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Geraldine Matchett
Steering Committee Chair
Greenhouse Gas Protocol

Alexander Bassen
Independent Standards Board Chair
Greenhouse Gas Protocol

Dear Ms. Matchett and Mr. Bassen,

As investors and their representatives, we rely on the Greenhouse Gas Protocol (GHGP) as the foundational global framework for the measurement and disclosure of corporate greenhouse gas emissions. Since the publication of the Scope 2 Guidance in 2015, these standards have been critical in enabling investors to assess the risks and opportunities stemming from corporate energy consumption and GHG emissions. They have also played a key role in enabling corporate demand for renewable energy and supporting the growth of voluntary clean energy markets.

Maintaining the credibility and consistency of Scope 2 accounting is therefore of central importance. The credibility and accuracy of Scope 2 accounting directly impacts our capacity to make informed capital allocation decisions, engage effectively with portfolio companies on decarbonization strategies, and meet our fiduciary duties to beneficiaries who increasingly demand climate-aligned investments. Considering the significant developments in renewable energy markets over the past decade, we recognize the need to revise the Scope 2 accounting guidance, to ensure it accurately reflects evolving market realities.

Current standards prevent us from accurately assessing companies' energy transition risks, given that companies can report zero emissions on paper while remaining dependent on fossil-based generation, using Renewable Energy Certificates to attribute solar generation to nighttime consumption or claim renewable energy from geographically disconnected regions. This accounting obscures potentially significant investment risks - including companies' exposure to energy price volatility and carbon pricing.

Accounting that is more accurately based on grid and power consumption realities would substantially improve our ability to assess companies' preparedness for the energy transition, and the resilience of their electricity procurement strategies. It would also send demand signals and create investment opportunities for the deployment of renewables, storage, and flexibility technologies that will be needed to achieve deep grid decarbonization[1].

For these reasons, we fully support that the GHG Protocol adopt the following elements in the updated Scope 2 guidelines:

[1] NESO (2025).'Implications of Trading of 24/7 Carbon Free Energy (CFE) on Electricity System Operation'. Available online at: https://www.neso.energy/document/365496/download [Accessed 7 January 2026], Langer et. Al. (2024). 'Does the purchase of voluntary renewable energy certificates lead to emission reductions? A review of studies quantifying the impact'. Available online at: https://www.sciencedirect.com/science/article/pii/S0959652624032402 [Accessed 7 January 2026]

- **Hourly matching of renewable energy consumption to production,** to ensure the temporal accuracy of reported electricity consumption, and improve the credibility and comparability of reported Scope 2 emissions. Increased temporal granularity is also crucial for enabling widespread deployment of the flexibility and storage technologies needed for supplying clean electricity across all hours of the day[2].
- **Deliverable market boundaries**, to ensure that clean electricity claims are based on local generation capacity that can physically and reliably serve a company within the relevant power system. Narrowing market boundaries will help correct current market distortions that funnel clean energy procurement into already abundant, low-cost geographies, rather than regions where grid decarbonization is most needed[3].
- **A phased implementation of the standards** to allow companies, data providers, and electricity markets to prepare for and adjust to the updates in an orderly manner.
- **Recognition of legacy clean energy contracts**, to maintain market trust and policy stability by honoring investments made under prior accounting rules and providing a pragmatic pathway for organizations to transition to the new criteria.

A significant body of academic research finds that this approach to clean energy purchasing and reporting would accelerate decarbonization of electricity systems overall[4]. And phased implementation would provide time for system operators, policy makers, and companies globally to adjust to granular accounting.

We therefore support the current direction of these updates and believe they will significantly improve the accuracy, usefulness, and credibility of the GHGP, and will enhance and empower the voluntary clean energy market for the critical decades to come.

The undersigned investors and their representatives act independently and submit this letter solely to express public policy views. This letter does not request, propose, or commit any signatory to coordinated investment, engagement or voting conduct with respect to any issuer.

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[2] NESO (2025).'Implications of Trading of 24/7 Carbon Free Energy (CFE) on Electricity System Operation'. Available online at: https://www.neso.energy/document/365496/download [Accessed 7 January 2026]

[3] Publications Office of the European Union (2025). 'Technical assistance to monitor functioning of the guarantees of origin (GO) system'. Available online at: op.europa.eu/en/publication-detail/-/publication/200c329e-5240-11f0-a9d0-01aa75ed71a1/language-en#:~:text=Publication%20metadata,Download%20and%20languages%20Close [Accessed 7 January 2025]

[4] International Energy Agency (2022). 'Advancing Decarbonisation Through Clean Electricity Procurement'. Available online at: https://iea.blob.core.windows.net/assets/4a07d1b5-1beb-4611-874d-7acd4f21d9eb/AdvancingDecarbonisationthroughCleanElectricityProcurement.pdf [Accessed 7 January 2025], Iegor Riepin and Tom Brown (2022). 'System-Level Impacts of 24/7 Carbon-free Electricity Procurement in Europe'. Available online at: https://zenodo.org/record/7180098#.Y26MEXbMJaQ [Accessed 7 January 2025], Xu and Ricks, et. al (2024). 'System-Level Impacts of Voluntary Carbon-free Electricity Procurement Strategies'. Available online at: https://www.sciencedirect.com/science/article/abs/pii/S2542435123004993 Langer et. Al. (2024). 'Does the purchase of voluntary renewable energy certificates lead to emission reductions? A review of studies quantifying the impact'. Available online at: https://www.sciencedirect.com/science/article/pii/S0959652624032402 [Accessed 7 January 2025]

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