SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

EWG Scope 2 - Session 5: Discussion on refinements to the scope 2 section

27/08/2025

Option A: 9:00-11:30 BST

Option B: 15:30-18:00 BST

Virtual

DISCLAIMER

The meeting notes provided herein are intended to capture the discussions, decisions, and actions taken during the meeting to the best of the note-taker's ability. While efforts have been made to accurately represent the proceedings, it is essential to acknowledge that these minutes are a summary and may not capture every detail or nuance of the discussions held.

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Meeting minutes are subject to revision and amendment. The content may be updated or modified based on corrections, additions, or clarifications deemed necessary by the SBTi.

Session decisions which are deemed interim, unresolved items or confidential will not be shared publicly to protect the confidentiality of the Standard before publication and to prevent sending premature signals to the market.

As per clause 6 in the EWG Terms of Reference, members serve on the EWG in their individual capacity as technical experts.

“Science Based Targets initiative” and “SBTi” refer to the Science Based Targets initiative, a private company registered in England number 14960097 and registered as a UK Charity number 1205768.

Meeting participants

Option A:

Expert Working Group Members present:

1. Lucile Bourguet, Fortescue (joined at 9:53 BST)
2. Matt Konieczny, Watershed (left at 10:30 BST)
3. Erik Landry, GRESB
4. Kae Takase, Renewable Energy Institute
5. Roble Velasco-Rosenheim, The I-TRACK Standard Foundation
6. Molly Walton, We Mean Business Coalition
7. Rachel Swiatek, Climate Group

SBTi

1. Scarlett Benson, Scope 2 EWG Lead
2. Ayla Dincay, Buildings Lead
3. Abhilash Desu, Senior Target Analyst

Option B:

Expert Working Group Members present:

8. Drew Beyer, RMI
9. Lucile Bourguet, Fortescue
10. Matthew Brander, University of Edinburgh
11. Elliott Engelmann, WRI (GHG Protocol)
12. Peggy Kellen, Center for Resource Solutions (CRS)
13. Rachel Kitchin, Stand.earth
14. Aindrias Lefévère-Laoide, EDF Group
15. Skye Le, ServiceNow
16. Doug Miller, Energy Peace Partners
17. Alex Piper, EnergyTag
18. Mohand Salah, Sidi Kerier For Petrochemicals Company (SIDPEC)

Observers

1. Brad Schallert, Winrock International (Member of the Claims EWG)

SBTi

1. Ayla Dincay, Buildings 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
Presentation & discussion: C15.2 Coverage C15.3 Target-setting approach C15.6 Eligible zero-carbon sources; & C15.7 Eligible sourcing methods	45 min
Break	10 min
Presentation & discussion: C15.9 Use of EACs R15.1 Indirect mitigation	45 min
Closing & next steps	5 min

Meeting objectives

The session aimed to:

- Discuss the proposed changes in the scope 2 target-setting criteria.
- Present initial results from the survey sent to the EWG together with the pre-read that contained proposed changes.
- Gather feedback on the proposals and give EWG members an opportunity to hear perspectives from each other.

1. 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.

2. Part 1: Proposed requirements for target coverage, target-setting approach, and eligible zero-carbon sources and sourcing methods

The SBTi presented revised proposals for scope 2 target-setting criteria as provided in the pre-read and some initial feedback received from the EWG prior to the meeting, inviting EWG input on areas where further clarity and refinement were needed.

The discussion for the session was contextualized by:

- **Coverage:** The revised criterion in the pre-read proposed that near-term targets should cover 100% of electricity in markets where supplier choice exists, and long-term targets should cover all electricity, heat, steam, and cooling purchased or

acquired. A key question was whether companies should be allowed to exclude electricity in constrained markets from near-term targets, and under what conditions. Survey feedback showed most respondents were neutral or disagreed with allowing exclusions, with calls for clear criteria, templates, and reference grids to guide implementation.

- **Target-setting approach:** The proposal outlined two eligible approaches – emissions-reduction targets and targets for zero-carbon electricity procurement – allowing companies to use one or both. Discussion centered on whether to retain a mandatory location-based target requirement to ensure focus on grid decarbonization. Survey insights revealed divided views on the criterion overall, but a majority agreed on the importance of retaining location-based targets.
- **Eligible zero-carbon sources and sourcing methods:** SBTi presented a proposed list of eligible sources – including wind, solar, geothermal, marine, sustainable biomass and hydropower, and nuclear – and sourcing methods such as self-generation, PPAs, supply contracts, default renewable supply supported by EACs, and unbundled EACs. Input was sought on whether these should be standardized in the Standard. Feedback underscored the importance of setting clear eligibility boundaries to avoid misuse and maintain comparability, with debate around the role of unbundled EACs and whether stricter quality requirements should apply.

Discussion

Option A meeting:

Target coverage

- An EWG member asked whether excluded emissions require companies to conduct indirect mitigation or whether no further action is needed under the proposal.
    - The SBTi clarified that under the proposal for required target coverage, companies can exclude emissions without having to conduct indirect mitigation for those excluded emissions. Indirect mitigation is recommended in the proposal, but not required. It was noted that this is still an open question.
- An EWG member highlighted examples from Asia, where most countries have vertically integrated utilities, and suggested that an option with either supplier choice or EAC market availability would be more inclusive. They explained that option ensures broader applicability since almost all countries have either supplier choice or an EAC market. They also proposed a two-step process to demonstrate unavailability: first, check the RE100 list; second, if the country is absent, request onboarding from an EAC system provider. They emphasized that this approach would reduce the number of countries without options to only a few cases. They argued that many vertically integrated markets still offer bundled utility products, PPAs, or rooftop self-generation, and therefore companies should not easily dismiss compliance by claiming lack of retail choice.
- An EWG member emphasized the importance of minimizing the number of markets where emissions can be excluded. They argued that including electricity purchases in targets creates pressure on the supply side to deliver, which in turn catalyzes market change where it is most needed.

- An EWG member supported the earlier points, adding that making indirect mitigation required, rather than recommended, creates the right incentives. They explained that companies would then be motivated to either procure EACs, engage with system providers, or help ensure market setup, rather than defaulting to exclusion. They stressed that the criteria are closely linked and should reinforce strong incentives.

Target-setting approach

- An EWG member asked whether the direction of travel is to keep both location- and market-based reporting and targets, or to move toward location-based only. They explained that their team had initially interpreted the survey as leaning toward location-based only and sought clarification.
    - The SBTi explained that the exploration is about balancing requirements with the burden placed on companies. The formulation in the pre-read was essentially the same as the current Corporate Net-Zero Standard: companies can choose between location-based or market-based reporting, or set a target based only on zero-carbon electricity.
- An EWG member expressed appreciation for the clarification and noted that the survey may not be clear on this and there might be misinterpretations in the responses. They reiterated support for balancing location- and market-based approaches, while acknowledging their organization is not a disclosing entity and thus less familiar with corporate end-user challenges.
- An EWG member argued that the science itself must determine the target. They stated that if science shows the long-term location-based target must be zero, then that is what companies must adopt, even if challenging.
- An EWG member cautioned that requiring location-based targets in countries where zero is not feasible in the next 15–20 years could lead companies to relocate operations to cleaner grids, raising issues of fairness and trade relations. They suggested acknowledging that this challenge remains unresolved within the ecosystem.
    - The SBTi noted a potential approach: requiring long-term location-based targets but softening conformance rules so that failure to meet them would not result in companies being excluded from SBTi. They explained this would acknowledge companies' limited influence over grids while mitigating litigation risks associated with committing to uncontrollable targets.
- An EWG member reflected on trade-offs, noting that requiring location-based zero targets could incentivize companies to move to countries with clean grids. They warned this could lead to overconcentration in already renewable-rich countries, rather than driving investment in regions that need to expand renewables. They concluded that location-based target setting remains important, but expressed support for the alternative option provided in the pre-read with both a supplier choice and EAC availability as a pragmatic middle ground, given the risks of discouraging participation.
- An EWG member emphasized that including location-based targets, even long-term, is essential to ensure executives remain attentive to location-based performance. Without it, companies may limit their focus to renewable procurement only. They expressed support for including long-term location-based requirements.

Eligible zero-carbon sources and sourcing methods

- An EWG member expressed strong hesitation about biofuels, particularly woody biomass. They highlighted numerous assumptions along the supply chain, time lags in carbon sequestration, biodiversity loss from monocultures, and systemic impacts such as incentivizing waste generation. They also shared a link to literature evaluating assumptions about woody biomass and its climate and life-cycle impacts.
- An EWG member shared concerns about certification lists for sustainable biomass and hydropower, noting challenges in obtaining certifications in Japan and other Asian countries. They suggested avoiding reliance on specific lists such as RE100 and instead requiring transparency about energy sourcing. They argued that mandatory transparency would allow for the establishment of life cycle carbon footprint thresholds.
- An EWG member noted that referencing external lists such as RE100 or the 24/7 CF could expose SBTi to risks if those lists change. They stressed that anything included on an SBTi list must be well-defended, as SBTi would face high volumes of inquiries. They added that EACs typically record only operational emissions, not life cycle emissions, and disclosing entities would need external analyses if life cycle reporting were required. They concluded that transparency should be the guiding principle.

Option B

Target coverage

- An EWG member expressed confusion about the notion of electricity supplier in targets, noting that in many markets suppliers do not offer meaningful options or companies cannot change suppliers. They questioned prescribing supplier choice as a condition for implementation. (Doug Miller)
- An EWG member agreed, noting that supplier choice is variable even within markets such as the United States. They supported basing decisions on EAC availability rather than supplier choice alone, and stressed that EACs must also meet defined quality criteria. They also highlighted implementation challenges if availability is partial rather than absolute.
- An EWG member argued that exempting emissions in regions without supplier choice is inappropriate because such markets may still have access to credible procurement options, including quality EACs or green tariffs from vertically integrated utilities. They cautioned that the exemption creates a loophole in near-term targets and undermines incentives for market or policy reform.
- An EWG member stated that option A best represents constrained markets in emerging economies, including MENA countries. They argued that retail choice alone does not capture true limitations and called for a clearer, inclusive, and regularly updated mechanism that reflects local constraints such as infrastructure, procurement mechanisms, and credible instruments.
- An EWG member warned of credibility risks if large amounts of electricity consumption and emissions in non-market jurisdictions are excluded, allowing companies to claim compliance while still having significant emissions. They also cautioned against perverse incentives, as companies might prefer exclusions over supporting market development.

- Another EWG member agreed, stressing the need for consistency between short-term and long-term targets. They noted that differing criteria could create confusion in both public communications and internal implementation, making targets appear inconsistent or misaligned.

Target-setting approaches

- An EWG member stated they are generally not in favor of location-based targets, arguing that while the information is useful for decision-making and risk, the SBTi should focus on emission-reduction targets and rely on the GHG Protocol for location-based disclosure to avoid duplication.
- An EWG member endorsed earlier concerns about credibility if large sources of scope 2 emissions are excluded, and argued for retaining location-based metrics in some form due to their closer link to atmospheric impacts when adding new demand (e.g., siting data centers where low-carbon electricity is available).
- An EWG member cautioned that using location-based totals alone to steer new demand may siphon limited local low-carbon generation away from other users and does not necessarily drive additional supply, questioning its exclusive use to justify location-based targets.
- An EWG member responded that location-based accounting is the best proxy for emissions attributable to additional demand and more directly links siting decisions to grid carbon intensity than market-based methods, except where on-site or additional PPAs clearly apply.
- An EWG member argued that location-based targets can create a constituency for renewable-policy advocacy and, if the GHG Protocol adopts time-specific grid factors, could also drive temporal load shifting; they added that relying only on market-based targets risks target achievement without real atmospheric reductions.
- An EWG member supported requiring location-based reporting and allowing a market-based target option, noting that siting on lower-carbon grids can correlate with conditions that enable future additional low-carbon generation; they cautioned that a 100% location-based target is challenging unless the grid is fully decarbonized or policy advocacy succeeds.
- An EWG member supported disclosing location-based emissions to reflect energy-efficiency investments but found location-based goals challenging because companies cannot control grid mixes; they questioned how far companies will lobby or relocate based on grid mix in the current geopolitical context and asked how advocacy could be evidenced credibly.
- An EWG member observed that as grids approach near-zero, there will be increasing hours with zero-carbon averages, enabling firms to reach zero through temporal load shifting even before all hours are decarbonized.
- An EWG member warned that reintroducing location-based targets could deter participation, given leadership concerns about control, reputational risk, and approval hurdles; they supported disclosing location-based emissions and tracking percent change from a base year to increase pressure without mandating a location-based target, and noted sectoral differences suggesting the need for flexibility.
- An EWG member explained that location-based targets may suit data centers but not sectors constrained by geography and supply chains (e.g., extraction near resources or ports), where grid choice is not feasible; they cautioned that committing to

location-based targets would require uncertain modeling of future grid trajectories and could lead companies to opt out without a choice of target type.

Eligible sources and sourcing methods

- An EWG member noted that while SBTi could define a list of eligible sources, it is important to build in flexibility because terminology and definitions evolve, and other frameworks (e.g., EAC systems) already define what counts as renewable or zero-carbon in different markets.
- An EWG member highlighted that the GHG Protocol does not distinguish between different zero-carbon sources, making SBTi definitions potentially duplicative. They warned that defining and maintaining categories like “sustainable hydropower” would be burdensome and questioned the value of doing so.
- Another EWG member agreed, suggesting criteria-based approaches (e.g., European taxonomy thresholds using life-cycle analysis and carbon intensity) instead of technology-specific lists. They advocated for technology-neutral vocabulary and consistent use of the term “zero-carbon” in eligible sourcing methods.
- An EWG member stressed that some sourcing methods lack meaningful impact and argued for stronger proof of effectiveness before allowing companies to count them toward science-based targets. They noted that unbundled EACs often provide little impact, but some offerings attempt to demonstrate additionality. Treating high-impact and low-impact options equally undermines credibility.
- An EWG member observed that SBTi must decide how strongly it seeks to drive impact through its criteria. They suggested that requiring “sustainable” sourcing methods implicitly limits acceptable technologies and could extend to biofuels, hydropower, and even nuclear on sustainability grounds. They noted this is challenging but consistent with SBTi’s role as a standard setter. They also stressed that all EACs must be retired for any grid-connected generation.
- An EWG member suggested that the sourcing methods list currently implies equal impact across options, whereas their actual contribution varies. They proposed introducing a hierarchy or clearer emphasis on higher-impact options. They also recommended making explicit links between unbundled EACs, VPPAs, and Criterion 15.3, which encourages contractual instruments that deliver additional renewable capacity, to better highlight additionality.

3. Part 2: Proposed requirements for the use of EACs and approach to contributions to ZCE (‘indirect mitigation’ for scope 2)

Presentation

The discussion for the second part of the session was contextualized by:

- **Use of EACs:** The revised criteria in the pre-read proposed that EACs used to substantiate emissions reductions or zero-carbon electricity claims must, at a minimum, meet GHG Protocol Scope 2 quality criteria, with additional requirements for physical deliverability and hourly matching for large consumers. Survey results

showed that more than half of respondents supported applying quality criteria across all sourcing methods, but there was also opposition, particularly around unbundled EACs and supplier contracts.

- **Indirect mitigation:** The revised criteria in the pre-read proposed that when electricity is excluded from near-term targets in constrained markets, companies would be recommended to contribute to zero-carbon electricity in proportion to their unaddressed scope 2 emissions.

Discussion

Option A meeting:

Use of EACs

- An EWG member asked whether the 10 GWh threshold applies at the site level only or whether, if one site exceeds the threshold, all company sites must adhere to the hourly matching approach. They noted analysis from the GHG Protocol group showing that even at the 10 GWh threshold, the share of total emissions excluded is small. They argued that exclusions at the site level balance feasibility and impact, as even large companies struggle to apply hourly matching at each site.
- An EWG member stressed the importance of using the term “unbundled EAC” to ensure consistency with GHG Protocol quality criteria and to retain accurate residual mixes. They emphasized that definitions of market boundaries and approved cross-border transactions should be aligned with existing standards such as the 24/7 Carbon-Free Coalition and the GHG Protocol. They explained that transactions should be treated equally if deliverability is proven and residual mixes are adjusted to avoid double counting.
- An EWG member raised concerns that companies may avoid requirements by building multiple 9 GWh sites within the same deliverability boundary. They suggested that thresholds could apply cumulatively at the boundary level rather than site-by-site. They noted this could complicate implementation, particularly if exclusions reduce totals below the threshold. They suggested revisiting the GHG Protocol analysis to clarify whether data had been modeled at the site level.
- An EWG member asked about SBTi’s overall plan for aligning with the new GHG Protocol, emphasizing the significant potential impact of including standard supply service (SSS) on the Japanese market. They explained that Japan relies on FIT-supported certificates, which allow companies to claim renewables at very low cost, undermining PPAs. They expressed preference for including SSS in SBTi’s criteria.
    - The SBTi clarified that while SBTi intends to align with the GHG Protocol as much as possible, it cannot commit before the new guidance is released due to separate governance processes. The concept of SSS is evolving in nature and lacks clear market-by-market analysis. They emphasized the difficulty of defining qualification criteria across diverse contexts. They noted similarities with default delivered supply backed by EACs, which aligns with SSS in some cases.
- The same EWG member stressed that companies should not be able to claim publicly supported renewables at the pro-rata level, but supported allowing claims

above that level. They suggested including wording that commits to alignment with the GHG Protocol once finalized.

Contributions to ZCE ('Indirect mitigation' for scope 2)

- An EWG member suggested limiting claims of infeasibility to a short, explicit country list that SBTi would update periodically, acknowledging this would create maintenance responsibility for SBTi. They argued that electricity transactions between physically interconnected grids that meet "cross-border approved" criteria should be treated as standard scope 2 transactions rather than indirect mitigation, contrasting them with transactions in distant or unrelated markets.
- An EWG member emphasized making exclusions unattractive, proposing that indirect mitigation be required rather than recommended to disincentivize exclusion.
- An EWG member supported requiring indirect mitigation and stated that eligible options should depend on SBTi's ability to measure and enforce them; activities that are hard to quantify (e.g., policy advocacy) should not count toward targets. They added that indirect mitigation outside the focal grid should be "pound-for-pound" against remaining emissions and meet high quality criteria in the applicable market. They also acknowledged the simplicity of MWh-to-MWh matching but reiterated that, absent deliverability, mitigation should still remove an equivalent amount of GHGs with high confidence, while recognizing the lack of an agreed consequential method.
- An EWG member described a corporate scenario with ~95% of electricity use in one market and numerous small, short-lived offices globally that are difficult to meter or contract for, asking how compliance would work if small loads sit outside the near-term target boundary but still require action. They said they would likely purchase unbundled EACs if required, while noting internal skepticism about decarbonization impact and the need to justify costs, especially under strict deliverability constraints.
    - The SBTi responded that the intent of the rule targets markets without supplier choice, and asked what the company currently does for such small loads.
- An EWG member stressed that companies need simple, resource-feasible rules enabling progress tracking over years; hourly matching for many tiny offices is impractical, whereas applying it to major markets/assets is challenging but workable.
- An EWG member suggested that tiny offices need not receive early exemptions, as the long-term aim is globally carbon-free grids by 2040, with small sites addressed later in the transition.
- The same EWG member questioned the effectiveness of distant-horizon commitments (e.g., 2040), noting corporate short-termism and leadership turnover that can weaken follow-through on long-term promises.

Chat

- An EWG member disagreed with including an "other" category for electricity sources, stating that only sources with evaluated evidence for being ZCE should be added during future revisions, as an "other" category would create confusion.
- Another EWG member agreed, noting that an "other" category weakens the benefits of maintaining a specific list.

- An EWG member asked how the GHG Protocol intends to address the threshold topic.
- An EWG member strongly supported hourly and locationally matched requirements. They argued that hourly matching ensures procurement during the most carbon-intensive hours, while locational matching prevents companies from procuring ZCE only where it is easiest, which could otherwise create a two-tier energy system between decarbonized and struggling countries.
- An EWG member emphasized that it is important to keep incentives strong.
- Another EWG member noted their support for keeping exclusions unattractive.
- An EWG member supported ton-to-ton and ton-to-dollar equivalence, referring to the IEA Net Zero carbon price.
- An EWG member indicated support for making requirements mandatory rather than optional.

Option B meeting:

Use of EACs

- An EWG member argued that deliverability requirements are impractical because hourly procurement is not feasible in most markets, and recommended encouraging broad clean energy procurement across mechanisms without prescribing vehicles. They suggested pairing EACs with grid emissions information to encourage purchases when and where the grid is most carbon-intensive while retaining verifiable MWh-based claims.
- An EWG member cautioned that defining deliverability as a physical concept does not strengthen claims and that shrinking market boundaries could depress demand, reduce viability of existing resources, and deter participation; they advised avoiding divergence from pending GHG Protocol guidance until finalized.
- An EWG member stated that deliverability and market boundaries should proxy feasible power flows and keep scope 2 accounting tied to electricity consumption and markets, contending that restricted boundaries are a closer approximation than allowing procurement from physically impossible locations. They maintained that temporal and locational matching, combined with incrementality, has strong support for driving real decarbonization compared to looser criteria.
- An EWG member responded that while a theory of change exists for scarcity-driven EAC price signals, there is no empirical evidence it will materialize, and volatility or opt-outs could undermine investor confidence; they warned criteria might also disincentivize PPAs if certificates cannot be used when generation timing differs from consumption.
- An EWG member shared that, from practical experience, deliverability remains theoretical and hard to prove, and they opposed making deliverability or time matching requirements; they noted strong stakeholder concerns and were surprised such requirements appeared in the pre-read.
- An EWG member emphasized that SBTi should maximize atmospheric emissions reductions by encouraging procurement aligned with high-emissions times and places, reported alongside EACs, and allow limited flexibility on market boundaries when purchasing in more carbon-intensive regions to increase avoided emissions.

- An EWG member recommended ranking sourcing options by likely impact and applying additionality tests (including for unbundled EACs) so that low-impact methods are not treated as equivalent to high-impact ones.
- An EWG member argued that offering time matching as an optional approach would not achieve the intended market signal because the theory of change relies on widespread participation to create scarcity and price impacts.
- An EWG member advised against SBTi progressing beyond GHG Protocol drafts during overlapping public comment periods and urged waiting to incorporate any finalized guidance to avoid conflicting standards.
- An EWG member cautioned that materially changing the framework would move into untested territory and risk undermining a decade of durable voluntary procurement that has supported substantial capacity additions; they highlighted the financing value of unbundled EAC revenues and advocated introducing transparency on avoided-emissions-oriented strategies rather than mandating unproven constructs.

Contributions to ZCE ('Indirect mitigation' for scope 2)

- An EWG member stated that the wording of the recommendation was confusing and requested a practical, step-by-step example of what a company in a specific market could or could not do under the proposal. They also asked where out-of-market purchases (e.g., 10,000 MWh sourced in a different grid) would be reported if they cannot count toward Scope 2 targets.
    - The SBTi said that companies could disclose these actions qualitatively in the section explaining progress toward targets, noting that avoided emissions are a separate concept not detailed at this stage.
- An EWG member cautioned that if actions do not count toward Scope 2 or another recognized metric, many companies are unlikely to pursue them, and suggested transparent out-of-market MWh-for-MWh purchases prioritized by carbon intensity or energy access. They also observed that companies may forgo numerous very small purchases across many countries and instead prefer a single larger procurement, and asked whether such consolidation is contemplated.
- An EWG member described a practical approach whereby indirect mitigation covers small locations lacking resources for zero-carbon contracting, with aggregated MWh procured in the company's main market to meet the requirement pragmatically.
- An EWG member flagged a technical concern that procurement "not directly relevant to consumption" could overlap with value chain initiatives, emphasizing the need to avoid double counting in goals and inventories if such procurement is required or encouraged.
    - The SBTi added that scope 3 discussions differentiate direct and indirect procurement/mitigation and may provide clearer definitions for value chain use cases.

Chat

- An EWG member asked how companies could verify and report advocacy efforts associated with location-based approaches.

- An EWG member responded that advocacy disclosures may be covered under existing standards such as GRI or ISSB, while emphasizing that location-based targets would incentivize advocacy that lowers grid-average emissions.
- An EWG member stated that location-based figures matter because they encourage energy efficiency and support engagement with policymakers regarding siting or relocation to cleaner grids.
- An EWG member cautioned that location-based disclosure alone may carry less weight than SBTi validation in investor perceptions.
- An EWG member argued that investor and customer scrutiny is increasingly focused on the feasibility of target delivery, warning that requiring location-based targets could deter participation and raising equity concerns across sectors; they supported location-based targets for some sectors via sectoral guidance.
- An EWG member asserted that average grid emissions intensity is strongly correlated with future low-carbon power development and that siting where grids are cleanest is likely to result in additional low-carbon generation.
- An EWG member asked for the source of the correlation and questioned its applicability to new resources and storage.
    - The same EWG member said they would locate the analysis comparing signals for load siting and noted caveats about marginal emissions metrics.
- An EWG member supported allowing both emission-reduction and ZCE sourcing targets, citing diverse market realities and limited supplier choice, while affirming the value of location-based metrics for tracking system-level change. From a MENA perspective, they warned that a 10 GWh/year threshold could exclude high-impact industrial consumers locked into constrained systems, recommending flexibility, phased implementation, and guidance in markets with limited data transparency and infrastructure.
- An EWG member stated that market-based totals do not disincentivize energy efficiency because demand reductions are reflected in market-based results, and they strongly supported recommending energy efficiency as a priority for all participants.
- An EWG member reiterated that deliverability should not be a requirement and asked what companies should actually buy or do if they disagree with proposed solutions.
- An EWG member expressed full agreement that deliverability should not be required.
- An EWG member characterized deliverability under GHGP discussions as a compromise between status quo allowances and impractical proofs of deliverability at all hours.
- An EWG member shared that forthcoming simulation insights would compare portfolios under hourly requirements versus strategies based on marginal emissions impact. An EWG member argued that modeling supporting hourly matching does not account for real-world market and business dynamics.
- Another EWG member stated there is no peer-reviewed research showing system-wide emissions reductions from alternative proposals to hourly matching. They asked for peer-reviewed research supporting alternatives such as carbon matching.
- An EWG member warned that without either location-based target setting or delineated energy boundaries, claims that companies are reducing their own emissions lose integrity.

- Responding to an out-of-market procurement example, an EWG member agreed it can be impactful but emphasized that such approaches cease to be inventory accounting and should be calculated using consequential methods under development by GHGP.
- An EWG member urged caution about relying on modeling studies, noting their assumptions, and warned that time and location matching could disincentivize PPAs.
- Another EWG member observed that studies on time and location matching often did not strongly consider demand and were influenced by U.S. clean hydrogen rules, suggesting implementation should be made easier and asking why all demand could not contribute toward overall impact if full participation is unnecessary.
- An EWG member replied that SBTi's net-zero standard should set high-integrity procurement criteria for those able to meet them, making quality criteria required to steer demand toward higher-impact procurement even if this applies to a smaller share of load.
- An EWG member called for developing a hierarchy of what companies should buy or do.

5. Actions & Next Steps

The SBTi shared the next steps as follows:

- The survey results will be shared with the EWG in the week commencing on September 1.
- A fully revised version of the entire Standard will be provided for the upcoming in-person meeting. Any feedback provided through the survey associated with this session will be considered.