Greenhouse Gas Protocol (GHGP) Scope 2 – Survey Questions
Responses by RER & Nareit
January 23, 2026

General Demographics

5. Organizational Affiliation

Members of ***The Real Estate Roundtable (RER)*** (www.rer.org) are the Chairs, Presidents, and CEOs of top public and privately-owned real estate entities and trade associations, across every segment of the commercial real estate industry – as well as the Managing Directors of major national and international financial, pension, and lending entities. RER members also include significant local and regional real estate leaders and advisors, along with the elected leaders of 18 national real estate associations. RER members are listed in our 2025 Annual Report.

RER members work closely with Washington lawmakers and regulators to produce meaningful results on key national issues that affect the real estate industry. RER is committed to fact-based analysis of issues and sound, asset-related policies that have a positive impact on economic growth, job-creation, and local communities. Collectively, RER members' companies own, manage and finance 12 billion square feet of office, retail, and industrial space; over 4 million apartment units; and over 5 million hotel rooms.

Nareit®, serves as the worldwide representative voice for REITs and real estate companies with an interest in U.S. real estate. Nareit's members include REITs and other real estate companies worldwide that own, operate, and finance income-producing real estate, as well as firms and individuals who advise, study, and service these businesses.

REITs of all types collectively own more than $4.5 trillion in gross assets across the U.S., with public REITs owning $2.5 trillion in assets. U.S. listed REITs have an equity market capitalization of more than $1.4 trillion. REITs provide everyday Americans the opportunity to invest in real estate, and 170 million Americans live in households that benefit from ownership of REITs through stocks, 401(k) plans, pension plans, and other investment funds.

The 100 largest U.S. equity REITs (by market capitalization) publicly report on sustainability, and most disclose their approach to managing climate-related risks, providing decision-useful data tied to their real estate portfolio and business operations. In 2024, 98% of the 100 largest publicly traded U.S. REITs by market cap reported on carbon emissions, and 80% reported voluntary procurement of clean energy.

Commercial real estate is a key driver of the US economy. The total value of investable commercial real estate in the US is $28.6 trillion. Commercial real estate's overall contribution to US GDP is $2.5 trillion. The industry supports 14.1 million US jobs; contributes $600 billion per year to state and local tax bases; and contributes $900 billion to Americans' retirement and pension funds, educational endowments, and charitable foundations. See RER, *Commercial Real Estate By The Numbers 2025*.

We have refrained from responding to certain questions in the GHGP's survey because their phrasing presumes a result to mandate strict hourly and geographic connections for clean energy purchases. We believe that such "24/7" matching is neither workable nor practicable as a broadly applicable accounting standard in

the US. As explained throughout these responses, we urge GHGP to retain ***optional*** 24/7 matching in the next iteration of Scope 2 Guidance. Otherwise, we believe that the proposed requirements will:

- Increase compliance costs significantly for companies that use Scope 2 Guidelines for both regulatory and voluntary emissions disclosures;
- Diminish private sector interest to pursue bulk renewable energy procurements;
- Cause GHGP's Guidance to lose resonance as a global standard for companies with real estate assets in the US;
- Confront resistance due to US market conditions driving sharp demand growth for electricity, amid federal government policies that eliminate subsidies and support for wind and solar development. ; and
- Further complicate already time-consuming and difficult processes for reporting emissions data – resulting in less consistent, comparable, and decision-useful information available for investment analysis.

The World Resources Institute (WRI) states that "the US clean energy sector faces a critical moment" and "headwinds" are "getting stronger" regarding renewable energy development:

> "Several challenges persist that are slowing deployment, including lack of sufficient grid capacity and large interconnection queues, permitting and siting challenges, high interest rates, and lingering supply chain issues. These factors have been holding clean power development back at a time when it needs to be surging ahead."

WRI, *US Clean Power Development Sees Record Progress, As Well As Stronger Headwinds* (Feb. 21, 2025). Moreover, WRI explains "it may become even harder to make progress" given recent policies out of Washington, DC and revisions to prior laws supporting renewable energy. (*Id.*) We advise that GHGP's proposed requirement for strict hourly and geographic could inadvertently create further impediments for clean energy investments in the US.

Section 3.3 – Proposed Revisions to Definitions

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?

We believe strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for Scope 2 emissions accounting.

The proposed revision is confusing. It would incorporate a Scope 3 concept – "value chain" – into the Scope 2 emissions definition. The proposed term, "electricity generation processes that are physically connected to the reporter's value chain," is unclear. Generally, other than on-site generation sources (like rooftop solar), buildings are not "physically connected" directly to new "generation" facilities such as power plants, wind farms, community solar, etc. Rather, buildings themselves are "physically connected" directly to grid infrastructure that "delivers," "transmits" and "distributes" energy – but not typically to infrastructure that "generates" energy.

The current Scope 2 definition is straight-forward and should remain intact. It states clearly that Scope 2 emissions are those "from the generation of purchased or acquired" electricity, steam, heat or cooling – "consumed ***by***" – the reporting company. Should GHGP change the current definition, it must state clearly that Scope 2 does ***not*** include emissions from purchased electricity by entities in a reporting company's upstream or downstream "value chain." For example, Scope 2 emissions of a real estate company do not include Scope 3 emissions from electricity used for purchased goods and services (Category 1); capital goods (Category 2); downstream assets leased by tenants (Category 13); franchises (Category 14); and investments (Category 15). Any revision to the Scope 2 definition, particularly like the one proposed, must continue to ensure that emissions from purchased energy in a reporting company's "value chain" are not considered emissions from energy "consumed ***by***" the reporting company.

Furthermore, the proposed definition should not use the term "physically connected," which is more consistent with "Scope 1 – Direct Emissions" from on-site sources that a company owns or controls, such as building heating equipment like boilers and furnaces. The definition of Scope 2 emissions should preserve the boundaries of Scope 2 as from "purchased or acquired" electricity, steam, heat, or cooling, which is distinct from energy generated by the building owner.

The GHG Protocol is commonly used by U.S. companies as part of regulatory or voluntary reporting to investors or other financial decision-makers. The definition of Scope 2 should remain consistent to preserve the ability for companies to demonstrate progress by comparing their current performance to prior years. Consistency will become increasingly important as companies communicate how they implement transition plans that may include shifting heating, cooling, and various end-use energy loads between on-site/direct and off-site/indirect generation sources, resulting in fluctuations with associated scope 1, 2, and 3 emissions. If the GHG Protocol seeks to serve as a neutral reporting standard that is used as part of financial reporting regimes it must ensure that its definitions and guidance support companies to develop unbiased, trustworthy information, and provide confidence that reports are free from selective presentation or modification to hide negative aspects.

19. Please provide any feedback on the proposal to clarify the LBM definition to reflect scope 2 emissions from generation physically delivered at the times and locations of consumption, with imports included in LBM emission factor calculations where possible.

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

The proposed clarification to the LBM definition should not include the phrase, "generation physically delivered at the times and locations where consumption occurs," because it is not a practical or accurate description of the granularity of information available to most reporting companies. This phrase also defies the physics of how electricity flows on the grid. (See Q152 response) While GHGP's proposal seeks to encourage more precise calculation of emissions based on a hierarchy, the definition should remain consistent in describing the approach companies should take to calculating emissions tied to energy consumed within a specific region – which may include various levels of granularity based on available data.

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.

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for Scope 2 emissions accounting.

The US real estate industry thus aligns with other stakeholders. See, e.g., Emissions First Partnership, *Complaints Submitted to the GHG Protocol* (July 11, 2025 letter to GHGP); ever.green, *Scope 2 Hourly Matching: Market Analysis and FAQ* (Aug. 19, 2025).

We support an "Alternative Position" put forth by nine members of the Technical Working Group (TWG). See *"Clarify But Do Not Require Or Recommend Hourly Matching Or Deliverability As Proposed."* Summarized at slide 36 in presentation for TWG Meeting #15; full text posted Nov. 7, 2025 on LinkedIn**.** This position would effectively maintain GHGP's current, proven approach allowing annual matching and reasonable geographic links for procurements.

Scope 2 Guidance will prove unworkable globally if it becomes too particularized. GHGP's framework will lose universal relevance if it reflects only the most ideal conditions that exist in a small number of energy markets, and are economically practicable for only a narrow tier of corporate buyers. Solar, wind, and other carbon-free power supplies are abundant in some countries, but not others. Furthermore, a minimum of companies may elect or have sufficient resources to devote extra staffing, consultants, and financial resources to bear higher compliance costs associated with 24/7 procurements. Laws, incentives, grid fuel mix, and corporate emissions commitments differ widely across geopolitical and market boundaries. The GHGP's standard must accommodate such divergent market, economic and policy disparities should it continue to serve as the leading international guide for emissions accounting. We caution that GHGPs proposed Scope 2 mandates will likely elude most buyers in our industry because 24/7-compliant products are niche offerings at best in the US.

GHGP has not made its case clearly as to why the existing Quality Control Criteria in Scope 2 Guidance should be abandoned as somehow inadequate. These include safeguards such as retiring RECs, displaying the vintage of electricity generation on certificates, and clearly describing a procurement's market boundaries. (Current Scope 2 Guidance pp. 63 –65). As existing Guidance states, these quality controls assure "the environmental integrity of the market-based method" so that "contractual instruments reliably and uniquely convey GHG emission rate claims to consumers." (*Id.* at 63) Furthermore, GHGP's 2015 explanation of the "market boundary" criterion is as compelling as ever:

> Larger boundaries of "markets for unbundled certificates … promote[ ] broader areas of consumer choice and the building of reasonable energy resources in the most economically viable locations." (*Id.* at 64).

The present Quality Control Criteria have worked for more than a decade. Now is not the time to change course. Since the Scope 2 Guidelines' 2015 enactment, "[c]orporate buyers … have contributed significantly to voluntary procurement, signing over 100 GW of clean energy deals between 2014 and 2024, which represents 41% of all clean energy capacity added to the US grid in the last decade." CEBA, *Corporate Demand Drives Clean Energy* (Oct. 1, 2025). Likewise, 2017-2024 data from the US National Renewable Energy Lab (NREL) show marked growth in both customers and MWhs of purchased renewable energy. In 2024, about 9.2 million customers purchased approximately 315 million MWh of renewables – a significant increase from 2017 statistics of 5.5 million customers that procured 112 million MWh of renewables. See NREL website, *Voluntary*

Renewable Power Procurement. Adding onerous 24/7 matching restrictions will dampen interest in clean power purchasing and delay goals for a secure, reliable, cost-effective grid supported increasingly by wind, solar and other non-emissions fuel sources.

Section 3.5 – Rationale for Proposed Change

21. Please provide any feedback on the proposed purposes of the location-based method.

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

The stated purpose for the LBM clarifications is to "improve accuracy and comparability" which we agree should be the focus of revisions; however, we do not believe that the **requirement** "to use the most precise location-based emission factor available for which activity data is also available" will produce this result, nor will the use of load profiles and phased implementation. It is unclear whether the approach outlined will lead to more useful decision-making data. We are concerned that it may instead lead to confusion about what level of detail is required, given the varying levels of granularity within a company's real estate portfolio.

The Scope 2 Guidance should promote consistency within a grid region rather than put the burden on companies to identify and report the "most precise" level of granularity available. We suggest that the Guidance should focus on providing clarity for companies on how to easily identify the most precise emissions factors available – which all companies in a region can use – thereby preserving the comparability of performance between companies operating within a particular region.

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

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for Scope 2 emissions accounting.

A key report concludes that temporal and locational matching requirements (like those proposed by GHGP) are "based on a relatively narrow, improbable, and unstable set of circumstances" where:

- Demand for clean energy "remains high and unchanged in the marketplace";
- Government policies like tax incentives and low-interest lending are consistent, durable, and have a track record to help "keep prices low;" and
- New clean energy loads "materialize[ ] instantly in quantities that are larger than what the market would build on its own."

Energy + Environmental Impacts (E3), *Consequential Impacts of Voluntary Clean Energy Procurement* (July 2024) at p. 13. (Meta partially funded and reviewed this report prior to publication.)

These conditions do not exist presently – at least in the US – to justify a global standard for strict 24/7 matching. While clean energy procurements have increased since 2015 (see Q20 response), NREL's 2024 data provide context and show that voluntary clean energy purchases account for ***only*** 8% of all US electricity sales. Moreover, NREL cautions "mass participation is plateauing" and warning signs reveal demand is waning among US corporate buyers. According to American Clean Power's *Quarterly Market Report Q2 2025*:

"The first half of 2025 saw a 32% decrease in capacity being contracted through Power Purchase Agreements compared to the first half of 2024. Other types of agreements are down 48%, compared to the first half of 2024."

Similar reports indicate downward US trends and forecasts for clean energy generation and related contractual instruments:

- "As of the end of September [2025], the private sector had terminated or downsized 42 clean energy projects this year, triple the number for all of 2024," with the "pullback" hitting "$24.3 billion in investments so far in 2025." Politico, *Clean Energy Project Cancellations Surge Above $24B* (Oct. 22, 2025)

- "Wind and solar investments in the first half of 2025 fell 18%, to nearly US $35 billion … compared to the same period in 2024." Deloitte, *2026 Renewable Energy Industry Outlook* (Oct. 29, 2025)

- The US forecast for additional offshore and onshore wind capacity growth by 2030 is "revised down by almost 60%," and forecasted solar PV capacity is "revised down by almost 40%." IEA, *Renewables 2025 – Analysis and Forecasts to 2030*

- "After a record-breaking year in 2024, the US community solar market slowed in H1 2025, with installations declining 36% year-over-year." Wood Mackenzie (Sept. 30, 2025)

Elsewhere in the world demand for clean energy and associated investments may be steady or rising. That is not the case in the US. See S&P Global, *Top Clean Tech Trends for 2025* ("capital efficiency varies by region, with China projected to add nearly twice as many gigawatts per dollar spent compared with the United States").

Considering the economic and policy headwinds for renewable energy dampening demand for solar and wind contractual instruments in the US that WRI itself has identified (see Q5 response), we advise against GHGP's adoption of a tougher Scope 2 standard that tightens the vise on clean energy procurements. GHGP should preserve its generally workable existing Scope 2 Guidance, given these uncertain times for renewable energy growth and diminished backing from government programs and market forces.

Section 4.3 – Location-Based Method

23. On a scale of 1-5, do you support the update to the location-based emission factor hierarchy to identify the most precise location-based emission factor accessible according to spatial boundaries, temporal granularity, and emission factor type (consumption or production)? Scale of 1 (no support) – 5 (full support)

[SELECTED: "1" -- No Support]

26. Please provide your concerns or reasons for why you are not supporting, if any (select all options that apply)

[SELECTED: a, b, c, d, e, f, g]

a. Prefer guidance on selecting location-based emission factors to be identified as a single globally applicable option to increase comparability
b. Concern about increased administrative burden and complexity from identifying the most precise emission factors accessible
c. Concern that the most precise temporal granularity "hourly" is too detailed
d. Concern that the most precise spatial boundary, "local boundary", is too narrow
e. Concern that the proposed spatial boundaries do not reflect electricity deliverability in your region
f. Concern hierarchy does not align with emission factors used by your organization for location-based emissions reporting
g. Concern hierarchy does not align with emission factors used for mandatory or voluntary reporting in your region
h. Prefer a different order (e.g., consumption-based first, then spatial boundary, then temporal granularity)
i. Unclear how the changes will affect your GHG emissions reporting
j. Other (please provide)

27. Please provide comments regarding your reasons for why you are not supporting (if any).

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

This question is directed to the location-based method. Our response addresses obstacles to accessing hourly energy consumption data which are especially acute for owners of multi-tenant commercial and residential real estate. The hourly data concerns we raise here also apply to GHGP's proposed market-based method restrictions.

It is not a standardized, national practice in the US for energy buyers to receive information on their hourly energy consumption. Residential and commercial building asset owners, managers, and financiers have faced challenges for decades in obtaining even ***monthly*** whole-building energy consumption data. There is no uniform, universal policy or technology solution providing owners of multi-tenant real estate with reliable data on the amount of energy used by occupants of leased spaces. "In most states, the vast majority of [commercial and multifamily residential] landlords still lack access to energy usage across their properties." IMT, *Top 5 Reasons You Should Care About Utility Data Access* (Dec. 2023). See also US-EPA, *Data Access: A Fundamental Element for Benchmarking and Building Performance Standards* (Feb. 2021); US-EPA, *Guidance for Utilities in Providing Whole-Building Energy Data* (July 2023); US-DOE, Better Buildings Program, *Best Practices for Providing Whole-Building Energy Data: A Guide for Utilities* (Jan. 2016).

Persistent energy data access problems include legal concerns over tenant privacy; complexities over data access contractual provisions in lease negotiations; and utilities unwilling or unable to provide uniform, cost-effective software solutions to share whole-building energy usage data. We have found nothing in the TWG's deliberations indicating it considered these data access obstacles – unique to multi-tenant real estate – when it developed the proposal's 24/7 hourly consumption mandate. Simply put, commercial real estate owners cannot readily or easily access monthly, much less hourly, whole-building energy usage data. We thus think data

granularity at the hourly level is not workable as a requirement for either the LBM or the MBM in the Scope 2 Guidance.

Additionally, in cases where more precise data is available, it may be for purposes of energy management and not feasible to use for emissions calculations. Scope 2 Guidance should not imply that the mere availability of data requires reporting companies to use it. Entities that account for their emissions under GHGP's standard should have the choice to decide whether increased data granularity meaningfully improves the quality and decision usefulness of reported information.

31. Do you agree that "local boundary" should be listed as the most precise spatial boundary for LBM emission factors? If not, select which should be listed as the most precise spatial boundary?

[SELECTED: d]

a. Yes, I support local boundary as the most precise spatial boundary
b. No, a more precise spatial boundary should be added
c. No, a less precise spatial boundary should be used. Use Operational grid boundary
d. No, a less precise spatial boundary should be used. Use Grid-wide or national boundary
e. Other (describe)

38. Please provide your concerns or reasons for why you are not supporting (if any). Select all options that apply

[SELECTED: c, d]

a. Definition needs further clarification about what is recognized as a credible source
b. Definition should not exclude emission factors that are publicly available and credible even if they have a reasonable associated cost (i.e. not free)
c. A list of suitable location-based emission factors should be published for each region, rather than requiring reporters to individually determine what is accessible in their region
d. Definition should also consider level of administrative effort in addition to external costs for emission factor data
e. Another criterion should be added to the definition
f. Other (please explain)

39. Please provide comments regarding your reasons for concern (if any).

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

To achieve the goal of improving comparability of LBM emissions reporting, the Scope 2 Guidance should promote consistency in the use of emissions factors within a given region. Because LBM emissions are required for all companies, alongside MBM calculations for those that participate in voluntary clean energy procurement, GHGP should instead focus on providing more guidance for companies to disclose the details on the coverage of various levels of precision of emissions factors within aggregated emissions calculations.

The Guidance should be clear that mere availability of data does not require its use.

44. On a scale of 1-5 do you support the update to the requirement to use the most precise location-based emission factor accessible for which activity data is also available? Scale of 1 (no support) – 5 (fully support)

[Selected: "1" -- No Support]

47. Please provide your concerns or reasons for why you are not supporting (select all that apply).

[Selected: a, b, c]

a. Concern about negative impact on comparability, relevance and/or usefulness of LBM inventories
b. Concern that administrative, data management, and audit challenges posed by this approach would place an undue burden and costs on reporters
c. Concern that the most precise spatial boundary in the LBM emission factor hierarchy, "local boundary', is too narrow to require even when accessible
d. Accessible factors may be less accurate than non-accessible options and primary users of emission reporting data may expect the most representative factors
e. Material differences to inventory accuracy are too small to justify cost
f. Concern about the update cadence or representativeness of datasets (hourly/monthly)
g. Other (please provide)

48. Please provide any additional comments regarding your concerns or reasons why you are not supporting (if any).

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

To improve comparability of LBM emissions reporting, the Scope 2 Guidance should promote consistency in the use of emissions factors within the region. Because LBM emissions are required for all companies, alongside MBM calculations for those that participate in voluntary clean energy procurement, GHGP should instead focus on providing more guidance on how companies should disclose the details on the coverage of various levels of precision of emissions factors within aggregated emissions calculations.

Companies that own and operate multiple properties across large geographic areas should not be required to identify the most precise emission-factor available for every individual site based on a "local boundary," described in GHGP's proposal as the "balancing area subregion as defined by the market operator." The Guidance should clearly state that a company may use the most reasonable factor that reflects the energy produced for consumption for all properties located within a reasonable regional boundary. GHGP should not require reporting entities to individually determine the "local boundary" for each property in its portfolio.

The guidance should be clear that the availability of data does not require its use.

50. For concerns that the most precise spatial boundary (local boundary) is too granular to be required even if emission factors are accessible, please outline why and identify whether reporting at this level of granularity should be a "may", "should" or "shall not" requirement?

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

The use of "local boundaries" is inconsistent with how companies track multiple properties across their real estate portfolios, and how emissions intensity data is typically provided, which is at the grid or state level. Furthermore, identifying which buildings fall within a given "balancing area subregion as defined by the market operator" will become a complicated exercise, as owners do not control standards for grid operations or approvals for interconnection points. In cases where more locally precise factors may be available, it is unclear whether they would provide improved or more decision-useful information. Depending on the number of "local" regions where the reporting company operates, the increased reporting burden may outweigh the benefits of more precise emissions factors.

The Guidance should be clear that the availability of data does not require its use.

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

[SELECTED: a]

a. No meaningful improvement (unlikely to change decisions/interpretations)
b. Minor improvement (noticeable but unlikely to change decisions)
c. Moderate improvement (could change some decisions/assessments)
d. Substantial improvement (likely to change decisions benchmarks)
e. Not sure / no basis to assess

53. Please provide additional context for your answer to question

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate processes for reporting emissions data and result in less consistent, comparable, and decision-useful information for investment analysis.

We do not believe the increased complexity of calculating and verifying GHG emissions using the proposed revisions will result in more meaningful decision-useful information. Building owners do not control the carbon intensity of grid-delivered electricity. Therefore, placing additional burdens on a building owner to identify various factors to calculate emissions based on utility-controlled daily operations would be a wasteful use of the owner's time or resources – which would be better devoted to identify emission reduction opportunities within the owners' control.

The current approach to calculating scope 2 emissions for a real estate asset involves aggregating twelve months of whole-building electricity consumption data points to an annual total, and then multiplying by a single regional grid emissions factor. GHGP's recommendations would increase the calculation burdens exponentially, by suggesting 8,760 hourly data points multiplied by potentially 8,760 hourly emissions factors. The current approach can be easily undertaken by companies using basic spreadsheets to complete calculations. In contrast, the proposed approach would require complex calculations for reporting on just a single building.

While hourly data can support build owners as a tool to manage energy use during peak-demand periods, and load shifting can be an effective strategy for reducing energy costs, this does not necessarily translate into more meaningful aggregated data for reporting at the company level.

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

a. No meaningful improvement (unlikely to change comparability/interpretations)
b. Minor improvement (noticeable but unlikely to change comparability)
c. Moderate improvement (could change some comparability/assessments)
d. Substantial improvement (likely to change comparability benchmarks)
e. Not sure / no basis to assess

55. Please provide additional context for your answer to question 54.

Any changes to the Guidance that increase compliance costs and burdens for companies to disclose and report emissions, whether required by regulations or to meet voluntary commitments, may cause GHGP's standard to lose resonance as a global framework. Making compliance with Scope 2 Guidance more time-consuming and complex will further complicate the processes for reporting emissions data, resulting in less consistent, comparable, and decision-useful information for investment analysis.

The proposed approach would require aggregating millions of data points for large portfolios of real estate assets. Third-party assurance and verification would involve complex reviews to ensure appropriate matching of usage and emissions factors. The cost for assurance of hourly matched data would surely increase in tandem with the complexity of the calculations.

Investors seek GHG emissions reporting data to use in calculating financed emissions and comparing risk across investment opportunities. Introducing more complexity to calculations would do little to improve the decision usefulness of company-reported data and would instead make it challenging to compare performance across investments.

Section 5.3 Market-Based Method

71. On a scale of 1-5 do you support an update to Quality Criteria 4 to require that all contractual instruments used in the market-based method be issued and redeemed for the same hour as the energy consumption to which the instrument is applied, except in certain cases of exemption.
a. Scale of 1 (no support) – 5 (fully support)

[Selected: "1" -- No Support]

74. Please provide concerns or reasons for why you are not supporting, if any (select all that apply)

[Selected: b, d, e, f, g, h]

a. More information is necessary to understand how investments not matched on an hourly basis will be accounted for and reported via the framework under development by the Actions & Market Instrument TWG
b. Hourly matching should follow an optional 'may' rather than a required 'shall' approach
c. Hourly matching should follow a recommended 'should' rather than a require 'shall' approach
d. Concern about negative impact on comparability, relevance and/or usefulness of MBM inventories
e. Concern that a phased implementation would be insufficient for development of the infrastructure necessary (e.g., registries, trading exchanges, etc.) to support hourly contractual instruments
f. Concern that administrative, data management, and audit challenges posed by this approach would place an undue burden and costs on reporters
g. Concern that requiring hourly matching does not create meaningful improvements to inventory accuracy
h. Concern that a requirement for hourly contractual instruments could discourage global participation in voluntary clean energy procurement markets
i. Other (please explain)

75. Please provide comments regarding your concerns or reasons for why you are not supportive.

Strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for Scope 2 accounting purposes.

In a July 20, 2025 blog post ("Energy Tag Blog Post"), nine (9) TWG members explain that GHGP is not a target-setting body. Yet, in that same post, these TWG members declare 24/7 matching is necessary because "[t]oday's standard" allows companies to claim to have zero emissions "on paper" and it should be "harder for companies to report zero market-based emissions." If GHGP is truly not a target-setting body, then it should issue Scope 2 Guidance allowing a company to develop and report reasonably and justifiably on targets as it wishes. Encouraging ***optional*** 24/7 matching may support more robust net-zero targets and authentic assertions of "100% Clean Energy Use." But ***requiring*** 24/7 matching in Scope 2 Guidance is a tacit recognition that GHGP is, indeed, a net-zero target-setting body.

We understand that some companies may strive to achieve the ideal nexus between portfolio-wide power procurements and precise time/place of energy usage to support net-zero targets and voluntary assertions that a company is "100% Powered by Clean Energy." We are also sensitive to allegations of "greenwashing" when companies use "unbundled RECs" to back claims of "total renewable energy use"). Adhering to GHGP accounting methods, however, is not and has never been the same as claims of being "100% Clean Energy Powered." Buying the environmental attributes of a REC separately from physically-delivered electricity – as Scope 2 Guidance has allowed since 2015 – is advantageous because it may direct more investment capital to emissions-free projects, adding new capacity and enhancing grid reliability. Unbundled RECs meeting current Quality Control Criteria (see Q20 response) should thus remain permissible. However, GHGP should specify this approach does not support claims or implications that companies are actually ***using*** emissions-free electricity when it is untethered to a contractual instrument.

We recommend that GHGP clarify that the "Alternative Position" (see Q20 response), offered by nine (9) other TWG members, is permissible and allows an optional "may" approach for hourly matching. Further, GHGP should clarify that strict – but optional – 24/7 matching may be used to back more robust approaches to net-zero targets and claims of "100% Clean Energy Use."

Optional 24/7 matching to spur corporate leadership would advance GHGP's goals for a low-emissions economy. US forecasts for wind and solar generation are down (see Q22 response). Yet, electricity demands are skyrocketing due to domestic priorities to lead in AI and re-shore critical manufacturing. US annual electricity consumption "will increase in 2025 and 2026, surpassing the all-time high reached in 2024." US-EIA, *US electricity consumption is rising again* (May 13, 2025). Half of North America is likely to face an electricity shortage in the coming decade. NERC, *2024 Long-Term Reliability Assessment*. A "more electrified" U.S. economy means substantially more electricity is needed to support modest 2% GDP growth. Fed. Reserve Bank of Kansas City, *Powering Up: The Surging Demand for Electricity* (Sept. 25, 2024). Grid capacity "may be the largest constraint" on U.S. economic growth, and high demand for electricity "also heralds an era of upward pressure on wholesale power prices." Chris Seiple, WoodMac, *Gridlock: the demand dilemma facing the US power industry* (Oct. 2024).

Current U.S. federal policies prioritize dispatchable sources (oil, gas, nuclear, hydro) to meet these sharp demands – while eliminating subsidies and support for wind and solar development. (see Q175 response). Given GHGP's mission, it strikes us as counterintuitive for Scope 2 Guidance to now mandate 24/7 matching and further risk U.S. investments in renewables.

76. Load profiles enable organizations without access to hourly activity data or hourly contractual instruments to approximate hourly data from monthly or annual data. How would the use of load profiles affect the comparability, relevance, and usefulness of MBM inventories relative to your current practice? Please describe potential advantages, limitations, and any conditions under which impacts may differ.

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting.

GHGP proposes that generic "load profiles" of modeled hourly electricity consumption, with no reference to a building's ***actual*** energy usage or tenant make-up, can be used to estimate hourly consumption. The Proposal also offers a "flat average" option for a clean energy buyer to divide the figure for its total annual energy usage by 8,760 (the number of hours in a year), or use figures for monthly energy usage and divide by the number of hours in the corresponding month, to estimate hourly consumption. Respectfully, GHGP has not explained why these simple mathematical calculations will lead to more accurate, decision-useful emissions disclosures – or ultimately, result in better emissions benefits toward GHGP's ultimate goal of decarbonized electricity. Using an average to ***guess*** a buyer's hourly usage would undercut the entire point of matching ***actual and verifiable*** electricity consumption to particular clean energy products available in the region at issue.

Moreover, while these mathematical calculations may be simple, a clean energy buyer would still need to find hourly RECs to match in the specific geographic regions where they consume energy. In the Energy Tag Blog Post (see Q75 response), nine TWG members provided a "non-exhaustive list" of 19 "utilities and energy suppliers offering hourly matching products around the world." No analysis accompanies this list. Such products might be "offered," but in what quantities? Are these products commonly and readily available – or are they niche products viable primarily for hyperscalers and other massive energy consumers? Who is buying, in what amounts, how frequently? Are companies purchasing 24/7 products doing so on a selective basis, or widely across their entire asset portfolios? What does cost look like to compare products with and without 24/7 matching features? What are the details on 24/7 products for transactions in the US? Has the GHGP studied whether supplies of these granular instruments are sufficiently available to allow such widespread, 24/7 market-based procurements? Wouldn't this result in a company being required to match purchases to times that are not aligned with a use profile?

We think all stakeholders would benefit from further analysis and answers to these questions before GHGP might ultimately adopt the 24/7 procurement mandate and its proposal to use generic "load profile" estimates for energy use. As a critique of the GHGP's "load profile" recommendation explains:

> "By accepting synthetic profiles without penalty or time limit, the draft disincentivizes utilities and registries from ever fixing the access problem. And even if estimates of hourly usage is acceptable for carbon accounting, it isn't good enough to unlock the benefits of demand-side flexibility, without which, hourly matching becomes even more expensive." (ever.green, *GHG Protocol Scope 2 Hourly Matching: Market Analysis and FAQ*, Aug. 19, 2025)

83. On a scale of 1-5 do you support an update to Scope 2 Quality Criteria 5, to require that all contractual instruments used in the market-based method be sourced from the same deliverable market boundary in which the reporting entity's electricity-consuming operations are located and to which the instrument is applied, or otherwise meet criteria deemed to demonstrate deliverability to the reporting entity's electricity-consuming operations? Scale of 1 (no support) – 5 (fully support)

Selected: "1" -- No Support

86. Please provide reasons of concern or why you are not supporting, if any (select all that apply)

[Selected: a, b, c, d, f]

a. Proposed deliverability requirements do not improve alignment with GHG Protocol Principles
b. Concern that narrower market boundaries restrict companies' abilities to invest in areas where renewable energy development could yield the greatest decarbonization impact
c. Concern that narrower market boundaries could prompt a shift away from long-term agreements (i.e., PPAs) to spot purchases (unbundled certificates)
d. Sourcing contractual instruments within deliverable market boundaries should follow an optional "may" rather than a required "shall" approach
e. Sourcing contractual instruments within deliverable market boundaries should follow a recommended "should" rather than a required "shall" approach
f. Concern that the defined market boundaries do not align with mandatory or voluntary reporting requirements in your region
g. Support deliverability in principle, but the proposed market boundary for my region does not reflect deliverability
h. Market boundaries should be defined as the geographic boundaries of electricity sectors, which align with national, and under certain circumstances, multinational boundaries
i. Exemptions to matching within deliverable market boundaries should be allowed for markets lacking sourcing options
j. Other (please explain)

87. Please provide comments regarding your selected reasons for why you are not supporting.

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting.

Mandating strict deliverability boundaries would drive companies away from using the Scope 2 Guidance, a result that would weaken GHGP's decarbonization objectives. A national boundary should remain permissible, as the current Guidance has allowed since 2015. According to US-EPA's eGRID Power Profiler, fossil fuels

comprise the vast majority of US electricity sources. Every eGRID subregion in the continental US relies on more than 50% non-renewables for electricity. In many of these markets, fossil fuels provide well over 50% of the electricity fuel mix:

- New York City (NYCW): 98.2% gas
- Long Island (NYLI): 87.2% gas
- Middle Mississippi Valley (SERC): 68% coal and gas
- Midwest East (MROE): 82.4% coal and gas
- Michigan (RFCM): 75.5% coal and gas
- Lower Mississippi Valley (SRMV): 73.4% coal and gas
- Florida (FRCC): 80% coal and gas
- Texas (ERCT): 62.3% coal and gas

Only a few eGRID subregions source 30% or more of their electricity to non-emissions hydro and nuclear – not to wind and solar:

- Pacific Northwest (NWPP): 38.7% hydro
- Virginia and Carolinas (SRVC): 39.9% nuclear
- West Texas (RFCE): 36.4% nuclear
- Southeast (SRTC) 32.8% nuclear

Moreover, in these heavily hydro- and nuclear-source regions, the remainder of their fuel mixes derives largely from coal and gas. Solar and wind are trivial sources in these markets.

Only five (5) eGRID subregions, in low population density areas of the US, have a fuel mix where wind energy exceeds 20%: Texas (ERCT); Rocky Mountains (RMPA); Southern Southwest (SPSO); Upper and Northern Midwest (MROW, SPNO). These regions with notable amounts of wind-sourced energy are not near the major US coastal population centers, which use the most electricity per capita.

Only one (1) eGRID subregion relies on solar for more than 10% of its electricity fuel mix: California (CAMX) at 20.1%.

eGRID thus shows that U.S. electricity markets rely overwhelmingly on fossil fuel combustion. "[C]hanges in the resource mix are often attributed to changes in the number of plants in an eGRID subregion (retirements or additions) or changes to operations at individual plants." (EPA, *Frequent Questions About eGRID*) Renewable energy supplies in any given region, and the amount of RECs that correspond to renewables like wind and solar, are beyond the control of commercial real estate companies that may contract for clean energy. Requiring geographic granularity by eGRID subregion or similar market boundary is too narrow to justify GHGP's proposed mandate on voluntary clean energy procurements. There is not enough solar or wind generation to deliver as the basis for clean power contractual instruments in the vast majority of US markets. Theoretically, hydro- and nuclear-based emissions-free certificates may become increasingly available for US clean energy buyers as government policies weigh heavily in favor of dispatchable power sources. However, narrowly constraining deliverability boundaries for wind and solar instruments under the market-based method will impede procurement markets, reducing the capital available for investment in these new renewable energy sources.

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?

[Selected: a]

a. No meaningful improvement (unlikely to change decisions/interpretations)
b. Minor improvement (noticeable but unlikely to change decisions)
c. Moderate improvement (could change some decisions/assessments)
d. Substantial improvement (likely to change decisions benchmarks)
e. Not sure / no basis to assess

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

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting.

If GHGP aims to advance objectives for decarbonized electricity, it should encourage clean energy buyers to consider procurements in locations where grids rely most heavily on fossil fuels by creating an approach for "location-adjusted" PPAs and RECs that cross market boundaries. (See Q87 response) The proposed approach, however, will instead restrain companies from investing in regions that have the most room to improve toward grid decarbonization. An article from McKinsey (Feb. 2025) states:

> "Companies could choose to support clean-energy projects in states with the highest-emission grids. This would cut significantly more emissions than procuring power in the cleaner grids."

Furthermore, GHGP should consider the structure of US electricity markets. These conditions can severely curtail availability of solar and wind certificates, rendering a mandate for 24/7 matching infeasible for most voluntary clean energy buyers.

US electric markets are either "traditional" wholesale markets, or managed by "competitive" independent system operators. (US-FERC, *Electric Power Markets*) In vertically integrated wholesale markets (primarily in the Southeast, Southwest, and Northwest) customers have no choice of electricity provider. In markets where one entity controls the generation, transmission, and distribution systems the utility may offer no solar or wind certificates for renewable generation in their service areas. "The monopoly franchise granted to private, investor-owned electric utilities allows them to underinvest in … clean technologies." (*Promarket*, July 8, 2024; publication of Univ. of Chicago Booth School of Business) With no options for matching procurements to hourly electricity use and power delivery, yearly accounting of RECs purchased across market boundaries may be the only choice for corporate buyers to account for Scope 2 emissions in traditional wholesale markets.

In competitive markets, Independent System Operators/Regional Transmission Orgs. ("ISO/RTOs") manage the grid and run competitive auctions where buyers and sellers bid to purchase and supply bulk electricity at wholesale. Utilities then sell electricity to consumers at retail prices. (US-EPA, *Power Market Structure*) Most states where ISO/RTO markets operate have also adopted Renewable Portfolio Standards (RPS). (DSIRE map) These laws require that a specified percentage of electricity sold by utilities must derive from renewable sources. 28 states have an RPS and 7 have renewable portfolio goals. Each utility subject to state RPS percentages is mandated to purchase their own RECs to show ownership of a required number of certificates as necessary to comply with the applicable state policy. Utilities meet their obligations by either generating

renewable energy themselves – or if they do not generate enough to satisfy their RPS obligations, they must buy RECs from other generators. (US-EIA, *Portfolio Standards*).

In US regions where most ISO/RTO markets overlap with RPS laws, utilities will typically buy for themselves large amounts of solar- and wind-based certificates to comply with their own obligations. Minimal RECs in those geographies may be left over for voluntary corporate procurements. For purposes of the Scope 2 Guidance proposal, GHGP has recommended onerous matching restrictions without contemplating whether sufficient supplies of RECs would be available for companies to procure – after utilities have purchased most certificates to meet their own RPS compliance requirements.

GHGP did not consider US electricity market structures in proposing an infeasible 24/7 matching mandate. In traditional wholesale markets with vertically integrated utilities, and competitive markets where RPS laws govern, corporate buyers of clean energy may have no option but to purchase power across regional boundaries because hourly "in-region" certificates are unavailable or scarce.

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?

[Selected: a]

a. No meaningful improvement (unlikely to change comparability/interpretations)
b. Minor improvement (noticeable but unlikely to change comparability)
c. Moderate improvement (could change some comparability/assessments)
d. Substantial improvement (likely to change comparability benchmarks)
e. Not sure / no basis to assess

137. Please provide additional context for your answer to question 136.

Currently, corporate clean energy buyers must meet the existing Quality Control Criteria in Scope 2 (see response to Q20). It is unclear why GHGP perceives existing Guidance to be inadequate, as the quality controls currently in place assure "the environmental integrity of the market-based method" so that "contractual instruments reliably and uniquely convey GHG emission rate claims to consumers." The proposed approach would introduce additional complexity without improving the quality of disclosures, while impeding the ability of many companies to utilize market mechanisms to reduce emissions. Investors interested in more granular information on energy procured through contractual agreements currently receive this detail based on existing QC Criteria, upon which the proposed changes do not improve.

152. In your view, balancing scientific integrity, climate impact, and feasibility, what scope 2 revisions or combinations 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.

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting.

A Harvard University professor emeritus of global energy policy recently published a response to Q 152. See William W. Hogan, *Scope 2: Physical Power Usage Accounting Is Fictional, Pricing and Marginal Impact Accounting Are Real* (Dec. 12, 2025). Professor Hogan explains that the proposed 24/7 matching

requirements "are a failure" to meet GHGP's own "Scientific Integrity criteria, as the accounting ignores the special problems that arise due to the physics underlying power flows."

Professor Hogan's critique is based on the fundamental principle that electricity flows across the grid based on the physics of the system – not based on individual procurement contracts that link specific generators to specific consumers. Because energy generation and consumption occur at different locations, electricity markets and pricing (at least in the US) are ***not*** organized around an erroneous concept of "matching" individual load and individual generation. Indeed, Locational Marginal Pricing (LMPs) methods arose so that electricity prices are set at each separate "node" on the grid to reflect real time costs of generation, the costs associated with congestion to move power when transmission lines are full, ***and*** the costs of energy lost during grid transmission. LPM methods thus provide the basis for buying and selling electricity in US wholesale markets run by ISOs (e.g., ISO New England FAQs) (Q135 response). Professor Hogan's paper states:

- "Importantly, 24x7 energy matching ignores the lessons learned from the development of Locational Marginal Prices (LMPs): in power systems, it is not possible to match individual production and consumption at different locations. (Andersen, et al., 2025)"

- GHGP's "pursuit of a definition for indirect Scope 2 GHG emissions embedded in purchases of electricity is based on an implicit premise that is incompatible with the laws of physics. The implicit assumption is that there must be a meaningful way to connect individual consumption and production of electricity within a power grid. This assumption is not true."

- "The GHGP is currently at risk of repeating a regulatory failure addressed 30 years ago by the US electricity sector: the 'Contract Path' fallacy' …. The [FERC] public comment period revealed there was no method for organizing individual power transactions connecting individual load and generation as in the manner envisioned by" the GHGP's proposed Scope 2 revisions.

- "In short, the lesson from the experience with electricity markets is: don't fight the underlying physics. To maintain its avowed scientific integrity, the ***GHGP should abandon the fiction of physical matching of contracted load and generation."***

- ***"For GHG emissions, knowing the year is essentially as good as knowing the hour, and the location of the emissions does not matter in determining the effects on the climate."***

Section 6.3 -- Exemptions

158. What evidence and/or reasoned rationale supports the need for exemptions (e.g., data access, costs, feasibility)?

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting.

If the proposed Scope 2 Guidance ultimately adopts the "Alternative Position" (see Q20 response) offered by nine (9) TWG members – thereby allowing "optional 24/7 matching – then considerations of exemptions from a "mandate" would be moot.

The proposed approach, which would require hourly and geographic matching with exemptions allowed based on load thresholds within a defined boundary, would create an additional reporting burden on companies. Businesses would first have to determine whether they may be eligible for an exemption on an annual basis for each region in which they operate. This would disproportionately impact medium and small businesses, which may ultimately choose not to pursue the clean energy purchases due to uncertainty about eligibility for exemptions over the term of the contract (typically a long-term agreement). The challenges to gauge exemption qualifications would be especially pronounced for owners of commercial real estate companies that frequently buy and sell properties, which may result in large fluctuations in energy usage within a particular region over time.

GHGP's proposal of an exemption is itself a de facto recognition that strict 24/7 procurement matching imposes time, cost, and other resource burdens on companies that might consider clean energy contracts. Nine other TWG members purport to justify the proposed "mandate with exemption" recommendation in the Energy Tag Blog Post (see Q75 response), by offering a "non-exhaustive list" list of 45 companies "engaged in hourly matching today." This list is comprised primarily of hyperscalers, data center businesses, international financial services firms, and massive suppliers of electricity and energy-related products. These companies might indeed have the wherewithal to pursue hourly and tight geographic deliverability standards for their clean energy procurements, or at least for some of their purchases. While these companies may be leaders in global energy innovation, handpicking among the most exclusive corporate leaders – and holding-out procurement strategies of these elite companies as justification for an onerous international standard that should apply as a matter of course to the vast majority of buyers in the global clean energy marketplace – only confirms the point that 24/7 matching should be optional and not mandated.

Companies that are able to procure 24/7-matched products and provide optional GHGP reporting should make data and resources available free to the public – which could provide stakeholders with decision useful data to manage energy-related risk and expand investments in clean energy.

160. If you provided a different threshold amount in (a), how does your proposed threshold better fit the intent of the exemption (reducing reporting burden while maintaining MBM integrity and impact)? How would this exemption threshold impact the administrative and cost burden of the proposed MBM requirements compared to an exemption threshold of 5, 10, or 50 GWh per deliverable market boundary?

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting. As stated in our Q159 response, allowing optional 24/7 matching would render moot consideration of an exemption from requirements.

Section 7.3 – Legacy Clause Considerations

173. Please provide any additional comments regarding your reasons for support.

We reiterate our position that strict hourly and geographic deliverability for clean energy procurements should be optional – not required – for purposes of Scope 2 emissions accounting.

If the proposed Scope 2 Guidance were revised to adopt the "Alternative Position" (see response to Q20), offered by nine (9) other TWG members, then a Legacy Clause would not be necessary for companies wishing to continue reporting on existing contractual agreements in compliance with GHG Protocol.

We strongly support the ability of companies that have entered into long-term contractual agreements to match energy consumption with clean energy sources, to continue applying these market-based solutions to their emissions calculations. "Legacy Contracts" should be allocated to usage as determined appropriate by the company, consistent with current methods, regardless of location or time of use.

175. Please provide any additional comments regarding your concerns or reasons for why you are not supporting.

This survey does not readily lend itself to a discussion of how US government policies impact GHGP's proposal for 24/7 matching. Given Nareit and RER's role as federal policy advocates, we would be remiss if we did not raise such points and appreciate the opportunity to do so here.

As noted at the beginning of our responses (see Q5 response), the World Resources Institute (WRI) recognizes the significance of shifting U.S. energy policy perspectives for clean power development, and refers to the "upend[ing]" of the Inflation Reduction Act and the Bipartisan Infrastructure Law.
(WRI, "Insights" on US Clean Power, Feb 21, 2025)

GHGP developed its Scope 2 recommendations during the previous administration when federal executive and legislative actions heavily subsidized renewable power. The US energy landscape is much different now. GHGP should re-assess whether a 24/7 mandate is warranted considering federal actions taken in 2025, which include:

- "Declaring a National Energy Emergency," a White House Executive Order, to develop US "energy resources," defined to include oil, natural gas, and coal – while excluding wind and solar.
- Imposing a freeze on permits and leases for offshore and onshore wind projects.
- Eliminating $476B over 10 years in clean energy tax credits created in 2022 by the *Inflation Reduction Act (IRA)*, and undone this year by the *One Big Beautiful Bill (OB3) Act* (congressional Joint Committee on Taxation revenue estimate) (RER fact sheet on the *OB3 Act*).
- Issuing an Internal Revenue Service decision (Notice 2025-42) to significantly limit the ability of any solar project with an output greater than 1.5 MW to access tax credits, for the limited time that the incentive remains available following the *OB3 Act*.
- Rescinding EPA's $27B lending initiative, the Greenhouse Gas Reduction Fund.
- Requiring "elevated reviews" from the U.S. Interior Department to curb wind and solar projects on federal lands.
- Ending US-EPA's $7 billion "Solar for All" program.
- Terminating $679M in Department of Transportation funds for offshore wind projects at US ports.
- Cancelling $13B in low-interest federal loans from the Department of Energy to subsidize wind, solar, batteries, and other clean energy projects.
- Levying tariffs that are estimated to make a utility scale solar facility in the US "54% more expensive than in Europe and 85% more expensive than a new solar plant built in China," bringing potential delays in US project development and "rising PPA prices" (WoodMac, June 2)
- Curtailing the influence of proxy advisors over US public companies through another Executive Order, "Protecting American Investors," intended to limit shareholder proposals and investments "requiring companies … [to] significantly reduce their greenhouse gas emissions."

Considering these actions, requiring strict hourly and geographic matching as GHGP proposes would make corporate renewable energy procurements even more arduous, complex, and contentious. GHGP should not

pursue 24/7 mandatory matching in the Scope 2 Guidelines, which would intensify the impact of recent US federal policies that eliminate subsidies and support intermittent renewables.

* * *

Points of contact:

For more information regarding these comments, please contact:

- ***The Real Estate Roundtable:*** Duane Desiderio, Senior Vice President and Counse1
  - ddesiderio@rer.org

- ***Nareit:*** Jessica Long, Senior Vice President, Environmental Stewardship & Sustainability
  - jlong@nareit.com

# # #