GHGP SCOPE 2 PUBLIC CONSULTATION

Making Scope 2 Work: RECS Consultation Guide

RECS membership has worked at the centre of energy attribute tracking since 2001. Drawing on deep real-world experience, this guide distils our practical insights to offer a grounded view of what is robust, feasible and workable in practice - Supporting you in preparing a more informed, pragmatic consultation response.

RECS ENERGY CERTIFICATE ASSOCIATION

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About the consultation and RECS guidance

The Greenhouse Gas Protocol Secretariat published the Scope 2 public consultation on 20 October 2025 (pdf available here).

This consultation guide outlines key arguments by question number and topic, which you can further strengthen with your own facts and evidence.

RECS has also prepared a 'skeleton text' to make responding to the consultation easier, including our full answers as of 28 November. **Please refer to the skeleton text here.** RECS will continue to refine and update this text prior to submission.

RECS' key arguments

The four issues outlined below summarise RECS' core concerns regarding the proposal.

Issue 1:

Physical deliverability is a misconception in the context of grid electricity. Power cannot be traced from a specific generator to a specific consumer. Hourly matching and smaller market boundaries do not make deliverability achievable — they merely simulate precision without changing how the grid balancing actually works.

Resources pulled into niche requirements such as restrictive boundaries and deliverability rules, reduce capacity for more meaningful impact. ***(See "The misconception of "deliverability" and hourly matching requirement", p.5 - Consultation questions #18, 19, 110, 22, 34, 75, 135)***

Issue 2:

The use of production or consumption load profiles does not improve the accuracy or transparency of Scope 2 accounting. Contractual instruments issued by recognised issuing bodies are already governed by established standards, operated through transparent registries, and in many regions embedded in legislation. They provide reliable and credible tracking of generation attributes.

Adding further administrative layers through load profiling is therefore unnecessary to enhance the accuracy of existing annual certificates, particularly as load profiles are typically synthetic estimates rather than measured data. RECS supports monthly disclosure periods to improve market liquidity and seasonal variation based on practical market considerations, this is driven by practical market considerations, not by any concern that the existing framework is inadequate for credible market-based reporting.

System improvement comes from adoption and feedback, not from sidelining the system with added reporting layers. ***(See "Load profiles do not improve Scope 2 accuracy or transparency", p.10 - Consultation questions #27, 76, 82)***

Issue 3:

Smaller market boundaries do not improve accuracy or reflect electricity system operation. In the EU, electricity and contractual instruments function within the legally established Single Market, grounded in the Four Freedoms (the free movement of goods, services, capital and labour) applicable across all sectors. Fragmenting this integrated market creates artificial boundaries that undermine, rather than enhance, accuracy and comparability. Bidding zones and national boundaries are regulatory constructs rather than physical delivery regions, and their use for disclosure purposes is misaligned with both grid operation and the legal framework of the European Single Market.

Globally, misalignment with physical system operation and the principle of attribute decoupling increases reporting burdens without generating corresponding gains in accuracy. **(See "Complexity outpacing the illusion of accuracy", p.11 - Consultation questions #96, 135, 137, 140, 141, 149, 151, 158, 160, 170 and SSS #101, 103, 108)**

Issue 4:

Market growth and participation, not prescriptive reporting, drive policy alignment and infrastructure upgrades. Stricter matching requirements do not strengthen the system, they neither reflect mainstream consumer preferences nor support iterative improvement.

Prescriptive rules narrow consumer choice and agency, while effective climate action depends on empowerment through accessible participation. Annual contractual instruments remain the most accessible option. Organisations should be allowed to choose what is most impactful in their context, rather than being required to apply temporal matching within artificially narrow boundaries. Narrower market boundaries and deliverability requirements risk crowding out meaningful action by favoring entities with in-house expertise while disadvantaging organisations with limited sustainability or reporting resources, particularly smaller teams. This creates uneven burdens and reduces the practicality of Scope 2 reporting without accelerating investment or system improvement. Building on existing trust is what drives progress. ***(See "RECS' suggestions", p.17 - Consultation question #152)***

THE MISCONCEPTION OF "DELIVERABILITY" AND HOURLY MATCHING REQUIREMENT

Q. 18

The proposed scope 2 definition update claims to clarify that scope 2 must only include emissions from physically connected generation. However, this is a fundamental point which RECS wishes to challenge.

Electricity markets operate through traded balancing responsibilities, not the transfer of physical electrons. Electricity does not move through the grid as a directed flow, it moves as untraceable electromagnetic current. System operators balance frequency, which they continuously manage without regard to which generator serves which load. Power markets cannot adjust at this speed, so commercial transactions are virtual and do not map onto physical flows. Deliverability or physical traceability therefore has no meaning in an interconnected AC grid.

Attempting to "increase accuracy" by adding temporal or locational matching requirements reflects a fundamental misunderstanding of book-and-claim systems. According to ISO 22095 and ISO FDIS 13659, attribution-based market instruments such as GOs and RECs, based on book-and-claim chain-of-custody model, do not rely on demonstrating physical delivery.

Power markets and attribute markets are two distinct systems with different purposes. The "indirectness" of electricity use is not a flaw of EACs, but a consequence of the fact that physical delivery from a specific generating unit cannot be guaranteed (more in Q75). Grid operation prioritizes system stability and public welfare — not corporate disclosure claims. The draft language implies that claiming 100% renewable electricity is misleading because it does not reflect physical grid flows. However, the issue is not one of exaggerated claims. As highlighted in CDP's own analysis cited in the consultation, larger companies already tend to report lower renewable percentages than smaller users, and only about half of claims are ultimately recognized. This indicates cautious claiming, not over-claiming.

A recent blog by the GHGP Secretariat frames continent-wide single-market practices as a limitation, but in the European context these are the foundation of the Single Market - where energy, labour, and goods flow freely across borders. Introducing bidding-zone-based boundaries as a corrective for "accuracy" does not strengthen comparability; it fragments it since the size, number, and configuration of bidding zones vary widely across countries and reflect policy or operational choices rather than consistent physical or market realities.

Q. 19

The LBM uses statistical market data rather than physical system behaviour, it averages all generation within an administratively defined market boundary that does not correspond to real physical balancing, it reflects policy choices about how to group producers and consumers rather than physics, and it produces an annual average market mix that has no relationship to real-time dispatch or the electromagnetic energy actually reaching any load. Because physical flows in Europe are set by SDAC's algorithm through implicit market coupling (and similar systems elsewhere), neither location-based nor market-based accounting can claim physical deliverability. Both assign claims, while electricity always follows system dynamics shaped by price and grid physics.

The LBM provides only an indicative value based on a facility's location, while the MBM is intended to reflect a company's own choices and impact in its reporting. A clearer insistence on dual reporting as a requirement would incentivise awareness of both the overall production mix (including imports and exports) and the reporting entity's own initiative. Even the production mix is not determined at the national or even the bidding-zone level in a way that can support claims that the electricity in a given consumer's plug is served solely by a given production device.

Q. 20

Quantifying Scope 2 using contractual instruments remains essential. However, under the current proposal, two entities could each report "50% hourly matching," yet one could match entirely in low-renewable hours while the other matches only in high-renewable hours. Their environmental effort, cost, and impact would be entirely different, incentivising low-effort compliance rather than meaningful system impact. Moreover, temporal correlation does not represent actual consumption, as the MBM exists precisely because all consumers draw from a shared production mix.

These proposals could also channel procurement toward always-available technologies such as hydropower or nuclear, even when organisations may have legitimate environmental or ethical reasons to prioritise other renewable or low-carbon sources. Reporting entities should not be steered toward technologies they do not wish to support under the banner of "greater accuracy."

Section 3.2 references "aligning reported scope 2 emissions with electricity that could plausibly be supplied within the reporter's value chain." In book-and-claim chain-of-custody systems, specified characteristics are intentionally separated from physical product flows, leaving "plausible delivery" irrelevant and in the case of electricity, not possible (also see Q33, Q75). "The right to claim specified characteristics belongs exclusively to the owner of the TIEC [EACs] and does not require movement of physical material or product [...] 'Attribution of material flows in and out' is not applicable to the book and claim model." (FDIS 13659, 4.1) Book and claim systems facilitate credible issuance, transfer, and retirement of TIECs representing specified characteristics of material or product within a defined system boundary. (ISO FDIS 13659, 5.1, p. 7)

Instead, we propose:

- Monthly disclosure periods: A feasible improvement to today's annual matching, without introducing the administrative and structural burdens of hourly matching. Even sticking to a strict calendar year matching prevents oversupply, avoids price distortion, simplifies statistical interpretation, and provides a stable base for voluntary improvements such as monthly matching.

- Strict dual reporting: Since contractual instruments are now far more widely available than in 2014, dual reporting remains essential to reflect both grid context and the reporting entity's procurement choices.

Q. 22

- In Europe, the physical electricity system has been shaped by over two decades of coordinated cross-border market integration. The Single Day-Ahead Coupling (SDAC) and related mechanisms ensure that grid balancing is optimized to maximize social welfare across interconnected markets. This demonstrates that physical dispatch outcomes are determined algorithmically across the region—not by the consumption or procurement choices of individual buyers.

The welfare gains achieved through this integration are estimated to exceed €1 billion per year (EPEX SPOT, Factsheet on Power Market Design, ACER Market Monitoring Report 2018 – Electricity Wholesale Markets).

- Scarcity and investment signals: Scarcity signals in a few hours cannot provide the stable, predictable pricing that renewable investors rely on, long-term investment decisions depend on broader market trends, not short-term peaks. Procurement claims therefore need to be recognised as distinct from the physical factors that drive grid operation and investment decisions. The electricity price reflects physical system balancing, while EAC procurement reflects demand for renewable attributes— two separate incentives, not a single market signal.

EAC systems differ widely across regions. The GO price in Europe is not an investment signal, and even the power price alone cannot secure the renewables needed for EU targets. While the GHGP draft frames the MBM as a driver of new renewable investment, in Europe GOs are not designed as an investment mechanism but as a disclosure system within a liberalized electricity market framework. Any framework revisions should recognise these structural differences rather than imply a universal investment function.

- Grid optimization vs renewable attribute allocation: Grid balance optimization aims to maximize regional welfare, whereas renewable energy disclosure frameworks enable organizations to take responsibility for, and communicate, their procurement decisions.

- Additional impact: Temporal matching of procurement and renewable supply becoming mandatory expectations would significantly restrict the practical avenues organizations currently have for impactful action. Many reporting entities prioritize other forms of contribution, such as supporting energy cooperatives, addressing energy poverty, or choosing NGO-led ecolabel schemes. These forms of social and systemic impact should not be discouraged by narrowing the permitted scope of legitimate procurement claims in the MBM.

Q. 34

Demonstrating physical deliverability is not a reasonable expectation under either the LBM or the MBM. Not least because there is no such thing as the physical delivery of a unit of power from producer to consumer. There is only the input and off-tack of charge to and from the grid to maintain system balance. National boundaries under the LBM may serve as an indicative reference alongside market boundaries under the MBM, but should not be interpreted as evidence of physical delivery

Q. 75

Under the draft proposal, where hourly data is not available, consumers would be required to approximate it. However, this simply replaces one estimation with another, reducing accuracy and comparability rather than improving it. The expected market outcomes, investment incentives, and implementation timelines related to hourly matching also remain unclear. Today, granular matching is carried out only by a limited set of large consumers. Expanding this to the wider market would impose a significant administrative burden on suppliers and smaller consumers alike. Without national regulators issuing certificates on an hourly basis, such a system is likely to be impractical.

Hourly matching will not generate a meaningful price signal to support new renewable capacity in currently underserved hours. For a price signal to form, there must be strong demand and weak supply in the same hour - but corporate 24/7 targets do not create this dynamic. Most 24/7 frameworks allow carbon-free supply from dispatchable technologies, so 'underserved' hours may not be truly undersupplied.

Secondly, corporate 24/7 targets are rarely 100% and typically cover only 50–80% of consumption, allowing organisations to avoid the most challenging hours entirely. Existing studies have not tested willingness-to-pay for scarce hours, and attribute markets do not include any penalty for not purchasing a specific hour.

It is not correct to speak of the "physical deliverability" of electricity to a specific consumer. Any claim on specific generation relies on a book-and-claim chain-of-custody system. More granular matching does not change physical flows and should not be interpreted as evidence of delivery. Electrons do not travel from a specific generator to a specific consumer. The idea that hourly matching allows tracking of electrons reflects a misunderstanding and does not itself increase renewable deployment or impact.

Introducing hourly matching as a requirement at this stage could discourage participation rather than increase it. Distribution system operators are not yet equipped to support it, and the data infrastructure required is not in place. Moreover, hourly matching relies on the same modelling approaches used today and therefore does not ensure physical deliverability. In Denmark, Energinet discontinued its hourly matching platform because there was insufficient market demand and no supporting regulatory framework.

If grid decarbonisation were pursued by matching consumption to production, this logic would need to apply consistently across all generation sources -not only renewables- to remain coherent within the market-based method.

Q. 135 (partially under "Complexity outpacing the illusion of accuracy", (p.11)

Assessing deliverability or impact by defining market boundaries based on bidding zones or synchronous grids rests on a misconception of physical reality (as explained in other questions). Bidding zones are regulatory constructs established to manage congestion and system operation, they are not physical delivery regions and are periodically reconfigured as grid conditions change. The presence of congestion reflects the need for long-term grid reinforcement and coordinated system planning — responsibilities that lie with TSOs and, where relevant, large industrial consumers with high and predictable loads. These processes are already handled through established capacity booking and grid connection agreements, and should not be translated into disclosure requirements for all reporting entities. Fragmenting reporting boundaries on this basis would introduce inconsistent frameworks and increase administrative cost without improving environmental integrity or decision-usefulness.

Functional separation between power markets and attribute markets (Relates to questions #20, 22, 75, 134)

In power markets, commercial transactions occur virtually. System frequency stability requires that physical generation and consumption be balanced in real time, which cannot be left entirely to market schedules. If actual grid conditions deviate from contracted schedules, the physical system cannot always adjust immediately. For this reason, commercial market operation is deliberately decoupled from physical grid operation. This led to the development of balancing responsibility: These contracts are traded ahead of real time and help TSOs plan system operation, but they do not determine dispatch. When contracted schedules and grid charge diverge, the system is corrected through imbalance settlement, where balancing responsible parties pay for deviations. Power markets therefore trade virtual supply and demand, while physical operation is managed separately to maintain system stability. Electricity is treated as fungible: markets value when and where energy is generated, not how. Energy attribute certificate (EAC) markets are separate from power markets and do not affect physical balancing. EACs can therefore be traded more flexibly and matched on an annual basis.

LOAD PROFILES DO NOT IMPROVE SCOPE 2 ACCURACY OR TRANSPARENCY

Q. 27

Using production load profiles risks adding complexity without delivering any real benefit. Because these profiles rely on estimates rather than measured data, they cannot increase the accuracy of emissions allocation; instead they create the appearance of precision while relying on estimations. Market boundaries used in the LBM are not designed to reflect the physical reality of maintaining balanced charge on the grid, making this approach a misconceived notion of accuracy.

In many EU countries smart meters are still not fully deployed, meaning time-resolved consumption data is unavailable. Smart meters are likely to be even less available in other less liberalised markets and systems. Resorting to load profiles for accuracy places unnecessary administrative burdens— particularly on Balance Responsible Parties—without improving comparability or reflecting how the grid actually operates. Importantly, load profiling is a tool used by grid operators for system balancing and settlement, not a mechanism for consumer renewable claims or emissions allocation, and therefore brings no added environmental integrity.

Q. 76, 82

Relying on modeled consumption profiles also creates several practical issues. It introduces asymmetry, where only organizations with access to real hourly metering or direct asset contracts can report based on actual data, while all others must rely on assumptions. It can create perverse incentives, for example encouraging utilities or buyers to select or design load profiles that make their hourly matching appear more favorable rather than more accurate. It can widen inequities, because smaller buyers and buyers in less-digitized markets would face greater reporting burdens and reduced ability to participate in the MBM compared to large firms with advanced metering.

Finally, it shifts the MBM away from its core purpose—supporting consistent, certificate-based claims—toward a system that depends on modeled utility planning tools. Under these conditions, matching consumption to modeled profiles complicates reporting without delivering clearer, more accurate, or more meaningful disclosure outcomes. Requiring their use would introduce a clear additional administrative burden, without increasing the usefulness or comparability of the reported information.

The draft text also suggests that load profiles could support grid planning, but reporting and disclosure frameworks are not designed for this purpose. For most reporting entities, this type of operational coordination is neither relevant nor proportionate to their electricity procurement.

COMPLEXITY OUTPACING THE ILLUSION OF ACCURACY

Q. 96

Requiring the use of GOs within restricted market boundaries (whether bidding zones, national borders, or synchronous grid regions) would significantly affect how suppliers and Balance Responsible Parties (BRPs) operate in Europe. Many BRPs manage integrated portfolios that span multiple countries and balancing areas, sourcing GOs and renewable supply from diverse regions to optimize cost, risk, and availability. Introducing narrower boundary requirements would remove this flexibility and force BRPs and suppliers to maintain parallel systems for procurement, portfolio balancing, settlement, and disclosure within each defined boundary. This would increase administrative workload, reduce market liquidity, and raise the overall cost of renewable procurement. A large share of this added value would flow to market intermediaries -consultants and service providers engaged to navigate increasingly complex reporting and compliance demands- rather than to renewable energy producers themselves. This diverts value away from actors who invest in new generation capacity and have a genuine role in accelerating the energy transition.

Moreover, these additional costs would ultimately be passed through to end consumers via retail tariffs -regardless of whether those consumers are actively seeking renewable disclosure claims. In European retail markets, cost increases for suppliers and DSOs are ultimately incorporated into end-user tariffs. Even consumers who do not purchase renewable products -or who do not care about disclosure- would bear these costs, because suppliers are required to recover them through regulated network charges or retail pricing structures. This means boundary restrictions impose system-wide cost increases without delivering system-wide benefits.

DSOs are not mandated under current legislation to implement hourly data-exchange structures or regional attribute-accounting mechanisms. Many DSOs lack the metering infrastructure, IT systems, and market processes required to support such an approach, particularly in countries where smart meters or near-real-time metering are not widely deployed. Implementing narrower boundaries would therefore require DSOs to undertake system upgrades they are neither required nor incentivised to carry out -creating additional system costs without improving the credibility of attribute tracking. It should not fall on consumers or voluntary buyers to absorb these costs or ensure system credibility.

Fragmentation of the market does not enhance the environmental integrity of Scope 2 reporting; instead, it shifts operational and financial burdens onto suppliers, DSOs, registries, and consumers without providing clearer or more meaningful disclosure outcomes, providing opportunities to market intermediaries with no interest or capacity to invest in more renewable generation.

Q. 135, 137

1. Using bidding zones or national grids as accounting boundaries would reduce, not enhance, comparability. Zonal configurations vary in size, scope, and data availability across Europe and are periodically revised through ENTSO-E and ACER bidding zone reviews. Dividing the Single Market into smaller accounting zones would undermine comparability further, as European companies source goods, services, and labour across this integrated region and electricity procurement and disclosure should operate under the same unified principle. Adding deliverability or hourly matching requirements on top of fragmented boundaries would increase administrative burden and data complexity without improving decision-usefulness.

2. Many Balance Responsible Parties and suppliers manage integrated renewable and GO portfolios across multiple countries. Narrowing boundaries would force parallel procurement, balancing, settlement, and reporting systems to be maintained separately in each region, increasing cost and reducing market liquidity. These additional costs would ultimately be reflected in retail tariffs, regardless of whether consumers seek renewable disclosure claims. The result would be higher reporting burdens and consumer costs without corresponding gains in transparency, comparability, or environmental impact.

3. Regions with higher grid carbon intensity still host essential industries for economic development, and not all sectors can relocate based on grid composition. Grid decarbonisation, system planning, and renewable investment are therefore policy and infrastructure challenges—not responsibilities that can be delegated to corporate disclosure frameworks.

4. These proposals do not represent incremental refinement of the MBM but rather a reversal of its foundational principles. The current GHGP Scope 2 framework enabled companies to credibly claim 100% renewable electricity procurement through unique, traceable certificates under dual reporting—catalysing global voluntary markets and initiatives such as RE100. Redefining the method so that such claims are no longer treated on par, based on the fact that grids are not yet fully renewable, conflates grid decarbonisation with corporate procurement and shifts the goalposts after an entire ecosystem has aligned around the existing standard. While rules can evolve, backtracking in this way undermines long-term credibility and introduces significant uncertainty for investors, suppliers, and reporting entities.

5. While some criticisms of the existing system have been raised by a subset of stakeholders, most of these concerns could be addressed through targeted improvements -such as stricter annual matching, clearer time-stamping, greater digitalisation and API use, monthly disclosure periods, and better harmonisation (in Europe)- rather than redefining the method itself. Instead of refining the existing framework, the proposed revisions seek to redesign core concepts from the ground up. Redefining the fundamentals and discouraging 100% renewable electricity use under dual reporting, as enabled by the current text, erodes trust in the framework altogether: Entities can no longer rely on the continuity of the standard they have invested in implementing, based largely on niche advocacy for hourly matching and limited research on physical deliverability in electricity.

Q. 140- Other

The listed drivers focus on reshaping procurement portfolios for hourly matching within constrained market boundaries. They do not reflect the broader system effects on liquidity, administrative burden, disclosure comparability, or the shifting of cost from renewable project financing toward intermediaries and data platforms. These are material drivers of price and procurement feasibility, particularly in cross-border markets such as Europe.

- Reduced market liquidity due to boundary fragmentation may lead to more frequent supply EACs in general. This could raise overall procurement costs with limited environmental benefit given that in a more complex reporting environment, a greater share of the procurement cost will be taken by market intermediaries who many consumers will need in order to manage this complexity.

- A larger share of procurement spend shifts to IT platforms and intermediaries rather than renewable project financing, weakening the link between procurement and new capacity.

- Increased administrative burden and data integration cost for suppliers and consumers, including the need for third-party platforms to reconcile hourly load profiles.

- Hourly matching requires parallel portfolio management systems that are not aligned with physical balancing responsibilities, increasing complexity and inefficiency.

- The requirement creates uneven burden across market participants, favoring entities with in-house energy market expertise and disadvantaging smaller or non-energy-intensive consumers.

Q. 141

The costs would increase significantly because hourly matching and deliverability requirements would create operational dependence on specialised IT platforms and intermediaries. Implementing these systems at scale requires coordinating data and procurement across multiple balancing zones, which is not feasible for most organizations without third-party service providers. As a result, a larger share of expenditure would shift toward intermediaries and platform costs, rather than contributing to renewable project financing or long-term procurement instruments such as PPAs.

This runs counter to the objective of strengthening the link between renewable procurement and new capacity. For global companies operating across several regions, the complexity multiplies further, as separate systems would need to be maintained for each boundary. Overall, this approach does not enhance procurement effectiveness and would make renewable sourcing more administratively burdensome and less cost-efficient, with limited additional environmental benefit.

Q. 149, 151 - Separate impact metric in addition to Scope 2

A separate impact metric does not change our view because it serves a fundamentally different purpose than the market-based method. The MBM enables clear, auditable, contract-based disclosure of electricity sourcing choices and is the foundation on which the voluntary renewable procurement ecosystem has developed, including pioneering initiatives such as RE100. This framework is precisely what allows organizations to credibly report 100% renewable electricity procurement and make unique claims.

By contrast, “impact” metrics rely on modeled counterfactuals and assumptions about the behavior of the broader power system, which vary by region, policy environment, and time. These metrics are not comparable across markets and are not currently suitable for assurance. They describe estimated system-wide effects, not contractual procurement decisions. As such, they may be useful as supplemental, narrative indicators but they should remain distinct from market-based Scope 2 inventories.

The proposed revisions would shift Scope 2 away from its established premise by implying that 100% renewable procurement claims are no longer valid unless the grid itself is fully decarbonized. This conflates corporate procurement with system-level power generation and reverses the principle on which the MBM was built. The existence of a separate impact metric does not justify restricting or redefining the market-based method or the ability to report 100% renewable electricity procurement through traceable, book-and-claim instruments.

The introduction of impact metrics risks shifting the purpose of Scope 2 from contractual disclosure to speculative modeling of system effects, which is not comparable, consistent, or suitable for standard-setting.

The MBM enables auditable claims tied to real contractual instruments. Impact metrics, by contrast, describe estimated system-level outcomes and should be treated, if developed, as supplemental voluntary indicators. They should not influence or restrict the ability to report 100% renewable electricity procurement through traceable book-and-claim instruments. Keeping these two forms of disclosure distinct is essential to maintaining integrity, transparency, and continuity for investors and market participants.

Q. 158

GHGP’s rationale (6.2) suggests that electricity consumption is concentrated among a small number of large users. However, CDP data presents a more nuanced picture: Average renewable electricity purchasing is broadly similar across company size categories and remains close to the global renewable share of around 29%. The more meaningful distinction is not how much electricity companies consume, but whether —and how— renewable electricity claims are made at all. While larger companies are somewhat more likely to report claims, the quality, clarity, and ambition of those claims vary widely across all company sizes, with many lacking sufficient detail or credible targets.

Taken together, these findings suggest that the challenge is not that smaller companies lack ambition or should be exempted solely based on consumption levels. Instead, both large and smaller companies vary widely in claim quality and target-setting maturity, even among organizations already reporting to CDP. This indicates that voluntary participation in renewable electricity procurement cannot be taken for granted, and that increasing complexity or reducing flexibility in Scope 2 reporting could discourage participation by all consumers, with the greatest discouragement likely among companies without in-house energy market expertise.

Therefore, exemptions are needed not because smaller consumers are less significant, but because the current system still requires expansion, education, and support to improve claim quality and participation across all company types. Introducing additional administrative burdens or restrictive matching requirements would likely reduce engagement by all market participants, rather than strengthen climate impact.

Q. 160

If the aim is to identify energy-intensive operations, then site-level assessment would be far more meaningful than using a market boundary. However, the threshold itself is not the issue. Any consumption-based cutoff shifts attention away from materiality toward an arbitrary number that does not reflect the diversity of sectors, procurement models, or reporting contexts. In many sectors, electricity is not the dominant driver of emissions or decarbonisation impact; focusing administrative effort on meeting or interpreting a threshold detracts from more meaningful reporting. Regardless of whether the threshold is 5, 10, 50, or 100 GWh, any fixed value introduces compliance complexity without improving the integrity or impact of the MBM.

Q. 170

Imposing hourly matching and restrictive market boundaries introduces a level of administrative and data intensity that is not feasible, pragmatic or necessary for the majority of reporting organizations. When a standard is designed in a way that only a subset of large, highly resourced entities can realistically comply, it creates structural incentives to reclassify consumption, reorganize entities, or seek loopholes simply to maintain conformance or drop voluntary reporting altogether.

Exemptions must therefore not imply a lower standard of reporting. Organizations exercising an exemption should remain fully in conformance with the Corporate Standard and Scope 2 Standard. A more proportionate, scalable approach, such as annual or monthly matching, preserves comparability and integrity while enabling broader participation. Requiring annual or monthly matching, while permitting optional hourly matching for those who seek it, preserves flexibility. It enables consumers to choose their level of ambition without prescribing hourly matching as the only valid pathway.

This approach encourages organizations to pursue additional impacts according to their own priorities —for example, supporting community energy, electrification projects in developing regions, or programs addressing energy poverty—rather than mandating a single pathway such as hourly matching.

Standard Supply Service (SSS)

Q. 101, 103, 108

The proposed treatment of Standard Supply Service (SSS) is problematic because it introduces financial attribution concepts that cannot be meaningfully implemented or verified. Public support mechanisms embedded in electricity bills—such as taxes, levies, or FIT surcharges—are pooled into broader public budgets and cannot be traced to individual consumers or allocated to specific electricity attributes. Categorising FIT-supported generation as SSS would therefore distort disclosure frameworks, drastically shrinking the pool of claimable attributes in many countries while not reflecting how voluntary procurement actually operates.

Certificate systems and support schemes also vary widely across jurisdictions. In some markets, compliance and voluntary certificates are combined; in others they are separate, phased out, or differentiated by policy design. Applying a uniform SSS treatment across such diverse systems would generate inconsistent and non-comparable outcomes, while conflating fundamentally different policy domains: government compliance mechanisms designed to meet national targets, and voluntary, market-based instruments used for corporate Scope 2 claims.

Because publicly supported or legacy resources are common across power systems worldwide, automatically assigning these resources to SSS would concentrate claimable attributes into a small number of remaining generators, undermine market liquidity, and weaken the integrity of voluntary renewable markets. Public finance flows cannot be used as a credible basis for allocating renewable attributes to consumers.

Assigning default SSS attributes without transparent evidence or registry tracking should not be supported. Market-based accounting relies on traceable, transferable contractual instruments. Blending public budgeting mechanisms into Scope 2 reporting introduces conceptual inconsistency and verification challenges that reporting entities cannot reasonably manage.

Given the wide variation and ongoing evolution of national support schemes, the only fair and globally workable approach remains dual reporting: Using the location-based method to present an indicative production mix and the market-based method to reflect certificates consumers intentionally purchase. This framework preserves comparability, transparency, and methodological credibility while keeping claims anchored to verifiable contractual instruments rather than to opaque public finance flows.

RECS' SUGGESTIONS

Q. 152

- **Retain dual reporting and maintain the market-based method as a clear, auditable, contract-based framework for disclosing renewable electricity procurement.** Corporates often choosing to calculate their scope 2 emissions using either the market-based or location-based method, rather than using both, creates institutionalised double counting. The location-based method reduces the incentive for organisations to act individually to support renewables through their procurement policies, and not pushing for dual reporting creates systematic blind spots in disclosure -obscuring the distinction between contractual choices and the underlying production mix.

- **The most effective way to strengthen the MBM is to ensure that it remains accessible, scalable, and applicable across markets, including regions without advanced energy data systems.** A broader and more liquid voluntary market increases participation, normalises renewable procurement, and sends clearer signals for regulators and system operators to expand renewable integration and grid modernisation. Market growth and widespread participation, not prescriptive reporting requirements, drive policy alignment and infrastructure upgrades.

- **Rather than mandating hourly matching or restricting market boundaries, additional impact should be encouraged through voluntary, user-directed actions.** Organizations should retain the flexibility to support the forms of climate and social benefit most aligned with their context—whether community energy cooperatives, electrification projects in developing regions, NGO-led ecolabels, or programs addressing energy poverty (see Q22). Recognizing these contributions within the reporting framework increases participation and enables more organizations to contribute meaningfully. A framework that supports choice, recognition, and inclusivity delivers greater cumulative impact than prescribing a single model of "impact."

- **Integrity can be strengthened within the existing MBM through practical, globally applicable improvements: Monthly disclosure periods to reflect seasonal changes and increase market liquidity and full consumption disclosure to ensure transparency and comparability**. RECS also encourages wider registry digitalisation, API adoption, and clearer time-stamping of contractual instruments, which could support further granularity for those who seek it -without imposing requirements that are unworkable for many markets.

- **RECS advocates for full consumption disclosure, whereby organisations report all electricity procurement by source.** This implies the use of contractual instruments for all electricity attributes —including non-renewable supply— so organisations have clear visibility over what their procurement supports, including where no deliberate choice is made. Full disclosure enhances transparency and strengthens accountability by encouraging organisations to take responsibility for their entire electricity procurement.

Short-form responses

Q #	Topic	Recommended answer
23	Location-based emission factor hierarchy	
26	Reasons for not supporting	c, f, i
31	Precise spatial boundaries	e. Other - We support grid-wide or national boundary (d) but choosing "other" to comment on the wording: National boundaries are described as "less precise", based on the assumption that more local would be more precise. We don't agree with this, France and Germany are single local 'zones' but the charge is maintained between them based on input and offtake in both.
33	"Deliverable" market boundaries	d. Other
34	Explanation to Q33	Demonstrating physical deliverability is not a reasonable expectation under either the LBM or the MBM. Where dual reporting is required, national boundaries under the LBM may serve as an indicative reference alongside market boundaries under the MBM, but should not be interpreted as evidence of physical delivery.
52	The impact of LBM revisions on decision-usefulness	a. No meaningful improvement
53	Explanation to Q52	LBM isn't decision-useful, it's just an indicative number (as explained under Q19 and 21, among others).
69	"Deliverable" market boundaries in the US	We suggest leaving this empty, as there is no "other" option or free text field to disagree with the given options
72	Hourly matching to be applied for market-based method except for exemptions	k. Other - We would support exemptions but we don't support the mandatory nature of the deliverability concept
74	Reasons for not supporting hourly matching requirement	b, d, e, f, g
81	Main drivers affecting the workload to for hourly matched procurement	a, b, c, f

Q #	Topic	Recommended answer
86	Reasons for not supporting "deliverable" market boundaries	a, d, h
90	Definition of "deliverable" market boundaries	Market boundaries should be defined as the geographic boundaries of electricity sectors, which align with national, and under certain circumstances, multinational boundaries. Bidding zones or nodal pricing areas don't incentivize investment, and deliverability is a misconception also with hourly matched, smaller market boundaries (as explained above).
93	Anticipated external service cost to stay in "deliverable" market boundaries	We estimate this as 5 (3 is current external cost)
94	Feasibility measures to help with "deliverable" market boundaries	a, b
95	Main drivers affecting internal workload and external service costs	a, b, c, d, e, f, g
100	Reasons for not supporting the new guidance for Standard Supply Service (SSS)	a, b, c, d, f
107	Support for certain sources automatically qualifying for SSS	b - No
139	Anticipated cost increase for hourly matched, deliverable EACs	We estimate this as 5 (3 is current external cost)
140	Main drivers affecting procurement price for hourly/deliverable EACs/PPAs	f - Other: The listed drivers focus on reshaping procurement portfolios for hourly matching within constrained market boundaries. They do not reflect the broader system effects on liquidity, administrative burden, disclosure comparability, or the shifting of cost from renewable project financing toward intermediaries and data platforms. These are material drivers of price and procurement feasibility, particularly in cross-border markets such as Europe.
144	Affected areas for mid-high impact	a, b, c

Q#	Topic	Recommended answer
146	Support for a separate metric outside of scope 2	c - No
150	Reason for not supporting a separate impact metric	a, e, g
154	Support for exemptions to hourly matching	b, e e - Other: Since we fundamentally disagree with the premise of hourly matching, we would maximise exemptions that help ensure participation in renewable procurement remains accessible to as many organizations, in as many regions, and at as many maturity levels as possible. A scalable and inclusive market is critical for long-term system impact. Limiting participation through administrative or technical barriers would reduce liquidity, participation, and overall renewable procurement volumes while raising costs (that primarily go to intermediaries) for all consumers.
166	Time limit for exemptions	b - Ongoing
169	Exemptions counting as conformance	a - Yes
171	Support for exempting long-term contracts from the hourly matching and deliverability requirements	We suggest 5
172	Support for legacy clause exemptions	a, b, c, d, f f - Other: Long-term procurement decisions were made in good faith based on the MBM as defined by the Corporate Standard. Retroactively changing the criteria for recognition would undermine confidence in the stability and reliability of corporate climate frameworks.
176-177	Eligibility for legacy clause	c - Other Both, the revision process should not halt any existing or planned action, neither before the publication nor during the phase in period.

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At RECS Energy Certificate Association (formerly RECS International) we support the development of both existing and new EAC markets around the world. We work to provide the knowledge, motivation, and confidence needed to buy 100% renewable energy. RECS is dedicated to tackling climate change by accelerating the transition to 100% renewable energy systems. We do this by supporting the development of new EAC markets and strengthening those already in place.

Working with our members from Europe and worldwide, we strive to create an open and transparent demand-driven renewable energy market, facilitated by commonly accepted and harmonised tracking systems. If you're not a RECS member, see more info about joining on our membership brochure.