SUMMARY PAPER

Proposed Amendments to GHG Protocol's Scope 2 Requirements

Momentum AT RISK

BACKGROUND

In 2025, the GHG Protocol released proposed revisions. The two main changes require:

1. **HOURLY MATCHING ▶** meaning an organization's electricity use must be met with an equivalent amount of renewable electricity generation within the same hour it is consumed, for every hour of the year (also known as 24/7 matching).
2. **GEOGRAPHIC MATCHING ▶** meaning an organization's electricity use must be met an equivalent amount of renewable electricity generation from the same geographic region (e.g., a province).

The GHG Protocol's proposed amendments to Scope 2 accounting are intended to increase renewable energy use when and where it is needed, and could help drive more corporate procurement and renewable energy development if implemented well. But if implemented too quickly, they risk stalling the very momentum they aim to build.

Based on BRC-C's original analysis:

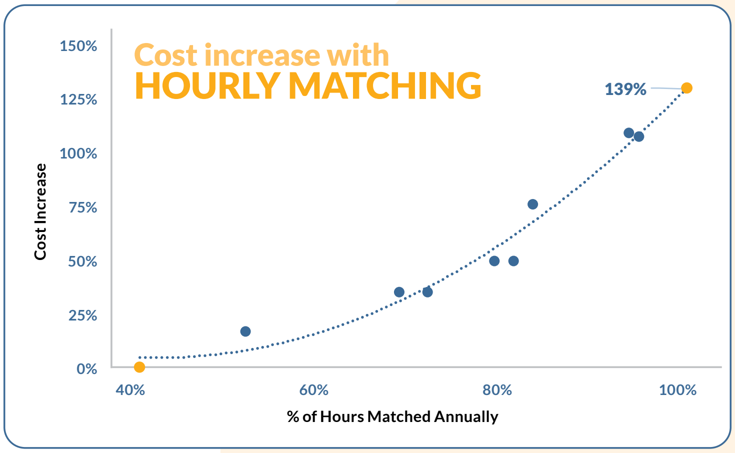
If hourly matching requirements were implemented today, the cost to corporations to procure clean energy would double.

Geographic matching will be too limiting in Canada since renewables procurement is only available in a few provinces: Alberta, Nova Scotia, and Ontario (to a limited extent).

There is not enough digital and institutional infrastructure in Canada to support credible verification of hourly matching.

A key way organizations have reduced their Scope 2 emissions have been through procuring clean electricity. In the United States, corporate procurements accounted for around 70 per cent of renewable energy capacity additions in 2022. Hindering the momentum of corporate procurements could hamstring renewable energy development.

Instead, the proposed amendments should be phased in pragmatically and recognize the limitations of Canadian jurisdictions, which can incentive the deployment of energy storage and demand flexibility technologies without making requirements become so onerous that it restricts growth.



BRC-C's analysis provides key benchmarks for pathways to increasing the number of hours that are matched by corporations.

1. Annual matching already achieves ~40% of the same outcomes as 24/7 matching; the industry is already starting from a solid foundation.
2. Reaching 70% and 90% matching would increase costs of a corporate procurement today by around 40% and 70%, respectively.

BRC-Canada Recommendations

1 Protect Legacy Contracts

It is critical to include a legacy clause in the framework to protect existing contracts, reduce policy risk, and support continued investment in renewables.

2 Phase-In Implementation of Hourly Matching

100 per cent hourly (24/7) matching could encourage more renewable energy development, but needs interim milestones, such as those proposed by the Science Based Targets initiative (SBTi). Without the digital and institutional infrastructure in Canada to credibly verify it yet, and with costs rising sharply as hourly matching increases, a phased implementation would maintain momentum while supporting the modernization needed to get there.

3 Region Appropriate Geographic Matching

Allow the deliverable market boundary for Canada to be at the national level, matching market realities and avoiding limiting procurement and renewable growth.

BUSINESS RENEWABLES CENTRE CANADA

info@businessrenewables.ca
businessrenewables.ca