Renewable Power & GHG Scope 2 Reporting

The new GHG Protocol Scope 2 guidance enables companies reporting their carbon emissions to gain recognition for using renewable power. The Carbon Trust can help companies assess low-carbon energy options and report their emissions correctly.

How has Scope 2 reporting changed?

Scope 2 emissions are those associated with purchased electricity, steam, heating & cooling for a company's own use. The GHG Protocol Scope 2 guidance now requires emissions to be reported in two ways:

- **Location-based:** employs a country-level electricity emissions factor
- **Market-based:** employs an emissions factor specific to the electricity purchased

The market-based approach enables electricity from renewables or low carbon electricity to be reported with lower emissions, but it is important to be aware the quality criteria outlined in the GHG Protocol Scope 2 Guidance and ensure that energy claims are supported with the certificates that meet these criteria.

Renewable energy options for corporates

There are four different ways to reduce Scope 2 emissions, each offering its own advantages and disadvantages

Purchase renewable energy certificates

Tesco called upon our supply chain expertise to help develop a collaborative Buying Club for Tesco's suppliers, to support and encourage investment in energy efficiency via access to substantial discounts and advice.

Purchase low-carbon electricity

Purchase electricity that is 100% backed by renewable energy certificates. Many electricity suppliers have more than one electricity product and it's important to ensure that certificates have been allocated to each product without double counting. This can be done using certificate serial numbers or third party assurance.

Off-site renewables using PPA

Make an long term power purchase agreement (PPA) with a renewables developer and/or asset owner. The developer commits to provide power over a determined time period (e.g. 20 years) for a fixed, prearranged price and the developer transfers renewable energy certificates to the end user as well as providing power.

On-site renewable energy

Use a company's own land or buildings to install renewables. This can either take form of a PPA similar to off-site renewables or can be owned and operated by the reporting company. Direct ownership takes on the responsibility and risks associated with the technology, although there is the potential for greater cost savings.

How the Carbon Trust can support you

The Carbon Trust has extensive expertise in Scope 2 reporting and were members of the Technical Working Group for the GHG Protocol Scope 2 Guidance. We have worked with a number of leading companies in this area, including those shown below and support we offer includes:

- **Identification** of renewable energy certificates on an international level that meet the GHG Protocol Scope 2 Guidance
- **Assessment** of low carbon electricity tariffs for compliance with the GHG Protocol Scope 2 guidance
- **Calculation** of Scope 2 emissions using the market-based approach
- **Support** with renewables strategy and target setting, including business case development