**Definitions / Purpose Framing (Pertaining to questions 18-22 of the consultation)**

The GHG Protocol has, for more than two decades, served as a global basis for corporate greenhouse gas reporting, enabling companies across sectors and geographies to estimate, disclose, and compare emissions using a common and credible framework. Its effectiveness in this regard is dependent on data quality, transparency, and neutrality. It is important to recognize that, despite its name, the GHG Protocol Corporate Accounting and Reporting Standard was not designed as a carbon *accounting framework*, but rather as an inventory-based *reporting tool* for companies to report their emissions.

Similarly, the Protocols functionality as a reporting tool was not and should not be intended to be used as an energy policy instrument. Rather, its legitimacy derives from its ability to produce comparable, streamlined, and decision-useful emissions data, independent of jurisdiction-specific policy objectives or preferred business models.

As the GHG Protocol undertakes revisions to its Scope 2 Guidance, it is essential that it avoid expansion beyond its core function of standardized reporting. While evolving power systems and procurement practices warrant updates to reporting and accounting guidance, those updates must reinforce GHGP's role as a greenhouse gas emissions estimation framework that does not attempt to double as policy advocate or corporate decision-maker—roles best left to elected officials and board members, respectively. The Protocol should inform transparency, not prescribe operational choices or impose de facto mandates on how companies procure electricity, structure contracts, or design energy strategies.

Many U.S. Chamber members are concerned that elements of the current proposal risk crossing this line. Proposed changes to the definition of Scope 2, the treatment of the Market-Based Method, and the introduction of mandatory hourly matching and geographic deliverability requirements would fundamentally alter the nature of Scope 2 accounting. These changes risk transforming Scope 2 from a tool for emissions reporting into a mechanism that implicitly directs capital allocation, constrains business operations and decision-making, and privileges certain energy procurement models over others.

Such an evolution would be inconsistent with the original purpose of the GHG Protocol and would threaten its continued broad adoption and credibility.

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**Quality Criterion 4: Hourly Matching (Pertaining to questions 71-75 of the consultation)**

The Chamber strongly opposes making hourly matching a mandatory requirement within Scope 2 accounting. While hourly matching may offer analytical value in certain contexts, it should remain an **optional pathway**, not a required condition for market-based emissions claims.

Mandatory hourly matching would impose substantial new costs, data requirements, and administrative burdens on reporting entities. Many markets lack the necessary hourly generation, emissions, and grid data to support consistent and verifiable implementation. For companies operating across multiple regions, compliance would be highly complex and, in some cases, infeasible. Under current market conditions, hourly matching is infeasible in most regions, lacks the necessary tools and mechanisms for adoption, and could force companies to effectively function as electricity traders—a task for which they are ill equipped. It could also require deployment of capital into activities that are not core to companies' businesses or areas of expertise.

More importantly, mandatory hourly matching would undermine the financing model that has driven renewable energy deployment over the past decade. Renewable energy projects typically incur most costs upfront and rely on long-term power purchase agreements (PPAs) with creditworthy off-takers to secure tax equity, debt, and equity financing. By restricting aggregation across facilities and narrowing eligible market boundaries, mandatory hourly matching would reduce PPA volumes, weaken project bankability, increase financing risk, and raise capital costs.

These effects would likely lead to fewer projects reaching final investment decision and earlier retirement of existing assets — even as electricity demand continues to rise. The resulting supply constraints could negatively affect energy affordability, reliability, and security, outcomes driven by accounting design rather than emissions performance.
We recommend that the Scope 2 Guidance consistently use **"may" rather than "shall"** when referencing hourly matching, explicitly recognize Alternate Proposal 5 as a viable pathway, and defer any consideration of mandatory application until the conditions are such that there are robust and liquid markets for the procurement of hourly instruments in all geographical locations.

**Deliverability / Market Boundary Interactions with Matching (Pertaining to questions 83-91 of the consultation)**

**Draft response text:**

The U.S. Chamber similarly opposes mandatory geographic deliverability requirements tied to Scope 2 emissions claims. Tightening geographic boundaries introduces significant feasibility challenges and risks unintended consequences that do not reflect actual emissions outcomes. For example, proposed physical delivery requirements could shrink markets into which renewable energy project developers can offer specific attributes. In locations with few corporates, demand for renewable energy attributes could decline significantly.

As a result, these deliverability constraints would further limit the ability of companies to enter large, aggregated PPAs, reducing liquidity in renewable procurement markets. They would also weaken secondary renewable energy certificate (REC) markets that help keep older projects financially viable. As those markets erode, existing renewable assets may face premature retirement, undermining both emissions objectives and system reliability.

Mandatory deliverability also risks penalizing early movers who invested in clean energy under existing Scope 2 Guidance by retroactively devaluing contracts that were compliant and credible when signed. If not addressed through robust legacy provisions (see below), such retrospective shifts would erode confidence in the durability of accounting standards and discourage long-term commitments.

If deliverability provisions are pursued at all, they should remain **optional**, applied flexibly, and introduced only after sufficient data, infrastructure, and market maturity exist. Any mandatory approach would require phased implementation and a robust legacy framework to avoid market disruption.

**Combined Market-Based Method Changes & Feasibility / Benefits (Pertaining to questions 130-137 of the consultation)**

The proposed combined changes to the Market-Based Method, hourly matching, and deliverability raise serious concerns regarding feasibility, cost, and unintended consequences. The Market-Based Method has long provided a stable and credible way for companies to reflect contractual attributes associated with electricity procurement while maintaining comparability across reporters.

To date, there has been very little adoption of hourly or geographical matching in the business sector, a reality that reflects inherent technical and logistical challenges associated. For example, a May 2025 Scope 2 practitioner survey found that "nearly 80% of respondents lack confidence that they would be able to procure time-matched clean electricity within smaller market boundaries," and "70% of respondents indicated they

have current clean electricity contracts that would no longer be eligible under smaller market boundaries, which threatens their ability to achieve current and future clean energy targets."

Recasting or conditioning the Market-Based Method on increasingly granular temporal and geographic criteria would undermine its predictability and may retroactively invalidate emissions claims that were compliant at the time investment decisions were made. Accounting standards should not redefine contractual legitimacy after the fact, nor should they collapse the distinction between emissions accounting and energy policy objectives.

The cumulative effect of these changes would be to transform Scope 2 from a reporting framework into a mechanism that implicitly directs capital allocation and operational decisions. This risks reducing corporate participation, fragmenting disclosures, and weakening voluntary clean energy markets that have delivered substantial emissions reductions to date.

We therefore urge the GHG Protocol to retain the Market-Based Method as a core, neutral accounting tool, reject mandatory matching or deliverability requirements, and ensure that Scope 2 remains feasible, comparable, and decision-useful across jurisdictions.

If the GHG Protocol proceeds with updates to make hourly matching and deliverability mandatory despite strong stakeholder concerns, we would support the use of standardized load profiles as a feasibility tool for matching when hourly consumption or contractual data are not readily available, but only where profiles are based on transparent, publicly available datasets (e.g., government or regulator data) and not bespoke, firm-level modeling. For large, multi-site organizations, producing their own profiles is impractical and would add cost without materially improving integrity. The GHG Protocol should rely on credible public data sources and allow small-company or minimal-load exemptions, recognizing that profiles reduce but do not eliminate the broader feasibility challenges created by mandatory hourly matching.

A phased implementation approach will also be critical. The continued development of implementation details, including specific effective dates, in conjunction with a clearly defined legacy clause that respects the significant capital commitments that companies have made for the lives of their contracts, will be critical for evaluating feasibility.

**Exemptions to Hourly Matching (Pertaining to questions 166, 169, and 153-170 of the consultation)**

The breadth of proposed exemptions underscores the fundamental feasibility challenges associated with mandatory hourly matching. Rather than attempting to carve out numerous exceptions, the more effective and durable solution is to treat hourly matching and deliverability as **optional reporting pathways**.

If, despite stakeholder concerns, mandatory elements are retained, then we would support the use of well-designed exemptions (e.g., for companies below a reasonable consumption threshold) to avoid sudden shocks to procurement. Where exemptions are used, companies should still be regarded as fully conformant with the Corporate and Scope 2 Standards; treating exempt users as non- or partially conformant would undermine the purpose of the exemption and deter participation, particularly by smaller buyers. However, we note that exemptions to hourly matching would still not address challenges with deliverability which will have impacts to voluntary procurement, as described previously.

Companies have entered long-term clean energy contracts—often spanning 10 to 20 years or more—based on existing Scope 2 Guidance. Without clear protections, mandatory changes would disrupt markets, negatively impact procurement and deployment of renewable energy, and send the wrong signal to stakeholders currently negotiating contracts.

**Legacy Clause Considerations (pertaining to questions 171-183 of the consultation)**

As previously noted, the cumulative effect of the proposed revisions to the market-based method would be to transform Scope 2 from a reporting framework into a mechanism that implicitly directs capital allocation and operational decisions. This risks reducing corporate participation, fragmenting disclosures, and weakening voluntary clean energy markets that have delivered substantial emissions reductions to date.

If the GHGP proceeds with these changes despite stakeholder concerns, at a minimum, revised Scope 2 Guidance must include an explicit and unambiguous legacy clause ensuring that:

- Contracts signed before the effective date of any new requirements remain valid for their full life.
- Emissions claims associated with those contracts continue to be recognized under the rules in place at the time of signing.

- All instruments contractually agreed upon under existing rules should be eligible for the legacy clause.
- Guidance should allow legacy instruments to be sold or transferred and retain eligibility.
- No retroactive reassessment or devaluation occurs.

Honoring legacy arrangements does not undermine emissions ambition. Companies will continue pursuing methane and carbon reductions as intended by the Protocol, but they must be able to rely on stable accounting rules when making long-term investment decisions. Put simply, corporate investments in clean energy and emissions credits must be protected from losing their reporting value if rules are subsequently changed, and absent incorporation of a robust legacy clause, the GHGP risks losing business community trust in its standards across all scopes and investments.

**Scope 2 Structure, Methods, Claims, and Data Inputs (Pertaining to questions 23-70 of the consultation)**

> [For applicable questions addressing the role of market-based accounting, contractual claims, validity of instruments, disclosure framing, and the conceptual structure of Scope 2 (but not calculation formulas or data tables).]

The existing Scope 2 framework has succeeded by clearly distinguishing between location-based and market-based accounting, allowing companies to transparently disclose both physical grid emissions and contractual procurement attributes. This structure has supported comparability across reporters while enabling voluntary clean energy markets to function at scale.

We caution against changes that would weaken the Market-Based Method by conditioning eligibility on specific procurement characteristics, temporal alignment, or geographic constraints. Such changes risk transforming contractual instruments from neutral accounting inputs into policy signals, which is inconsistent with the role of an emissions accounting standard.

Contractual instruments such as power purchase agreements and energy attribute certificates have enabled large-scale clean energy investment precisely because they are recognized consistently and predictably within Scope 2 accounting. Undermining that recognition—particularly retroactively—would erode market confidence and discourage long-term commitments.

For these reasons, Scope 2 guidance should continue to recognize contractual instruments that meet established quality criteria, without introducing new requirements that functionally prescribe procurement behavior rather than improve emissions accounting accuracy.

**Transitional Issues / Early Adoption / Implementation Timing (Pertaining to questions 76-82 of the consultation)**

Any changes to Scope 2 guidance must be implemented with careful attention to timing, transition, and market stability. Companies have made long-term clean energy investments based on existing Scope 2 guidance, often entering contracts with durations of 10–20 years. Abrupt or retroactive changes would disrupt markets and undermine confidence in the durability of Scope 2 standards.

If the aforementioned new requirements pertaining to hourly matching or deliverability are retained, they should only begin to be phased in when conditions are such that there are robust and liquid markets for the procurement of hourly instruments in all geographical locations. Early or voluntary adoption pathways may be appropriate for organizations seeking to pilot more granular approaches but should not become de facto requirements.

Clear transition provisions are essential to ensure that Scope 2 revisions do not delay procurement decisions, stall contract negotiations, or send unintended negative signals to market participants actively working to advance clean energy deployment.

**Consequential Method, Alignment with Other Frameworks, Claims Integrity (Pertaining to Questions 92–129 and 146-151 of the consultation)**

The Chamber encourages the GHG Protocol to enable coherence and alignment across frameworks, consistent with the approach and principles communicated throughout this feedback. Without such coordination, companies may face conflicting incentives where the same action improves performance under one framework while worsening outcomes under another, noting that companies may utilize different frameworks to achieve different objectives.

Scope 2 has historically been an attributional accounting framework, focused on transparent reporting of emissions associated with purchased electricity. Introducing or elevating consequential accounting concepts within Scope 2 risks blurring this distinction and embedding assumptions about system-level impacts that are highly context-dependent and difficult to verify.

Consequential analysis may be valuable for policy design or scenario modeling, but it should not displace or distort the role of Scope 2 as a standardized emissions reporting tool.