluntary. Hourly matching can be a valuable long-term ambition that enhances transparency and innovation, but it should not become a baseline obligation. Before introducing any of the proposed changes, we call for a comprehensive impact assessment that covers technical feasibility, cost implications and market effects. Should hourly matching be applied, the extension of the requirement to the residual mix should also be assessed to ensure

fair and comprehensive disclosure across reporting entities. Maintaining a flexible, market-based approach is essential to safeguard liquidity, enable efficient investment in fossil-free generation, and ensure continued progress toward Europe's decarbonisation objectives.

Update to Scope 2 Quality Criteria 5

83. 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?

- a. Scale of 1 (no support) – 5 (fully support)

1

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

- a. Proposed deliverability requirements do not improve alignment with GHG Protocol Principles
- b. Concern that narrower market boundaries restrict companies' abilities to invest in areas where renewable energy development could yield the greatest decarbonization impact
- c. Concern that narrower market boundaries could prompt a shift away from long-term agreements (i.e., PPAs) to spot purchases (unbundled certificates)
- d. Sourcing contractual instruments within deliverable market boundaries should follow an optional "may" rather than a required "shall" approach
- e. Sourcing contractual instruments within deliverable market boundaries should follow a recommended "should" rather than a required "shall" approach
- f. Concern that the defined market boundaries do not align with mandatory or voluntary reporting requirements in your region
- g. Support deliverability in principle, but the proposed market boundary for my region does not reflect deliverability
- h. Market boundaries should be defined as the geographic boundaries of electricity sectors, which align with national, and under certain circumstances, multinational boundaries
- i. Exemptions to matching within deliverable market boundaries should be allowed for markets lacking sourcing options
- j. Other (please explain)

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

Finnish Energy recognises the goal of introducing a deliverability requirement for Scope 2 reporting, particularly to address double counting. However, the concept as proposed in the GHG Protocol revision risks undermining the functioning of the well-established European Guarantees of Origin (GO) market. Defining deliverability through narrow market boundaries such as ENTSO-E bidding zones does not reflect the physical or economic reality of electricity flows in Europe. Bidding zones are administrative tools for system operation and congestion management, not suitable for tracking electricity attributes or defining environmental market boundaries.

Europe's electricity market functions as an interconnected, implicitly coupled system where electricity and attributes flow freely across borders based on economic efficiency. The European GO market relies on this integration: the fundamental value of the GO system lies in its ability to unbundle the fossil-free attribute from the physical flow of electricity, allowing its free transferability within the EU/EEA. This unbundling enables efficient allocation of capital to the most cost-effective fossil free investments, independent of short-term grid constraints or administrative bidding-zone borders. Restricting transfers to bidding zones or national borders would reverse decades of market harmonisation and conflict with the core principles of the European single market.

Applying deliverability at the level of individual bidding zones would fragment the currently unified GO market into numerous small sub-markets. Such fragmentation would decrease liquidity, increase volatility and complexity, and raise procurement costs. It would also limit the market's ability to direct investment toward the most cost-efficient renewable generation, undermining the efficiency gains achieved through cross-border trading. It would also hinder renewable deployment in resource-rich regions, such as Northern Europe for wind and Southern Europe for solar, and reduce demand for cross-border PPAs. Maintaining unrestricted cross-border trade of GOs is therefore essential to preserve market efficiency, liquidity, and Europe's collective decarbonisation progress.

The proposal further overlooks the evolution of Europe's market design, where financial transmission rights have largely replaced physical transmission rights. Reintroducing a physical deliverability concept would be both technically unfeasible and inconsistent with EU market principles.

A more coherent and market-consistent approach would recognise Europe's integrated electricity market as the appropriate boundary for deliverability. The European GO system, operating under the AIB and EECS framework, already provides a robust structure for tracking renewable attributes and ensuring transparency while maintaining market liquidity and investment flexibility.

In summary, the current deliverability proposal risks fragmenting the GO market, increasing costs and undermining both liquidity and investment efficiency. Finnish Energy therefore recommends a voluntary, "may rather than shall" approach that respects Europe's integrated electricity market, safeguards the functioning of the GO market and continues to enable

efficient, cross-border renewable energy procurement. If a mandatory deliverability requirement is retained, it should at minimum align with existing connected market boundaries that allow free trade and system-wide optimisation. Before any further steps are taken, it is essential to conduct a comprehensive impact assessment of the practical implications, including technical feasibility, cost implications and market effects.

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.

The proposed deliverable market boundaries do not appropriately reflect the realities of electricity deliverability in Europe. The EU/EEA operates as a highly interconnected single electricity market, governed by principles of free movement and harmonised trading rules. Guarantees of Origin (GOs), as defined in Directive (EU) 2018/2001 (RED II) and reinforced under RED III, are transferable independently of physical electricity flows and recognised across all EU/EEA Member States. Introducing narrow boundaries such as bidding zones or local grids would fragment this integrated market, erode liquidity and undermine cost efficiency.

From a technical perspective, physical deliverability cannot be demonstrated at bidding-zone level. Since market liberalisation, cross-zonal capacity booking has relied on long-term transmission rights (LTTRs) for hedging, remunerated via congestion income from day-ahead trades. Physical Transmission Rights (PTRs) have been phased out in the EU's Single Day-Ahead Coupling (SDAC) and replaced by Financial Transmission Rights (FTRs), which do not confer physical nomination rights. Academic literature (Batlle López et al., 2014, Joskow & Tirole, 1998, Harvey et al., 1996) confirms the superiority of financial rights for welfare gains. Therefore, requiring proof of physical delivery on interconnectors is not feasible in Europe's market design.

To preserve environmental integrity while maximising efficiency and fairness, the market boundary for contractual instruments should be set at the level of Europe's integrated electricity market, not fragmented bidding zones. This reflects the physical and economic reality of an interconnected system, supports portfolio synergies across borders, sustains financing models for new renewable capacity (including VPPAs), and ensures a level playing field for buyers regardless of local resource endowment.

In a well-coupled market where national governments share regulatory frameworks, markets and infrastructure – as in Europe – multinational electricity sectors should be recognised by the GHG Protocol. Narrow boundaries risk undermining renewable deployment by restricting procurement to local price areas rather than resource-optimal regions (e.g., wind in the North, solar in the South). Finnish Energy therefore recommends defining deliverable boundaries at the EU/EEA integrated market level, aligned with AIB/EECS systems and accompanied by a comprehensive impact assessment and stakeholder consultation before any implementation.

New guidance for Standard Supply Service (SSS)

97. 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)

1

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

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

Combined questions on updates to the market-based method

130. 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?

- a. Scale of 1 (insufficient) – 5 (highly sufficient)
- b. No basis to assess

1

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.

- a. Scale of 1 (much less) – 5 (much more)

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):

- a. Hourly matching and deliverability requirements may change prices due to supply available at specific times and locations of demand
- b. Shaping/firming or storage products required to align hourly supply with load
- c. Contract tenor or credit/collateral requirements that increase all-in price
- d. Need to structure multiple smaller PPAs instead of one large, aggregated contract, reducing economies of scale and increasing fixed transaction and development costs
- e. 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
- f. Procurement costs to purchase EACs in secondary/spot markets to cover residual hours
- g. Other (please explain)
- h. None

Other: IT and admin costs resulting from increased granularity that negatively impact the balance sheet of a renewable energy project.

The listed drivers focus on reshaping procurement portfolios for hourly matching within constrained market boundaries. They do not reflect the broader system effects on liquidity, administrative burden, disclosure comparability, or the shifting of cost from renewable project financing toward intermediaries and data platforms. These are material drivers of price and procurement feasibility, particularly in cross-border markets such as Europe.

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?

Before introducing any of the proposed changes, Finnish Energy calls for a comprehensive impact assessment of the proposed changes to Scope 2 emissions reporting – including on the costs of EACs and broader implications for the PPA market in the EU/EEA and beyond.

Hourly matching would create a significant administrative and data burden, requiring highly granular data, new verification systems, advanced IT infrastructure, and additional expertise. This added complexity would increase compliance costs - particularly for smaller entities - and drive up the price of Energy Attribute Certificates (EACs) and Power Purchase Agreements (PPAs). Furthermore, the combination of hourly matching and bidding zone–level deliverability requirements would fragment the currently unified GO market into thousands of sub-markets, one for each hour and zone, reducing liquidity and increasing volatility. Such fragmentation could cause extreme price differences between peak and off-peak periods, making procurement unpredictable and undermining the efficient expansion of renewables across Europe.

Demand for corporate PPAs is closely linked to bundled GOs and the environmental claims they enable. Making hourly and locational matching mandatory would significantly increase the cost

and complexity of PPAs - particularly as many consumers now seek 100% renewable matching - creating barriers for single-technology projects and smaller developers. This would likely reduce long-term contracting and slow the pace of renewable deployment. Market experience already shows limited demand for granular certificates due to their higher cost, indicating that a mandatory granular approach would further weaken the market for long-term renewable procurement. Higher procurement prices would also shorten contract durations, raise project risk, and ultimately deter investment in new renewable capacity.

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?

- a. Yes
- b. Somewhat
- c. No
- d. I do not support the development of impact metrics outside the scope 2 inventory.

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 view because it serves a fundamentally different purpose than the market-based method. The MBM enables clear, auditable, contract-based disclosure of electricity sourcing choices and is the foundation on which the voluntary renewable procurement ecosystem has developed, including pioneering initiatives such as RE100. This framework is precisely what allows organizations to credibly report 100% renewable electricity procurement and make unique claims. By contrast, "impact" metrics rely on modeled counterfactuals and assumptions about the behavior of the broader power system, which vary by region, policy environment, and time. These metrics are not comparable across markets and are not currently suitable for assurance. They describe estimated system-wide effects, not contractual procurement decisions. As such, they may be useful as supplemental, narrative indicators but they should remain distinct from market-based Scope 2 inventories. The proposed revisions would shift Scope 2 away from its established premise by implying that 100% renewable procurement claims are no longer valid unless the grid itself is fully decarbonized. This conflates corporate procurement with system-level power generation and reverses the principle on which the MBM was built. The existence of a separate impact metric does not justify restricting or redefining the market-based method or the ability to report 100% renewable electricity procurement through traceable, book-and-claim instruments.

Selected Questions on Exemptions to Hourly Matching

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)

5

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

- a. 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
- b. Encourages organizations under a threshold to continue to engage in voluntary procurement using an annual procurement approach
- c. Provides a more equitable approach for reporting as hourly matching could be more challenging for organizations under a threshold
- d. Reduces transition strain on the electricity market and hourly matching infrastructure.
- e. Other (please provide)

Since we disagree with the premise of hourly matching, we would maximise exemptions that help ensure participation in renewable procurement remains accessible to as many organizations, in as many regions, and at as many maturity levels as possible. A scalable and inclusive market is critical for long-term system impact. Limiting participation through administrative or technical barriers would reduce liquidity, participation, and overall renewable procurement volumes while raising costs (that primarily go to intermediaries) for all consumers.

166. Should exemptions be time-limited (i.e. phased-out over time) or ongoing?

- a. Time-limited (i.e. phased out over time)
- b. Ongoing
- c. Unsure
- d. Do not support exemptions

169. In exercising the exemption, should the organization be considered in conformance with the Corporate Standard and Scope 2 Standard?

- a. Yes, organizations using the hourly matching exemption should be considered in conformance
- b. No, organizations using the hourly matching exemption should NOT be considered in conformance
- c. A separate conformance level should be defined for companies exercising the exemption

- d. Unsure
- e. Other (please explain)

Selected Questions on Legacy Clause Considerations

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)

5

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

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

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

Long-term procurement decisions were made in good faith based on the MBM as defined by the Corporate Standard. Retroactively changing the criteria for recognition would undermine confidence in the stability and reliability of corporate climate frameworks. A strong legacy provision is critical to ensure investment stability and safeguard both agreements and assets financed under the current regulations. E.g. all PPAs executed prior to the implementation of the new Scope 2 rules must remain governed by the existing framework for the full term of their contracts.

176. Which date should determine a contract's eligibility under a Legacy Clause?

- a. Contract signed prior to implementation date of the Scope 2 Standard (post phase-in period)
- b. Contract signed prior to publication date of the Scope 2 Standard
- c. Other (please explain): Both, the revision process should not halt any existing or planned action, neither before the publication nor during the phase in period.
- d. Do not support Legacy Clause

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

Both, the revision process should not halt any existing or planned action, neither before the publication nor during the phase in period.