

# Credible Clean Energy Attribution in the Corporate Value Chain

Draft Proposal | Aug 2025

## 1. Problem Statement

The decarbonization of corporate value chains is a critical component of global climate action, yet current frameworks for making credible clean electricity claims do not adequately address the complexity of value chain attribution. Existing systems and standards have established robust methodologies for organizational claims, such as those for tracking clean electricity generation, Scope 2 emissions accounting, and organizational boundary reporting. However, there is significantly less consensus and clarity when it comes to attributing electricity use and associated emissions to specific upstream or downstream value chain partners. This gap creates uncertainty for suppliers seeking to allocate clean electricity use to corporate customers, as well as for corporates aiming to account for the emissions associated with the downstream use of their products. In the absence of harmonized guidance, companies are employing a wide range of allocation approaches, leading to inconsistencies in claims and potential credibility risks.

Compounding this challenge is the diversity and complexity of corporate value chains—both across and within industries—which leads to a range of data availability, formats, and levels of granularity. While existing tracking systems may have some functionality to support allocation, there is not yet widespread infrastructure or standard practices dedicated specifically to enabling transparent and credible value chain clean electricity claims. This variability poses significant barriers to data collection, allocation standardization, and verification, ultimately slowing efforts to drive clean energy procurement and emissions reductions across value chains. A guidance document that defines credible allocation methods and offers practical solutions for different data scenarios would help fill this gap and accelerate progress toward global decarbonization goals.

This CEAP initiative will answer the question:

- *How can clean energy procurement and use be credibly allocated and attributed across corporate value chains to specific upstream and downstream partners in a way that is consistent, transparent, and verifiable?*

## 2. Proposal Summary

This initiative will produce a guidance document focused on establishing credible, transparent approaches for linking clean energy procurement and use to specific partners across corporate value chains. The guidance will define credible allocation methods that suppliers can use to attribute electricity use and procurement to their corporate customers, and that corporates can apply to allocate and account for the downstream use of their products. It will address common data collection and management challenges and propose practical solutions across a range of scenarios, including cases of limited value chain data. A primary focus will be on avoiding double counting and ensuring claims are based on transparent, consistent, and verifiable attribution. The guidance will also explore how standard supply service (SSS) or standard delivery clean energy (SDCE) can be allocated within value chains, and provide principles for ensuring claims based on these delivery mechanisms are credible.

The scope of the work builds on existing CEAP publications—including the *Guidance for Supplier Clean Electricity Procurement* and the *Scope 3 GHG Accounting for Upstream Clean Electricity Use (Aug 2023)* background report—which introduced flexible, non-prescriptive allocation approaches emphasizing transparency and consistency. This new guidance will extend those concepts to include downstream attribution to address real-world data constraints and use cases. The initiative will evaluate existing programs and tools supporting corporate value chain decarbonization, as well as current supply chain and organizational data management platforms.

Final deliverables will include a written guidance document accompanied by illustrative examples, suitable for informing corporate procurement and value chain strategies. The intent is to equip market participants and value chain partners with a trusted, practical resource that enables consistent and credible clean energy claims across diverse value chain structures.

## 3. Summary Table

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

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| Scope limitations: | <ul style="list-style-type: none"><li>▪ Guidance will not create new GHG accounting standards or prescriptive methods, but will complement existing frameworks with principles-based approaches that strengthen the credibility and consistency of clean energy claims.</li><li>▪ Will not prescribe verification frameworks, but will explore options for new tracking functionality and evaluate existing systems and data tools to inform practical recommendations.</li><li>▪ Will not specifically focus on accounting for use of storage in the value chain. This will be confronted through a separate initiative on accounting for storage.</li><li>▪ While it will address some data limitations, this initiative will assume some visibility into the value chain in terms of supplier, location, or activity from which to derive data or estimate.</li></ul> |
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| Potential outcomes:         | <ul style="list-style-type: none"> <li>▪ Enable corporate and supplier stakeholders to make more consistent, transparent, and credible clean energy claims across complex value chains</li> <li>▪ Support corporate decarbonization efforts and Scope 3 emission reduction strategies by clarifying how clean electricity procurement and use can be attributed to specific upstream or downstream partners, even in data-constrained scenarios.</li> <li>▪ Promote alignment and improve data confidence in clean energy allocation practices by equipping companies with credible, principles-based methods and examples that reduce fragmentation, minimize double counting risks, and accommodate varying data availability and organizational structures.</li> </ul>   |
| Reasons for urgency:        | <ul style="list-style-type: none"> <li>▪ There is significant high-emitting energy use and GHG emissions in corporate value chains; effective value chain emissions reductions programs are critical to achieving science-based climate targets.</li> <li>▪ Supplier clean energy procurement programs expand the reach and impact of corporate clean energy programs dramatically</li> <li>▪ Uncertainty related to allocation, attribution, and value chain data collection is an immediate barrier to clean energy procurement and emissions reduction efforts in corporate value chains.</li> </ul>   |
| Anticipated deliverables:   | <ul style="list-style-type: none"> <li>▪ Main Guidance Document – A principles-based report that defines credible allocation and attribution methods for clean energy use across corporate value chains; include illustrative examples and application scenarios, covering both upstream and downstream contexts, and address challenges associated with data availability and consistency.</li> <li>▪ Background Report on the Value Chain Clean Energy Landscape – A supporting document summarizing the current landscape of corporate and supply chain clean energy initiatives, Scope 3 emissions strategies, and value chain attribution practices.</li> <li>▪ Practical Companion Resource – A concise, user-friendly supplement to the main guidance, designed to support quick adoption and day-to-day application by corporate teams and suppliers. This may take the form of a quick-start guide or executive summary, a decision tree or flowchart, an allocation checklist, or a slide deck</li> </ul> |
| Other relevant initiatives: | <ul style="list-style-type: none"> <li>▪ The U.S. EPA is currently producing a paper on allocating clean electricity within an organization's operational boundary.</li> <li>▪ The GHG Protocol is currently <a href="#">updating</a> Scope 2 and Scope 3 guidance</li> <li>▪ <a href="#">CEBA's Clean Energy Procurement Academy</a>, aimed at decarbonizing supply chains, starting in the Asia Pacific (APAC) region</li> <li>▪ <a href="#">CEBA's Supply Chain Activators</a>, to help accelerate supply chain decarbonization efforts.</li> <li>▪ <a href="#">Science Based Targets initiative (SBTi)</a> – Validates corporate emissions reduction targets aligned with climate science</li> <li>▪ <a href="#">Together for Sustainability (TFS)</a> – Chemical industry alliance conducting supplier audits and driving Scope 3 GHG emission reductions across member supply chains.</li> </ul>  |

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|  | <ul style="list-style-type: none"> <li>▪ <a href="#">Project Gigaton (Walmart)</a> – Engages suppliers to eliminate 1 billion metric tons of CO<sub>2</sub> emissions from Walmart’s global supply chain by 2030.</li> <li>▪ <a href="#">Amazon Sustainability Exchange</a> and similar programs</li> <li>▪ Insetting initiatives (e.g., <a href="#">Danone</a>, <a href="#">Nestlé</a>)</li> <li>▪ <a href="#">Beyond the Megawatt (Clean Energy Buyers Institute)</a> – Guides companies in clean energy procurement strategies</li> <li>▪ <a href="#">Clean Energy Demand Initiative</a> / <a href="#">Clean Energy Investment Accelerator</a> – Help corporations and their suppliers procure clean energy, especially in emerging markets, through education and policy support.</li> <li>▪ <a href="#">Carbon Supply Chain Standard</a> – Certifies companies that effectively measure and reduce GHG emissions across their entire supply chains.</li> </ul>  |
| Relation to existing CEAP initiatives: | <ul style="list-style-type: none"> <li>▪ The Guidance for Supplier Clean Electricity Procurement (Aug 2023) and its companion background report on Scope 3 GHG accounting</li> <li>▪ The Market-Based Accounting for Clean Fuels Guidance (Apr 2025) allows mass balance-based attribute allocation (e.g., for green hydrogen), enabling inputs and outputs to be matched across products or derivatives within an organizational boundary.</li> </ul>   |
| Available resources:                   | <ul style="list-style-type: none"> <li>▪ Forthcoming paper from the U.S. EPA on allocating clean electricity within an organization's operational boundary.</li> <li>▪ CRS. <a href="#">Guidance for Supplier Clean Electricity Procurement</a>. Aug 2023. CEAP.</li> <li>▪ CRS. <a href="#">Scope 3 GHG Accounting for Upstream Clean Electricity Use: Background Report</a>. Aug 2023.</li> <li>▪ Wenjuan Liu, Iris Wu, Hao Wu, and Hylla Barbosa, <a href="#">Accelerating Supply Chain Decarbonization</a>, RMI, 2025,</li> <li>▪ Sotos, M. 2015. <a href="#">GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard</a>. World Resources Institute.</li> <li>▪ Science Based Targets Initiative (SBTi). May 2023. <a href="#">Engaging Supply Chains on the Decarbonization Journey: A Guide to Developing and Achieving Scope 3 Supplier Engagement Targets, Version 1.0</a>.</li> <li>▪ Accenture. (2022). <a href="#">Thought you knew the Scope 3 issues in your supply chain? Think again</a>.</li> <li>▪ U.S. Environmental Protection Agency. May 2022. <a href="#">Renewable Electricity Procurement on Behalf of Others: A Corporate Reporting Guide</a>. U.S. EPA Green Power Partnership.</li> </ul> |
| Potential challenges:                  | <ul style="list-style-type: none"> <li>▪ Diverse corporate structures and procurement models that complicate standardized allocation methods.</li> <li>▪ Risk of conflicting interpretations or inconsistent applications of allocation principles.</li> </ul>   |
| Key working group stakeholders:        | <ul style="list-style-type: none"> <li>▪ Corporate buyers with global supply chains and supply chain targets</li> <li>▪ Supply chain managers and procurement officers</li> <li>▪ Suppliers</li> <li>▪ NGOs and consultants working with corporate buyers</li> <li>▪ GHG and clean energy accounting programs and professionals</li> <li>▪ Industry associations active on supply chain impact</li> <li>▪ Circular economy experts</li> <li>▪ LCA experts</li> </ul>   |

