



Responses to GHG Protocol Scope 2 Public Consultation – Deadline 31st January 2026

Date: 20th January 2026.

This document provides the consultation responses to the GHG Protocol's Scope 2 Public Consultation from Prof Matthew Brander, Chair in Carbon Accounting, University of Edinburgh Business School. The GHG Protocol consultation document is available here:

<https://ghgprotocol.org/sites/default/files/2025-10/GHG-Protocol-Scope2-Public-Consultation.pdf>

The question numbers below correspond to those in the consultation document.

Question 18. Please provide any feedback on the proposal to refine the definition of scope 2, to emphasize its role within an attributional value chain GHG inventory and clarify that scope 2 must only include emissions from electricity generation processes that are physically connected to the reporter's value chain, excluding any emissions from unrelated sources?

Response: The definition of 'scope 2' and the emphasis that it is part of a value chain inventory is correct. However, it is important to flag that the market-based method (both the current requirements and the proposed updated requirements) are not consistent with a 'value chain' inventory - which is an inventory of emissions/removals from all the sources used in the value chain. Mass balance is not sufficient for making 'use' claims, and the proposed revisions for market-based accounting are for a form of mass balance. This peer-reviewed journal article explains this issue:

<https://www.tandfonline.com/doi/full/10.1080/17583004.2025.2602998>

The proposals for market-based accounting are consistent with what could be called a 'matching', 'contractual', or 'performance' inventory.

If reporting companies claim that their market-based disclosures represent all the sources they 'use' in their value chains they will be making a false statement, and may be exposed to reputational and litigation risk.

Question 20. Please provide any feedback on the proposal to clarify the MBM definition to retain its existing basis, quantifying Scope 2 from contractually purchased electricity via contractual instruments, while specifying temporal correlation and deliverability when matching instruments to consumption?

Response: The MBM definition is misleading. The MBM represents the purchase of attribute certificates and not the contractual purchase of electricity. E.g. a company can contractually purchase electricity from a coal-fired power plant and separately purchase attributes from a wind farm. The MBM only reflects the purchase of the attributes and not the 'contractually purchased electricity'.

The GHG Protocol should explicitly and consistently state that the market-based method reflects only the purchase of attributes and not the purchase of electricity.

A further statement of this problem is available here: <https://www.bccas.business-school.ed.ac.uk/sites/cbccs/files/2025-11/Six-things-wrong-with-the-GHG-Protocols-proposals-for-market-based-scope-2.pdf>

Question 22. Please provide any feedback on the proposed purposes of the market-based method.

Response: The first bullet point [Estimating emissions based on physical and contractual relationships to electricity supply] is misleading as the MBM only reflects the emissions conveyed by purchased attribute certificates and does not reflect the emissions from contractual relationships for the purchase of electricity.

E.g. it is possible for a reporting company to have a contractual relationship to purchase the electricity from a coal-fired power plant, and to separately purchase attribute certificates from a wind farm. The MBM does not reflect the emissions from the contractual relationship for purchasing the electricity.

This text appears to be deliberately misleading in order to give the impression that the MBM reflects the emissions from contractual relationships for the purchase of electricity.

It would be useful to make a distinction between a. the purpose of MBM results (i.e. what the numerical information is useful for) and b. the purpose of the method in terms of creating a market for EACs. Bullets 1, 3, 4, and 5 relate to the possible purpose of the results/information, and Bullet 2 appears to relate to the purpose of creating demand for EACs and driving the deployment of low carbon electricity.

Regarding Bullet 2 - this may be the purpose/motivation for MBM but it is highly questionable whether the proposed rules will achieve impact. The existing scientific literature indicates that the proposed MBM rules are unlikely to achieve impact as there is no additionality/incrementality requirement.

Regarding Bullets 3, 4, and 5 - it is highly questionable whether MBM is appropriate for these purposes. E.g. MBM does not convey any information on exposure to climate-related price risk.

It is recommended to delete Bullets 1, 3, 4, and 5, and retain Bullet 2 (though acknowledgment is still needed that MBM is unlikely to be an impactful form of performance accounting).

Question 24. Please provide your reasons for support, if any [for spatial and temporal granularity for the location-based method].

Response: The following were selected from the list of options:

- Enhances the accuracy and relevance of the location-based method
- Enables use of emission factors that support abatement planning and target-setting.
- Prioritizes consumption-based factors that include imports/exports over production-based factors.

Question 72. Please provide reasons for support, if any [for hourly matching of contractual instruments].

Response: The following were selected from the list of options:

- Better reflects grid operation, reduces misallocation of generation (e.g., “solar at night”)
- Reduces risk of greenwashing/time-shifting claims by aligning claims to time of use

Question 75. Please provide comments regarding your concerns or reasons for why you are not supportive [of hourly matching with contractual instruments].

Response: One concern with introducing the requirement for temporal matching is that, based on this change and the introduction of spatial matching, it will be claimed that MBM provides accurate information on value chain emissions, whereas this is not true. A further concern is that if companies undertake time and location matching and, on that basis, make claims about their value chain emissions, they will be making false statements and will be exposed to reputational, litigation, and regulatory risk.

Question 87. Please provide comments regarding your selected reasons for why you are not supporting [for spatial matching of contractual instruments].

Response: As with temporal matching, one concern with introducing the requirement for spatial matching is that, based on this change and the introduction of temporal matching, it will be claimed that MBM provides accurate information on value chain emissions, whereas this is not true (see above). A further concern is that if companies undertake time and location matching and, on that basis, make claims about their value chain emissions, they will be making false statements and will be exposed to reputational, litigation, and regulatory risk.

The current rules for market-based accounting are also inappropriate for making value chain inventory claims, but the current practice is generally understood not to be accurate. [The danger with the proposed revisions is that they will appear to have greater credibility, and therefore mislead more stakeholders/users of GHG disclosures].

Question 98. Please provide reasons of support, if any [for restricting the voluntary purchase and use of EACs from Standard Supply Service].

Response: The following were selected from the list of options:

- Helps ensure that SSS resources are fairly allocated to all consumers and prevents procurement by specific organizations
- Clarifies the order of operations so that organizations may claim SSS first and then make voluntary procurements

Question 100. Please provide concerns or why you are not supporting [introducing the concept of Standard Supply Service].

Response: The following were selected from the list of options:

- Unclear how partial subsidies affect SSS classification
- Unclear rules/definition of SSS

Question 101. Please provide comments regarding your selected reasons for why you are not supportive [of introducing the concept of Standard Supply Service]..

Response: There are many challenges to introducing the concept of Standard Supply Service, and as a result any requirements related to SSS are likely to be ignored (similarly with the requirement for residual grid mixes in the current Scope 2 Guidance - this has been largely ignored by reporting companies).

A further issue is that mandatory payments may not be levied evenly on all consumers based on their consumption (i.e., different power pricing rates—industrial vs. commercial vs. residential), in which case a pro rata allocation based on consumption will not fairly reflect who paid for investments in the clean generation.

Question 102. Are there resources in your region that do not fit clearly within the outlined examples of SSS but should be allocated to all customers under this framework? If so, please provide examples and explanations for each.

Response: One example is Scottish hydroelectric power generation. Much of the existing capacity was built between 1940 and 1990 by a government-owned company called the North of Scotland Hydro-Electric Board, and the investment was effectively underwritten by taxpayers. Those assets are now mostly operated by private companies, and it isn't clear whether the generation should be allocated as SSS to existing consumers, or whether it is fair for specific companies to appropriate all the attributes. Moreover, if these non-additional EACs are used for voluntary matching they will undermine the likelihood that the market for EACs will be impactful.

Question 112. Please provide any additional feedback on SSS.

Response: There should be a conservative approach to EACs used for voluntary procurement, i.e. the supplier of the EACs must attest that they are not from SSS - or the EACs should be assured by a 3rd-party certifier.

Question 134. Considering investor and assurance needs, how do the proposed market-based method revisions change the extent to which information is decision-useful to users relative to incremental cost and complexity for preparers?

Response: The following was selected from the list of options:

- No meaningful improvement (unlikely to change decisions/interpretations)

Question 135. Please provide additional context for your answer to question 134.

Response: There are two types of investor audience:

1. Impact investors

2. Climate-risk conscious investors

For impact investors the proposed revisions for MBM do not improve the decision-relevance of the information as it is highly unlikely that company procurement of EACs will be impactful, and therefore relevant to impact investors. Moreover, the proposals do not differentiate between companies that are undertaking actions that are likely to be impactful (e.g. signing long-term PPAs) and companies that are undertaking actions that are unlikely to be impactful (e.g. buying unbundled EACs with no additionality requirement). It is highly problematic for an accounting standard if two materially different companies are able to report the same number.

For climate-risk conscious investors the proposed revisions for MBM are unlikely to provide any useful information for assessing exposure to climate-related risk or opportunity. E.g. a company may buy unbundled EACs and report zero market-based emissions, but have a supply contract with a coal-fired power station that is facing increasing carbon pricing. If the coal-fired power station becomes non-viable due to climate regulation the company will lose its supplier and face considerable risk. The MBM obscures this information rather than helping to assess the risk.

Ironically - MBM may provide some indication of climate-related reputational or litigation risk, as it indicates which companies may be making false value chain claims. I.e. MBM is an indicator of the risk created by companies using MBM.

Question 136. Considering investor and assurance needs, how do the proposed market-based revisions change the comparability of information relative to incremental cost and complexity for users?

Response: The following was selected from the list of options:

- No meaningful improvement (unlikely to change comparability/interpretations)

Question 146. Considering the full set of proposed revisions to the market-based method as discussed previously in this consultation, would the existence of a separate metric outside of scope 2 to quantify the emissions impact of electricity-related actions change your perspective on the proposed revisions?

Response: The following was selected from the list of options:

- Yes

Question 147. If you answered “yes” or “somewhat” to question 146, which of the following rationale captures your views?

Response: The following was selected from the list of options:

- Allows for continued investment in electricity projects outside of my deliverable market boundary
- Provides a complementary metric to quantify actions such as energy storage or demand response

- Provides additional relevant information for users of GHG data
- Provides additional approaches for target setting

Question 152. In your view, balancing scientific integrity, climate impact, and feasibility, what scope 2 revisions or combination of revisions are most appropriate? Please address each of the three core decision-making criteria: integrity, impact, and feasibility in your answer, and describe how the approach satisfies each criterion.

Response: The following is specifically in relation to the MBM:

1. **Integrity:** the proposed revisions are inconsistent with accurate value chain inventory accounting. They are a form of mass balance accounting, which does not warrant 'use' claims, whereas value chain inventories are for the sources/sinks 'used' in the value chain. A recent journal article in the scientific literature explains this issue:
<https://www.tandfonline.com/doi/full/10.1080/17583004.2025.2602998>.

The GHG Protocol should transparently state that the MBM is a form of 'matching', 'contractual', or 'performance' inventory, and not a 'value chain' inventory.

2. **Impact:** the proposed revisions are highly unlikely to be impactful. Modelling studies clearly show that an additionality or incrementality requirement (i.e. a 'third pillar') is needed in addition to time and location matching, for the MBM to be impactful. E.g. see
<https://www.sciencedirect.com/science/article/pii/S0959652624032402>.