



Template for submitting proposals related to GHG Protocol's *Corporate Standard, Scope 2 Guidance, Scope 3 Standard, Scope 3 Calculation Guidance* and market-based accounting approaches

(Optional)

Proposal instructions

GHG Protocol is conducting four related surveys in reference to the following GHG Protocol standards, guidance and topics:

1. Corporate Accounting and Reporting Standard (Revised Edition, 2004) ("Corporate Standard")
2. Scope 2 Guidance (2015)
3. Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) ("Scope 3 Standard"), and Technical Guidance for Calculating Scope 3 Emissions, version 1.0, 2013 ("Scope 3 Calculation Guidance")
4. Market-based accounting approaches

The survey is open until March 14, 2023. To fill out the survey, [click here](#).

As part of the survey process, respondents may provide proposals for potential updates, amendments, or additional guidance to the *Corporate Standard, Scope 2 Guidance, Scope 3 Standard, or Scope 3 Calculation Guidance*, by providing the information requested in this template. You may also use this template to provide justification for maintaining a current approach on a given topic.

Submitting proposals is optional. Respondents may submit multiple proposals related to different topics.

Proposals should be as concise as possible while providing the requested information. Submissions that are outside of the template may not be considered. Proposals may be made publicly available.

To submit the proposal, please save this file and fill out the fields below. When you've completed your proposal, please upload the file via this [online folder](#). Please name your file STANDARD_Proposal_AFFILIATION, e.g., *Scope 2_Proposal_WRI*.

Respondent information

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If proposals are made publicly available, would you like your proposal to be made publicly available? Please write either “Yes” (make publicly available) or “No” (do not make publicly available).

Yes

If your proposal is made publicly available, would you like it to be made publicly available with attribution (with your name and organization provided) or anonymous (without any name or organization provided)? Please write either “With attribution” or “Anonymous”.

With attribution

Proposal and supporting information

- 1. Which standard or guidance does the proposal relate to (Corporate Standard, Scope 2 Guidance, Scope 3 Standard, Scope 3 Calculation Guidance, general/cross-cutting, market-based accounting approaches, or other)? If other, please specify.**

Scope 2 Guidance

- 2. What is the GHG accounting and reporting topic the proposal seeks to address?**

The overall decision-making and public input process for updating the Scope 2 Guidance

3. What is the potential problem(s) or limitation(s) of the current standard or guidance which necessitates this proposal?

This proposal is for the decision-making and stakeholder consultation process for updating the Scope 2 Guidance.

4. Describe the proposed change(s) or additional guidance.

Suggestions for The Greenhouse Gas Protocol Scope 2 Guidance Update Process

In general, CRS recommends that the Scope 2 Guidance update process be open, transparent, and responsive, in order to avoid confusion about how decisions get made, how to participate, and the timeline of stages and steps.

Public/Stakeholder Input Process

Framework

- Rigidly structured and organized to facilitate constructive participation by potentially thousands of stakeholders from around the world.
 - Allows GHG Protocol to control the flow of information and moderate the discussion.
- Transparent
 - Complete layout and description of process stages and milestones, including opportunities for engagement.
 - Build in flexibility to adjust the process if needed, but outline criteria for those adjustments and making that decision.
- Sufficient time in total and at each stage, sufficient number of opportunities to provide input, and reasonable cadence of those opportunities.
- Early level-setting
 - Educate stakeholders to create a baseline understanding of the current GHG Protocol Corporate Standard and Scope 2 Guidance and its history; stakeholder should understand what is in the current guidance and where it came from.
- Focused
 - Early process stages should be organized around specific topics and discussion questions (see below), with clear outputs and conditions for moving on to the next stage.
 - Later process stages organized around completion of research/analysis, draft chapters, full drafts, etc.

External Help

- GHG Protocol can enlist the help of external organizations or individuals to draft guidance and/or lead discussions, if necessary, provided:
 - The individual agrees to act impartially in its role on GHG Protocol's behalf.
 - GHG Protocol provides oversight, maintains responsibility for all content, and has final review and approval.
 - Such discussions and draft guidance occur early in the process and are later relinquished to GHG Protocol.
 - There are opportunities for stakeholder feedback both before and after external-led discussions or draft guidance.

Stakeholder Participation

- Opportunities for both open, public consultation as well as deeper engagement by selected stakeholders based on interest and experience.
- Multiple opportunities for open, public participation and input with equal access
 - Recommend at least two 60-day public comment periods.
- Process to identify key stakeholders
 - Active outreach to minority or quieter voices
 - Facilitate direct participation by practitioners, to the extent possible, in addition to participation through trade associations, member organizations, consultants, etc.
- Fair representation of relevant sectors and stakeholder types
 - For Scope 2, perspectives from the electric utility industry and renewable energy industry are key, e.g. solar and wind energy industry and development representatives.
 - Sensitivity to time zones and cultural/national/religious holidays in scheduling working groups and deadlines.

Providing input

- Multiple ways to participate/provide input
 - But GHG Protocol should not accept or respond to engagement/input received outside of the process that has been laid out (e.g., articles in the press, private meetings without documentation submitted through a formal feedback avenue)
- Surveys
 - Questions should be as specific as possible, phrased and positioned neutrally, and be applied equivalently to different conditions (e.g., market-based and location-based accounting).
- Working or discussion groups or workshops on specific topics/questions
 - Such groups should be manageably sized, which may mean creating multiple groups or meeting times for certain topics.
 - Depending on the size of the working/discussion group, it may be advisable to take oral feedback from participants one at a time and using set time limits (e.g. 3-5 min) for comments/speaking time.
 - Emphasis on professionalism and respect; no tolerance for aggressive or abusive behavior; strive for balance in terms of speaking time by different individuals, organizations, and perspectives.
 - The boundaries or topic of discussion should be made clear and enforced.
 - Previous decisions/determinations affecting the discussion should be made clear at the outset.
 - Encourage active participation from stakeholders, rather than replying only on presentations by GHG Protocol or others (though presentations can be used to stoke conversation).
 - Documentation: written meeting minutes and/or summaries should be produced and made public.
 - Facilitate participation from multiple time zones and in multiple languages, where possible.
- Ex parte meeting disclosure requirements: documentation of all ex parte/private meetings and written submission to the public process
- Written comments

- GHG Protocol should provide written proposals, issue summaries, questions for respondents, draft guidance, etc. on which to provide input, where possible, with redline versions and summary of changes, where appropriate.
- Clear rules for participation and instructions for providing feedback, and firm deadlines.
- Optional use of feedback templates, forms, etc. to facilitate consistency processing of consistent and comparable comments.

Fair consideration of all stakeholder input

- Supremacy of written comments/input/feedback creates (can include meeting minutes and summaries) for an even playing field.
- GHG Protocol should articulate a transparent process for receiving, considering and responding to all written comments.
 - GHG Protocol should strive to provide responses for all comments received with information about whether, how, and why comments were incorporated into the updated guidance or not.
 - At a minimum, GHG Protocol should provide a summary of comments received and actions taken.
- Clearly defined criteria for evaluation (e.g. Relevance, Completeness, Consistency, Transparency, Accuracy)
- Create capacity to receive and consider comments in multiple languages.
- It is not necessary for all input/comments to be given equal weight, or to have equal influence on the output guidance.
 - The strength/persuasiveness of the information and input received relative to the stated objectives of the process and guidance should be paramount.
 - There should be room for experts to have discretion to evaluate the value of input received, with transparency into their evaluations.
 - While striving for consensus among stakeholders, the quality of the accounting guidance should be upheld as the primary objective.

Decision Making Process

- Transparency about decision-making bodies and how they work, as well as the decision-makers, how they got there and who does and can participate.
 - Optional independent governance/decision-making board – approves the guidance.
 - Advisory group/committee - makes recommendations, either to board or to GHG Protocol, e.g., to approve or change the guidance.
 - Could make recommendations at different points of the process.
 - Could have different processes/responsibility at different stages of the development of the guidance, e.g., responding to comments, making changes.
 - Clear rules for format of recommendations, so that they are useful to both GHG Protocol and stakeholders.
- Independence
 - No actual or unmitigated perceived conflicts of interest in decision-making bodies.
- Clearly stated qualifications for participating
- Striving for consensus

- Clear requirements/conditions under which the body can approve/recommend approval without consensus.
- Stakeholder-driven decision-making
 - Decision-making body representatives should follow if not participate in the stakeholder process.
 - Decision making should reflect outcomes of stakeholder process; stakeholder process should feed directly into the decision-making process.
 - Up/Down decisions: body can propose but not make significant changes outside of the stakeholder process; down decisions trigger new stakeholder consultation.

Suggestions for the Order of Discussion Questions

Scoping Questions

1. What is being measured in corporate GHG emissions?
2. What is being measured in Scope 2?
3. Why is it important to measure corporate GHGs and Scope 2 with respect to the objective of achieving an emissions trajectory consistent with a 1.5-degree change?
4. Is what is being measured and the theory of change for Scope 2 consistent with corporate GHG emissions reporting in other scopes?
5. What evidence is there to support the theory of change and impact of scope 2 reporting?
6. Should something else instead of or in addition to corporate scope 2 GHG emissions be measured?

Scope 2 Accounting Questions

7. Is Scope 2 accounting using market instruments credible?
8. What requirements are needed?
9. What market and emissions data are needed?
10. What is the hierarchy of data?
11. How are Scope 2 emissions calculated using different data?
12. What are other reporting requirements, limitations, and options?
13. What other data and requirements are needed?

Questions 1-6 must be answered early and clearly, due to fundamentally different perspectives on what is measured in Scope 2 and why. Questions 1 and 2 clarify what is being measured in corporate inventories generally and Scope 2 specifically. Define these emissions totals (e.g. attributions vs. consequential). Existing definitions are insufficient. Question 3 is about the theory of change behind measuring, reporting and reducing both Scope 2 and all scopes of emissions (as defined in questions 1 and 2). This explains the purpose and importance of measurement and reporting relative to the climate goal (and potentially other goals). This should be articulated clearly. Question 4 is about consistency between scopes and within corporate reporting. There must be consistency between the scopes in terms of what is being measured and why. Question 5 is about evidence that the theory of change is both real and substantial. It can include qualitative and quantitative evidence of the impact of reporting, reported activities and reductions. Reporting and reductions need not be sufficient to address the climate challenge alone, necessarily, but they must be a worthy endeavor in and of itself both for GHG Protocol and reporting stakeholders.

Collectively, questions 3 (theory of change), 4 (consistency with other scopes), 5 (impact), and 6 (measuring impact separately) address and clarify the relationship between Scope 2 emissions and

global/sectoral emissions. This should be addressed before questions about how to measure Scope 2 (questions 7-13).

The GHG Protocol must determine the appropriate governance and stakeholder process and identify the important stakeholders for each question (see above).

5. Please explain how the proposal aligns with the GHG Protocol decision-making criteria and hierarchy (A, B, C, D below), while providing justification/evidence where possible.

A. GHG Protocol accounting and reporting approaches shall meet the GHG Protocol accounting and reporting principles (see Annex for definitions):

- Accuracy, Completeness, Consistency, Relevance, Transparency
- Additional principles for land sector activities and CO₂ removals: Conservativeness, Permanence, and Comparability if relevant

A stakeholder input and decision-making process that is consistent with this proposal will facilitate the ability of GHG Protocol to use and prioritize these principles, as well as a consistent understanding of their meaning in the context of development of this Guidance among stakeholders.

B. GHG Protocol accounting and reporting approaches shall align with the latest climate science and global climate goals (i.e., keeping global warming below 1.5°C). To support this objective (non-exhaustive list):

- Direct emissions reported in a company's inventory should correspond to emissions to the atmosphere. Reductions in direct emissions reported in a company's inventory should correspond to reductions in emissions to the atmosphere.
- Indirect emissions reported in a company's inventory should in the aggregate correspond to emissions to the atmosphere. Reductions in indirect emissions reported in a company's inventory should in the aggregate correspond to reductions in emissions to the atmosphere.

Please see our responses to the Scope 2 Survey and other proposals for comments related to this criterion, as articulated. This proposal related to the update process will facilitate the pursuit of this and other criteria. Our suggested order of discussion questions includes a question on this topic specifically.

C. GHG Protocol accounting frameworks should support ambitious climate goals and actions in the private and public sector.

- Would this proposal enable organizations to pursue more effective GHG mitigation/decarbonization efforts as compared to the existing standards and guidance? If so, how?
- Would this proposal better inform decision making by reporting organizations and their stakeholders (e.g. related to climate-related financial risks and other relevant information associated with GHG emissions reporting)?

This proposal related to the update process will facilitate the pursuit of this and other criteria.

D. GHG Protocol accounting frameworks which meet the above criteria should be feasible. (For aspects of accounting frameworks that meet the above criteria but are difficult to implement, GHG Protocol should provide additional guidance and tools to support implementation.)

- What specific information, data or calculation methods are required to implement this proposal (e.g., in the case of scope 2, data granularity, grid data, consumption data, emission information, etc.)? Would new data/methods be needed? Are current data/methods available? How would this be implemented in practice?
- Would this proposal accommodate and be accessible to all organizations globally who seek to account for and report their GHG emissions? Are there potential challenges which would need to be further addressed to implement this proposal globally? What would be the potential solutions?

This proposal related to the update process will facilitate the pursuit of this and other criteria.

6. Consistent with the hierarchy provided above, are there potential drawbacks or challenges to adopting this proposal? If so, what are they?

This proposal related to the update process will require substantial planning and resources on the part of GHG Protocol. Where it requires more resources than GHG Protocol has available, GHG Protocol should narrow the scope of the update, with deference to the existing guidance, but not reduce the transparency or fairness of the process as we have outlined.

7. Would the proposal improve alignment with other climate disclosure rules, programs and initiatives or lead to lack of alignment? Please describe.

In general, this proposal related to the update process is consistent with both open regulatory processes at the state and other levels as well as best practices for voluntary standard development in which we have participated. Processes that are less transparent and fair have led to less relevant, less often used, and less impactful standards and rules.

Please see our responses to the Scope 2 Survey and other proposals for comments related to this achieving alignment with other climate disclosure rules and programs. This can be pursued as an objective using this proposal for the update process.

8. Please attach or reference supporting evidence, research, analysis, or other information to support the proposal, including any active research or ongoing evaluations. If relevant, please also explain how the effectiveness of the proposal can be evaluated and tracked over time.

The effectiveness of the process with respect to individual bullets that we identify in question 4 can be measured by observation and monitored internally. GHG Protocol can also collect feedback from participants related to their experience in the process relative to these objectives.

9. If applicable, describe the process or stakeholders/groups consulted as part of developing this proposal.

This proposal related to the process for updating the Scope 2 Guidance was prepared based on our experience both running and engaging in a multitude and wide variety of different stakeholder processes and working groups related to GHG accounting and related fields, both in regulatory and voluntary contexts, over many years. We shared drafts of this proposal and sought feedback from selected partner organizations (NGO, government, and private) and discussed it several others. This proposal was not itself developed through an open stakeholder consultation process.

10. If applicable, provide any additional information not covered in the questions above.

Proposal Annex

GHG Protocol Decision-Making Criteria and Hierarchy

- A. First, GHG Protocol accounting and reporting approaches shall meet the GHG Protocol accounting and reporting principles:**
- Accuracy, Completeness, Consistency, Relevance, Transparency
 - Additional principles for land sector activities and CO₂ removals: Conservativeness, Permanence, and Comparability if relevant
 - (See table below for definitions)
- B. Second, GHG Protocol accounting and reporting approaches shall align with the latest climate science and global climate goals (i.e., keeping global warming below 1.5°C). To support this objective (non-exhaustive list):**
- Direct emissions reported in a company's inventory should correspond to emissions to the atmosphere. Reductions in direct emissions reported in a company's inventory should correspond to reductions in emissions to the atmosphere.
 - Indirect emissions reported in a company's inventory should in the aggregate correspond to emissions to the atmosphere. Reductions in indirect emissions reported in a company's inventory should in the aggregate correspond to reductions in emissions to the atmosphere.
- C. Third, GHG Protocol accounting frameworks should support ambitious climate goals and actions in the private and public sector:**
- Accounting framework/s would enable organizations to pursue more effective GHG mitigation/decarbonization efforts as compared to the existing standards and guidance
 - Accounting framework/s would better inform decision making by reporting organizations and their stakeholders (e.g. related to climate-related financial risks and other relevant information associated with GHG emissions reporting)
- D. Fourth, GHG Protocol accounting frameworks which meet the above criteria should be feasible to implement for the users of the frameworks.**
- For aspects of accounting frameworks that meet the above criteria but are difficult to implement, GHG Protocol should provide additional guidance and tools to support implementation.

GHG Protocol Accounting and Reporting Principles

Principle	Definition
Accuracy	Ensure that the quantification of GHG emissions (and removals, if applicable) is systematically neither over nor under actual emissions (and removals, if applicable), and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.
Completeness	Account for and report on all GHG emissions (and removals, if applicable) from sources, sinks, and activities within the inventory boundary. Disclose and justify any specific exclusions.

Consistency	Use consistent methodologies to allow for meaningful performance tracking of emissions (and removals, if applicable) over time and between companies. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.
Relevance	Ensure the GHG inventory appropriately reflects the GHG emissions (and removals, if applicable) of the company and serves the decision-making needs of users – both internal and external to the company.
Transparency	Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
Conservativeness (Land Sector and Removals Guidance)	Use conservative assumptions, values, and procedures when uncertainty is high. Conservative values and assumptions are those that are more likely to overestimate GHG emissions and underestimate removals, rather than underestimate emissions and overestimate removals.
Permanence (Land Sector and Removals Guidance)	Ensure mechanisms are in place to monitor the continued storage of reported removals, account for reversals, and report emissions from associated carbon pools.
Comparability (optional) (Land Sector and Removals Guidance)	Apply common methodologies, data sources, assumptions, and reporting formats such that the reported GHG inventories from multiple companies can be compared.