

# Global Data and Market Conditions for Standard Delivery Clean Energy Reporting

## Initiative Proposal | September 2024

### 1. Problem Statement

Standard Delivery Clean Energy (SDCE) refers to clean energy that is delivered to consumers through a standard, non-customized energy product, as opposed to that which is actively procured and delivered, e.g. through green tariffs and other voluntary products. It is the non-emitting or carbon-free portion of the default service offer or portfolio, e.g. from a vertically integrated utility or a default or competitive supplier in restructured markets. Absent supplier-specific information, it may be estimated as the clean portion of a regional residual resource mix.

Increasingly, electricity customers are interested in determining the amount of SDCE, both for their own operations and their value chains, to make location or supplier decisions, to avoid over-procurement of clean energy, and to evaluate the impact of their voluntary procurement. However, its calculation is dependent on the generation and transaction data sources available to electricity providers and/or regulators.

In 2021, CEAP produced guidance on [Accounting for Standard Delivery Renewable Energy](#) (SDRE) that discussed the general data sources that can be used to account for this renewable energy consumption and general quality criteria and considerations for this data. Additionally, in 2024, CEAP produced [Guidance for Calculating Residual Mix](#) that identified required data, data constraints, and data hierarchies for regional residual mix calculations. Both focused on the US market. These general criteria and data considerations have not been evaluated for other markets or other non-emitting resources, and neither have the general market conditions been identified that would support these criteria and SDCE disclosure.

This CEAP initiative will build on previous CEAP Guidance related to SDRE and residual mix to answer the question:

- *What data and market conditions are necessary to produce credible retail Standard Delivery Clean Energy disclosure?*

### 2. Proposal Summary

This initiative will identify the market conditions, data and tracking infrastructure, and oversight necessary to produce credible and verifiable SDCE and strengthen SDCE data quality, relative to the Credibility Criteria and Quality Considerations in the 2021 Accounting for SDRE guidance.<sup>1</sup> It will also evaluate whether these criteria are globally applicable and, if needed, develop core criteria for SDCE disclosure in different market frameworks. It will also showcase best practice examples where SDCE is already being provided.

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<sup>1</sup> See pgs. 6 and 7 of the guidance, respectively.

To do this, it will consider:

- Wholesale and retail electricity market structure
- Mechanisms for transacting specified generation
- Infrastructure for tracking specified generation
- Requirements and regulatory circumstances affecting clean energy use, tracking, and/or disclosure
- Different standard product-types
- Supplier data sources and data collection scenarios
- Various reporting practices
- Broader power system or market databases, e.g. for regional or market residual mix data and calculations

### 3. Summary Table

This table will further define the initiative along specific parameters and criteria and inform the working group stage.

<p><b>Scope Limitations:</b></p>	<ul style="list-style-type: none"> <li>▪ This initiative will not calculate or compile data for SDCE for any particular market.</li> <li>▪ We will not access specific utility/supplier data for this initiative.</li> <li>▪ It will not identify specific considerations for SDCE disclosure under different circumstances within a particular market.</li> <li>▪ This initiative will not be comprehensive in covering all markets or all existing or potential market conditions. Rather, it will identify and address generalized market frameworks and characteristics.</li> <li>▪ This initiative will not advocate for particular market structures. It will simply identify the conditions most favorable to SDCE.</li> </ul>
<p><b>Potential Outcomes:</b></p>	<ul style="list-style-type: none"> <li>▪ Facilitate the improvement of electricity delivery data.</li> <li>▪ Support wider, more accurate, and more consistent disclosure of SDCE.</li> <li>▪ Provide a pathway for customers in new markets and service territories to gain full transparency into the environmental benefits associated with the electricity they are consuming.</li> </ul>
<p><b>Reasons for Urgency:</b></p>	<ul style="list-style-type: none"> <li>▪ Growth in clean energy procurement in new markets and interest in increasing clean energy in the supply chain to address value chain operations.</li> <li>▪ Rapidly approaching corporate clean energy targets.</li> <li>▪ New consumer disclosure requirements related to scope 2, electricity-related scope 3, purchased electricity, and clean/renewable energy procurement, and clean energy in the supply chain.</li> </ul>
<p><b>Anticipated Deliverable(s):</b></p>	<ul style="list-style-type: none"> <li>▪ A user-friendly report with the data and market conditions necessary to produce credible retail SDCE disclosure.</li> <li>▪ Background explainer on existing SDCE/SDRE disclosures, estimations, and common practices.</li> </ul>
<p><b>Other Relevant Initiatives:</b></p>	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
<p><b>Relation to Existing CEAP Initiatives:</b></p>	<ul style="list-style-type: none"> <li>▪ Builds off the 2021 CEAP Accounting for Standard Delivery Renewable Energy guidance and background documents: <a href="https://resource-solutions.org/programs/ceap/resources/">https://resource-solutions.org/programs/ceap/resources/</a>.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Relevant data considerations in the 2024 CEAP Guidance for Calculating Residual Mix: <a href="https://resource-solutions.org/programs/ceap/resources/">https://resource-solutions.org/programs/ceap/resources/</a>.</li> <li>▪ Relevant planned initiative for 2024 on Best Practices for Power Source and Emissions Disclosure: <a href="https://resource-solutions.org/wp-content/uploads/2023/10/Best-Practices-for-Power-Source-and-Emissions-Disclosure_Initiative-Proposal.pdf">https://resource-solutions.org/wp-content/uploads/2023/10/Best-Practices-for-Power-Source-and-Emissions-Disclosure_Initiative-Proposal.pdf</a></li> </ul>
<b>Available Resources:</b>	<ul style="list-style-type: none"> <li>▪ Existing CEAP guidance and background documents: <a href="https://resource-solutions.org/programs/ceap/resources/">https://resource-solutions.org/programs/ceap/resources/</a>.</li> <li>▪ TCR's Electric Power Sector Protocol and related resources: <a href="https://theclimateregistry.org/registries-resources/protocols/">https://theclimateregistry.org/registries-resources/protocols/</a>.</li> <li>▪ EEI's Electric Company Carbon Emissions and Electricity Mix Reporting Database: <a href="https://www.eei.org/en/issues-and-policy/national-corporate-customers/co2-emission">https://www.eei.org/en/issues-and-policy/national-corporate-customers/co2-emission</a></li> </ul>
<b>Potential Challenges:</b>	<ul style="list-style-type: none"> <li>▪ The wide variety of data and market conditions and supplier circumstances may be difficult to cover.</li> <li>▪ Too few examples of exiting SDCE/SDRE calculations and disclosure, which could result in a US-centric leaning to the guidance, for example.</li> <li>▪ Lack of information or transparency in different markets may prevent conclusions about the relevance of existing criteria or which new criteria may be needed.</li> <li>▪ Considerations and/or criteria may be inconsistent with current transaction, tracking, and/or disclosure rules or other requirements for suppliers and will not change those requirements in those cases.</li> </ul>
<b>Key Working Group Stakeholders:</b>	<ul style="list-style-type: none"> <li>▪ Corporate buyers with supply chain targets and procurement activities</li> <li>▪ Electricity regulators</li> <li>▪ International electricity market experts and GHG accounting professionals (e.g. IEA)</li> <li>▪ International electricity sector data providers</li> <li>▪ International renewable/clean energy accounting/disclosure standards, programs, reporting platforms (e.g. GHG Protocol, TCR, RE100)</li> <li>▪ IREC Standard Foundation</li> <li>▪ Regional electricity market analysts or specialists</li> <li>▪ Tracking Systems administrators</li> <li>▪ Utilities and electricity suppliers</li> </ul>