This document reproduces Center for Resource Solutions' (CRS's) responses to the Greenhouse Gas Protocol's Electricity-Sector Consequential Methods Public Consultation in January 2026. The survey sought feedback on consequential accounting methods for estimating avoided emissions from electricity-sector actions, which will feed into work in the Actions and Market Instruments (AMI) workstream. The responses presented here reflect CRS's perspectives and recommendations as submitted during the consultation process and are shared publicly to support transparency and informed discussion.

Section 5. General Feedback

18. What potential benefits, challenges, or unintended consequences do you foresee with developing and using consequential accounting methods for electricity-sector actions? Please include any practical considerations (e.g., feasibility, data needs, costs, comparability, clarity of claims)

CRS welcomes the development of consequential accounting methods for electricity-sector actions outside of scope 2 but sees significant challenges in the current consultation draft because it does not clearly distinguish what type of consequential impact is being measured or for what purpose. Without these distinctions, requirements related to baselines, additionality, marginal emissions, and claims become unclear or internally inconsistent.

First, the consultation document does not differentiate between two fundamentally different uses of consequential accounting: (A) measuring system-wide avoided grid emissions (a consequential analysis that does not require additionality), and (B) supporting claims of beyond-business-as-usual (beyond-BAU) emissions reductions (i.e., offsets), which do require additionality tests and stricter criteria. These are not interchangeable. Consequential accounting can quantify grid impacts without implying offset claims, but if the intention is (B), additionality must be required and project-based baselines applied.

Second, the framework is ambiguous about whose action is being measured. It alternates between the action of the generator (building or operating a project) and the action of the purchaser or investor (buying clean electricity or financing a project). These actions involve different baselines and requirements.

Third, not only is the concept of additionality potentially misapplied, if it is required for reporting of avoided grid emissions associated with the operation of a generation project from which electricity is purchased, but it is also applied inconsistently. Additionality is discussed only for renewable projects,

not fossil ones. A consequential accounting framework should apply across the electricity sector. If additionality tests were to be required (for offset claims, determining emissions reductions beyond BAU, and purchaser-caused emissions reductions), they must also be required for all generators of purchased generation. Otherwise, the framework would withhold accountability for reporting entities' impacts unless they can prove additionality—an outcome that is neither desirable nor fit for purpose.

This confusion is reflected, for example, in the table comparing "existing additionality frameworks," which mixes offset standards, renewable energy initiatives, and tax credit programs with different objectives.

To avoid confusion, the GHG Protocol should explicitly distinguish among several possible consequential outputs, each with different data needs, baselines, and requirements. Organizations could report more than one output, provided claims are clearly distinguished:
A. Short-term avoided grid emissions
• Operating margin × purchased MWh
• Immediate system impacts from purchased generation; no additionality requirement
B. Long-term avoided grid emissions
• Combined margin (operating + build margin) × purchased MWh
• Captures immediate and structural grid effects; no additionality requirement
C. Net consequential emissions impact of purchased electricity
• Induced emissions from load - avoided emissions from purchased generation
• Requires load data + marginal emissions; no additionality unless used for causal claims
D. Global emissions reductions suitable for "offset-like" claims
• Combined margin × purchased MWh - project emissions
• Requires project-based baseline and additionality tests; only category requiring additionality
The four metrics, which are specific to the electricity sector, can be adapted to other sectors using more generic terms such as: A. short-term changes in sectoral emissions, B. long-term changes in sectoral emissions, C. net consequential impact of purchase, and D. global emissions reductions.

GHG Protocol should specify which types of consequential impacts it intends to support or provide methodological pathways for several distinct outputs, each with appropriate requirements.

Section 6. Formula for quantifying emissions impacts from electricity projects

19. Is the proposed Scope 2 TWG subgroup formula appropriate for quantifying emissions impacts from electricity projects? (Please refer to the structure of the formula itself, and save comments on methodological details, such as marginal emission rates or eligibility requirements, for following sections of the survey.)
    a. Yes

b. No

b/No

20. Please explain your answer to question 19.

The proposed formula is appropriate for quantifying only certain emissions impacts from certain electricity projects—namely, the short-term operating marginal impacts of zero-emitting projects. It does not quantify long-term impacts (e.g., build margin) or the net impact of emitting projects. See our response to question 18 for comments related to what is being measured and what is required for different consequential metrics.

21. Should the quantification of emissions impacts from electricity projects consider secondary effects in addition to primary effects?
    a. Yes
    b. No

a/Yes

22. If you answered "yes" to question 21, please provide additional context for what kinds of secondary effects should be considered, and how these may be quantified.

It depends on the purpose of the calculation/reporting and the claim that is intended to be made by the reporting entity, about either the generation they purchase or their purchasing action itself. There is confusion about this in the document (see our response to question 18). But build margin should be used for long-term, net impact, and emissions reduction claims/reporting. Different assumptions related to build and combined margins may be used.

23. If you answered "no" to question 21, please provide additional context for why secondary effects should not be considered.

No answer

24. Should the emissions impacts of electricity projects be calculated and reported each reporting year, or should the emissions impacts for the entire lifetime of a project be reported once at the outset of the project?
    a. Reported each year
    b. Reported once for the lifetime of the project

a/Reported each year

25. Please explain your answer to question 24.

Emissions impacts should be calculated and reported each reporting year. Annual reporting allows year-specific generation and grid emissions data to be reflected in results and aligns with annual corporate inventory cycles. Reporting a project's lifetime impacts at the outset would require assumptions about lifetime generation and grid conditions, which may diverge from measured generation and grid emissions data in later years. This approach is also consistent with how most existing reporting and offset crediting programs assess and verify project activity on a periodic basis.

Section 7. Treatment of Additionality

26. For each of the provided additionality tests, indicate which tests should be included (required or optional) in a framework designed to assess additionality for renewable energy projects? For these questions, "required" indicates a mandatory test, such that all projects must pass the test in question to be eligible. "Optional" indicates that a test can be used to demonstrate additionality but is not mandatory. For optional tests, projects have the choice for which tests they use to demonstrate additionality.
    a. Regulatory test
        i. Required
        ii. Optional
        iii. Not required
    b. Timing test
        i. Required
        ii. Optional
        iii. Not required
    c. Financial analysis test
        i. Required
        ii. Optional
        iii. Not required
    d. Barrier test
        i. Required
        ii. Optional
        iii. Not required
    e. Common practice test
        i. Required
        ii. Optional
        iii. Not required

f. Positive list
    i. Required
    ii. Optional
    iii. Not required
g. Performance standard
    i. Required
    ii. Optional
    iii. Not required
h. Contractual/tenor test
    i. Required
    ii. Optional
    iii. Not required
i. First-of-its-kind test
    i. Required
    ii. Optional
    iii. Not required

Regulatory test: i/Required
Timing test: i/Required
Financial analysis test: ii/Optional
Barrier test: ii/Optional
Common practice test: ii/Optional
Positive list: ii/Optional
Performance standard: ii/Optional
Contractual/tenor test: iii/Not required
First-of-its-kind test: iii/Not required

27. For the additionality tests you selected as required or optional, please provide commentary detailing why each should be included.

This matches generally accepted practice in offset project standards (i.e., "designed to assess the additionality of renewable energy projects") assuming an offset standard is what is intended. But see our response to question 18 regarding the purpose of this framework.

28. For each of the provided additionality tests, please indicate which tests are feasible to implement:
    a. Regulatory test
    b. Timing test
    c. Financial analysis test
    d. Barrier test

e. Common practice test
f. Positive list
g. Performance standard
h. Contractual/tenor test
i. First-of-its-kind test
j. None (no tests are feasible)

a, b, f, g, h, and i

29. Please provide additional context or information on which tests are or are not feasible to implement.

Feasibility generally depends on the data that is available to a reporting entity (in this case, the purchaser). Since project financial data and market information (related to project barriers and common practices) are generally less available to purchasers, we identify these as less feasible.

30. Please list any additionality tests not already included here that should be considered as part of an additionality framework for renewable energy projects. Please explain why each test should be considered.

No answer

31. Should regional differences be considered in additionality tests (e.g. different combinations of additionality tests would be relevant or appropriate for different regions)?
    a. Yes
    b. No
    c. Unsure, depends on details

c/Unsure, depends on details

32. If you answered "yes" to question 31, please explain your answer, referencing specific examples of regions that warrant different kinds of tests.

No answer

33. Should the level of rigor in additionality tests be applied differently depending on the type of claim an organization wants to make? (e.g. association vs. causal claim).
    a. Yes
    b. No

a/Yes

34. If you answered “yes” to question 33, please explain, citing the kinds of claims organizations should be able to make given different approaches to additionality tests.

Please see our response to question 18.

Section 8. Marginal Emission Rates

--No answer to questions 35-42--

43. What is the maximum appropriate level of spatial granularity for marginal emission rates?
    a. Country
    b. Grid region
    c. Balancing area
    d. Zonal
    e. Nodal

b/Grid region

44. Please provide context regarding your answer to question 43.

Use of regional marginal emissions factor data for avoided emissions calculations has been common practice in the U.S.

45. What is the maximum appropriate level of temporal granularity for marginal emission rates?
    a. Annual
    b. Monthly
    c. Daily
    d. Hourly
    e. Sub-hourly

a/Annual

46. Please provide context regarding your answer to question 45.

Annual marginal emissions data is somewhat publicly available in the U.S., and this would match annual ESG/emissions claims and reporting generally by companies in the U.S. and globally.

Section 9. Build and Operating Margin Weighting

--No answer to questions 47-52--