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DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# SBTi Corporate Net-Zero Standard Expert Working Group (EWG) Meeting Minutes

**Scope 2 EWG, Session 6: Update on 2nd Public Consultation  
Proposals**

10/06/2026

Option A: 09:00-10:30 CET, 16 October 2025

Option B: 16:30-18:00 CET, 17 October 2025

Virtual

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## Meeting participants

### Option A:

Expert Working Group Members present

1. Lucile Bourguet, Fortescue
2. Matt Koneicznny, Watershed
3. Mohand Salah, Sidi Kerier For Petrochemicals Company (SIDPEC)
4. Kae Takase, Renewable Energy Institute
5. Roble Velasco-Rosenheim, The I-TRACK Standard Foundation
6. Rachel Swiatek, Climate Group

SBTi

1. Nick Fedson, Scope 2 Lead
2. Ayla Dincay, Buildings Lead
3. Abhilash Desu, Senior Target Analyst
4. Emma Watson, Head of Corporate Standards
5. Scarlett Benson, EWG Lead

### Option B:

Expert Working Group Members present

1. Skye Lei, ServiceNow
2. Alex Piper, EnergyTag
3. Elliott Englemann, Greenhouse Gas Protocol
4. Erik Landry, GRESB
5. Aindrias Lefèvre-Laoide, EDF
6. Doug Miller, Energy Peace Partners
7. Matthew Brander, University of Edinburgh
8. Rachel Kitchin, Stand.earth

SBTi

1. Nick Fedson, Scope 2 Lead
2. Abhilash Desu, Senior Target Analyst
3. Emma Watson, Head of Corporate Standards

**Note on the format of these minutes:** This meeting was held twice to accommodate the time zones of the Expert Working Group (EWG) members. The content presented by the SBTi team was consistent across both sessions, and participants in each meeting engaged with the same interactive exercises. To avoid duplication, these meeting minutes present the shared content (presentations and framing) and include summaries of participant discussions from the Option A and Option B meetings.

## Meeting agenda

Welcome & introducing the focus for the meeting	10 min
Key changes since the EWG draft	5 min
Near-term targets	10 min
Long-term targets	5 min
LCE definition & procurement criteria	30 min
Indirect mitigation	5 min
Scope 3	5 min
Recommendations	5 min
Conclusion & next steps	5 min

## Meeting objectives

The purpose of the EWG meeting was to inform the group of the main decision points since the September in-person workshops, which would be reflected in the upcoming second public consultation draft of V2.0 of the Corporate Net Zero Standard.

## Welcome & logistics

The session began with a welcome from the SBTi team, followed by reminders on confidentiality and antitrust guidance, and housekeeping. No new conflicts of interest were raised.

## Key changes

SBTi summarized the key changes brought forward to the second public consultation draft as follows:

1. Near-term targets would require low-carbon electricity purchasing and make emissions reductions targets optional. Electricity consumption could be excluded from near-term targets subject to different criteria to be consulted on. Heat, steam and cooling consumption could be excluded based on a materiality threshold.
2. Long-term targets would maintain optionality in the target setting approach. No exclusions of any emissions would be permitted.
3. LCE purchasing criteria would be refined:
  - a. An EAC retirement requirement would be included for all actions to meet electricity-related targets
  - b. No procurement types defined
  - c. A generator age limit would be added

- d. A deliverability requirement would be added
  - e. An hourly matching requirement for large electricity users would be added
4. The concept of indirect mitigation for scope 2 would be restructured into the Ongoing Emissions Responsibility chapter.

## Near-term targets

### Electricity purchasing

SBTi explained that near-term targets would require low-carbon electricity purchasing for all companies. The important change since the EWG draft was in the exclusion mechanisms being proposed for the second public consultation draft. Several options are being considered:

- Companies may exclude loads in markets without EAC registries
- Companies may exclude loads in markets without EAC registries and without any options from electricity suppliers for low-carbon electricity
- Companies may exclude loads equivalent to no more than 5% of their electricity purchasing

SBTi explained that the first two options for exclusions were intended to capture situations in which no market for low-carbon electricity exists. The 5% threshold was presented as a simpler alternative for companies to use.

### Heat, steam and cooling purchasing

SBTi explained that heat, steam and cooling would be subject to emissions reduction targets with the accounting approach (location-based or market-based) left to the company to decide. These targets are proposed to be required whenever heat, steam and cooling contribute to at least 5% of the location-based scope 2 total in the company's base year.

The rationale for optionality in the accounting approach is based on the non-uniformity and small scale of heat, steam and cooling networks, meaning companies should be able to choose whichever approach is most appropriate for their circumstances and levers for action.

SBTi also explained that any exclusions made from near-term targets would be subject to a recommendation to include those emissions in participation in the Ongoing Emissions Responsibility optional recognition program.

## Long-term targets

### Electricity purchasing

SBTi explained that long-term targets would give optionality with regards to the target setting approach (low-carbon electricity purchasing, location-based emissions reduction or market-based emissions reduction), as long as 100% of scope 2 emissions related to electricity were covered.

The metric and net-zero benchmark performance across each approach is proposed as follows:

- 100% low-carbon electricity purchasing by 2040
- 99.8% reduction in location-based scope 2 emissions by 2040
- Market-based emissions intensity of 0.001 kg CO<sub>2</sub>/kWh by 2040

These approaches are consistent with the SBTi Power Sector Pathway.

### **Heat, steam and cooling purchasing**

Heat, steam and cooling would continue to offer optionality between location-based and market-based emissions reductions, but would always be included in a long-term target (no exclusions), and would target a 100% reduction by 2040. This benchmark performance is consistent with the IEA Net Zero Scenario for heat in buildings, which is acknowledged as imperfect for applying to all heat, steam and cooling.

### **Discussion**

#### **Option B meeting:**

- One member asked for more details behind the proposed 99.8% reduction in absolute emissions for location-based scope 2 targets related to electricity.
  - SBTi explained this was derived from the grid emissions intensity reduction in the Power Sector pathway, slightly strengthened to introduce a component of energy efficiency into companies' efforts.
- One member asked if a company could choose a location-based target and follow decarbonization of the grid average taking little/no action, instead of setting a market-based target that would require action.
  - SBTi acknowledged this would be possible, but would depend on the grid decarbonizing, which it may not do fast enough without voluntary action.
- One member asked for more details about why a mandatory location-based target was no longer a requirement.
  - SBTi explained that this was due to companies' lack of direct influence over the grid average, making a mandatory location-based target risky. While SBTi acknowledged that there was less emphasis on energy efficiency in the proposed scope 2 targets now, companies meeting LCE targets tend to incorporate energy efficiency as a means of making these targets easier to meet. However, whether or not energy efficiency was sufficiently incentivized by the proposed targets was mentioned as a key topic the second public consultation would seek to get feedback on.

## **Low-carbon electricity purchasing criteria**

### **Low-carbon electricity (LCE) definition**

SBTi shared that the second consultation draft would shift away from zero to low-carbon electricity, for interoperability with the Power Sector Standard development.

The LCE definition would be a direct generation emissions threshold of 0.024 kg CO<sub>2</sub>/kWh, derived from natural gas fired power generation equipped with CCS achieving a 95% capture rate. SBTi noted that the overall net zero grid intensity required by the Power Sector Standard in the long-term is 0.001 kg CO<sub>2</sub>/kWh, reflecting a mix of low-carbon sources.

SBTi mentioned that the second public consultation could explore whether upstream emissions sources (e.g. biomass lifecycle emissions or transmission & distribution emissions) should be included in the LCE definition.

### **EAC retirement requirement**

SBTi proposed a framing of LCE purchasing in terms of market instruments that convey energy attribute certificates (whether bundled with electricity or purchased unbundled). This is a neutral concept that encompasses all actions from power purchase agreements to contracts with suppliers and unbundled EAC purchases. By including an EAC retirement requirement, SBTi could reference the annex in development by SBTi for credible certificates (also being used for scopes 1 and 3). The GHG Protocol Scope 2 Guidance from 2015 would also serve as a baseline for use of these market instruments.

### **Procurement types**

SBTi explained that procurement type definitions would be withdrawn from the next consultation draft, given procurement types (e.g. PPAs, unbundled EACs) had previously been used to describe differing temporal and geographic matching requirements. More recent thinking has been that temporal and geographic matching requirements are universal, meaning procurement types do not need to be defined.

### **Generator age limit**

SBTi shared that the next consultation draft would include a proposal for a generator age limit (on the commissioning/re-powering date) of ten years, tightening to five years in 2035, with exemptions to the limit aligned with the RE100 and 24/7 Carbon-Free Coalition frameworks. SBTi also shared that the Standard Supply Service concept being discussed in GHG Protocol was important to monitor since it would significantly affect how exemptions to the limit might be defined.

### **Deliverability**

SBTi shared that the next consultation draft would include a proposal for a deliverability criterion with deliverability region definitions aligned with those maintained by the 24/7 Carbon-Free Coalition framework.

### **Hourly matching**

SBTi explained the following approach would be proposed on hourly matching:

- Phased in starting in 2030
- Only for sites consuming above 100 MWh annually in deliverability regions where total purchasing exceeds 10 GWh annually

- Companies would identify the LCE purchasing at sites in scope of the requirement and transition to hourly matching on the following timeframe:
  - By 2030: 50% of impacted LCE purchasing portfolio is hourly matched
  - By 2035: 75% of impacted LCE purchasing portfolio is hourly matched
  - By 2040: 90% of impacted LCE purchasing portfolio is hourly matched

SBTi highlighted the importance of the discussions in GHG Protocol on hourly matching which were also examining the topics of phase-ins, exemptions and legacy clauses for hourly matching.

## Discussion

### Option A meeting:

- One member asked for an estimate of how many companies would be impacted by the hourly matching requirement.
  - SBTi explained the proposed threshold was in the middle of the options being considered by GHG Protocol and was based on CDP data from 2024. SBTi also explained that pilot testing would seek to understand the total impacted load from pilot testing companies also.
- One member asked about the consideration of a generator age limit versus the Standard Supply Service (SSS) idea being considered by GHG Protocol, noting that the Scope 2 TWG at GHG Protocol had rejected the idea of a generator limit in favour of Standard Supply Service. The member explained that a generator age limit may be hard to explain to companies. The member also highlighted that GHG Protocol would be consulting on its own phase-in requirements for hourly matching and asked how SBTi would manage its approach on hourly matching in parallel with GHG Protocol to preserve alignment.
  - SBTi explained that the generator age limit and SSS were closely related and that SSS would be an appropriate exemption from the age limit. The intention of the age limit is to create a signal for new low-carbon electricity capacity. SSS has a similar intention.
  - SBTi also agreed that following the hourly matching topic in GHG Protocol would be critical
- One member asked (1) whether lifecycle emissions criteria for low-carbon electricity would be considered and highlighted the challenges in capturing lifecycle emissions data on market instruments, (2) whether contracts that secure transmission between deliverability regions would allow deliverability to be demonstrated, and (3) whether target setting approaches could change from one near-term target period to another.
  - SBTi explained that the LCE definition was based on generation emissions only, noting that transmission & distribution emissions are not in a company's control.
  - SBTi explained that the 24/7 technical criteria have provisions for contracting for transmission, which SBTi would propose to align with.
  - SBTi explained that nothing might stop a company from changing its target setting approach upon renewal of a near-term target.

### Option B meeting:

- Two members also raised the point that the scope 2 discussions in GHG Protocol had rejected a generator age limit. Another raised the point that an age limit could exclude significant amounts of nuclear and hydro generation.
  - SBTi emphasized that the purpose of the limit was to create scarcity and strengthen signals for capacity additions, and would align with the exemptions used by other frameworks also employing a generator age limit.
- Two members highlighted an interoperability risk with the transition to hourly matching that might be proposed by GHG Protocol, and one stated that a 75% hourly matching requirement in 2035 was not ambitious enough.

## Indirect mitigation

SBTi explained that the subject of addressing excluded or difficult-to-influence emissions has been moved from scope 2 targets to the Ongoing Emissions Responsibility chapter of the standard. This change reflects that these mechanisms are for contribution rather than direct mitigation within scope 2, and reaffirms scope 2 targets as focused solely on companies' value chains. The second public consultation will address whether excluded emissions should be required or recommended to be addressed through OER.

## Market instruments to decarbonize scope 3 electricity

SBTi shared that the second public consultation draft would propose to recognize market-based approaches for addressing emissions related to electricity purchasing occurring outside the company's control (upstream and downstream scope 3 sources). Companies would be required to know or estimate consumption in the value chain and its location and use market instruments to decarbonize it.

### Option A meeting:

- One member praised the development and pointed to scope 3 categories 1 and 11 as highly relevant to this mechanism.
- One member asked if a supplier would be able to report reduced scope 2 emissions based on a company's action to reduce its scope 3 emissions using market instruments.
  - SBTi explained that this was a claims topic that is expected to be addressed in the claims manual.
- One member highlighted the need to ensure interoperability with existing supplier clean energy programs and GHG accounting guidance.
  - SBTi explained that this mechanism would be best communicated in alignment target performance reporting, which is one way SBTi can avoid the complexities of GHG accounting.

### Option B meeting

- One member highlighted the importance of supplier engagement to scope 3 targets and mentioned these proposed actions could disincentivize direct supplier engagement.

## Conclusion and next steps

SBTi explained that the second public consultation would launch in November.