



Recommendation on the revision of the Greenhouse Gas (GHG) Protocol Scope 2 Guidance

January 2026

The Greenhouse Gas (GHG) Protocol has launched a consultation on proposed revisions to its Scope 2 corporate electricity accounting rules, which are widely used by companies worldwide to report emissions from purchased electricity. These rules play a critical role in shaping corporate demand for renewable electricity and, in Europe, are a key driver of investment in wind energy through Power Purchase Agreements (PPAs). Reliable and transparent corporate GHG accounting, applied consistently around the world, is essential to drive investment in renewable electricity. It also helps accelerate electrification across sectors, strengthening Europe's industrial competitiveness while supporting its decarbonisation objectives.

WindEurope supports the objective of more granular and transparent corporate electricity accounting to improve the credibility and comparability of renewable electricity claims. However, any reforms should be proportionate, phased in over time, and aligned with market realities, reinforcing Europe's PPA market and supporting electrification objectives.

While several elements of the proposed revision of the GHG Protocol are moving in the right direction, they **should remain voluntary**. This would avoid slowing the growth of corporate PPAs, delaying electrification, and ultimately reducing renewable energy deployment in Europe — all of which are critical to Europe's competitiveness and energy security.

WindEurope strongly recommends a different approach on the following aspects:

- temporal matching,
- the definition of "deliverability", and
- legal certainty for existing PPAs and assets.

These aspects should be revised in a way that guarantees alignment between Europe's power market design and industrial competitiveness. This paper sets out our concerns and proposes practical alternatives that maintain a high-level ambition while protecting investment signals for renewable energy.

1. Mandatory hourly matching between renewable energy sourcing and demand is not the solution

Stronger temporal signals can over time improve accounting accuracy and incentivise investment in storage, demand-side flexibility and system integration technologies. However, in practice, most companies cannot yet demonstrate or procure verifiable hourly matching for their full electricity consumption, due to reasons that go beyond their control, including gaps in grid and storage infrastructure and insufficient market liquidity. More importantly, the lack of mandatory hourly matching is not the main reason why renewable sourcing can lose environmental value.

The more significant challenges lie elsewhere. One is how the system covers residual load when renewable generation is not available. Sufficient grid capacity and non-fossil flexibility are essential but cannot be scaled up through consumer-side accounting requirements in the absence of adequate infrastructure and market supply.

WindEurope sees long-term value in more granular matching as it can support better accounting and investment in flexibility. However, making it mandatory now would add complexity and undermine the clear distinction between accounting and system operation. For large industrial consumers, mandatory



hourly matching before the market for hourly-certified products is sufficiently mature could complicate energy procurement, potentially slowing the growth of corporate PPAs and electrification.

At the same time, WindEurope recognises that some large and advanced electricity consumers can pursue more granular matching on a voluntary basis. These early adopters can play an important role in piloting higher-integrity accounting approaches and building the market for hourly-based products.

WindEurope therefore supports **voluntary hourly matching**. A phased approach towards more granularity could be considered after 2030, once systems and markets are ready and can enable this matching for many consumers.

2. Safeguarding the market-based approach is crucial

Several elements in the proposed revision risk changing the role of Guarantees of Origin (GOs) and interfering with how Europe's well-established power markets work. GOs are an accounting instrument for efficient disclosure. They are not, in themselves, an investment support scheme. However, credible and consistent renewable electricity claims are a key part of what drives corporate demand for long-term PPAs, which in turn underpin investment in new wind capacity. Investment ultimately depends on electricity market prices, PPAs, Contracts for Difference and financing tools, but these rely on the integrity of the accounting framework that gives value to corporate procurement.

Some proposals appear inspired by features of the US Renewable Energy Certificate (REC) system, where renewable certificates are used for both compliance and customer disclosure purposes. This does not fit the European market where compliance mechanisms and GOs have separate roles.

WindEurope acknowledges the need to strengthen the credibility and consistency of the GO system, including avoiding situations where certificates from distant markets fail to reflect real system conditions. These concerns should be addressed through targeted improvements to the GO framework and stronger residual mix methodologies, or full consumption disclosure to prevent double claiming, rather than through measures that interfere with market functioning.

The proposed concept of contract-level '**physical deliverability**' is particularly problematic in the European context. Europe's electricity market does not trace power from contract to consumption. Bidding zones are regulatory price areas and cross-border trade works through market coupling and coordinated capacity calculation not through tracing electrons. At the same time, geographic rules must reflect real system conditions to keep claims credible.

Unlike the US, where Physical Transmission Rights (PTRs) are more commonly used, Europe's internal electricity market relies predominantly on implicit allocation, with limited long-term PTRs offered under the Forward Capacity Allocation (FCA) Regulation. Imposing strict physical deliverability requirements could therefore unnecessarily constrain cross-border trade, undermine market coupling, and weaken efforts to deepen integration of the EU's single electricity market.

Any deliverability approach must remain fully compatible with **financial (virtual) PPAs**, which are an established and essential feature of Europe's liberalised market and a key driver of renewable investment. Virtual PPAs allow companies with geographically distributed consumption to aggregate demand and support projects in locations with the best renewable resources. Restricting procurement to local sourcing would force developers to site projects closer to demand but in areas with poorer resources and higher costs, undermining system efficiency and ultimately reducing corporate investment in renewables.

If the GHG Protocol introduces a deliverability concept, it must be aligned with Europe's existing market design and cross-border trading framework. In the EU, electricity is not traced from individual generators to individual consumers but is dispatched and delivered through coupled markets, interconnection



capacity and flow-based market coupling. Any deliverability concept should therefore reflect how electricity is actually traded and flows across borders at the system level, rather than relying on rigid bidding-zone or administrative boundaries or on contract-level tracing of individual power flows. Within the ENTSO-E system, this means that deliverability should be assessed at the level of the integrated, coupled European electricity market, rather than at the level of individual bidding zones.

This is fully consistent with the GHG Protocol's definition of deliverable market boundaries for Europe, which are based on the electricity market operated by ENTSO-E and on market-based indicators of transmission availability.

In practice, this means that companies should be able to demonstrate the geographic plausibility of their claims through existing market mechanisms — such as participation in coupled day-ahead and intraday markets, or, where available, the use of cross-border transmission capacity products — without creating new parallel compliance structures or regional accounting regimes.

This approach preserves the integrity of geographic claims while remaining fully compatible with physical and virtual PPAs, Europe's liberalised electricity market, and ongoing efforts to deepen market integration.

3. Accounting must not undermine regulatory certainty for existing PPAs

The consultation outlines two possible ways to apply new rules to existing renewable contracts. Earlier guidance from the GHG Protocol indicated that virtual and physical PPAs signed before the new rules are adopted would keep the current accounting treatment for their **full contract duration**. The consultation now suggests a different option under which all renewable electricity consumption would need to comply with the new rules after an unspecified cut-off date, no matter when the PPA was signed.

Such retroactive application would create immediate uncertainty for buyers and investors. In Europe PPAs typically span 10 to 20 years and are often essential for making new wind projects possible. Buyers already hesitate to sign new PPAs because of uncertainty created by this proposal.

WindEurope strongly supports a full legacy clause. All existing PPAs signed before the adoption of revised Scope 2 rules must remain fully eligible under the market-based method for their entire duration. There should be no exceptions and no retroactive changes.

Legacy protection must also apply at the **asset level**, not only to individual PPAs. Wind assets often sign several PPAs over their 20–30-year lifetime. The eligibility of a renewable asset under the market-based method should therefore be preserved for its full economic lifetime, regardless of how many times it is refinanced, repowered, or re-contracted.

This must include PPA extensions, renewals and successive PPAs linked to the same asset. These arrangements are essential for refinancing, continued operation and long-term project viability and should not be penalised or made ineligible under new accounting rules.

This legacy protection is intended to preserve investor confidence and financing stability for existing assets, while ensuring that new-build and repowered projects continue to be developed and supported under the updated rules.



Key conclusions and way forward

WindEurope supports a Scope 2 framework that enhances transparency and credibility while remaining **workable, proportionate and aligned with Europe's electricity market design**. The framework should encourage voluntary leadership on higher temporal granularity, without introducing mandatory requirements before the necessary market instruments, data systems and liquidity are in place.

On deliverability, WindEurope supports an approach that is fully aligned with **Europe's interconnected electricity system** and cross-border market design. Any deliverability requirement should reflect how electricity is actually traded and flows through coupled markets and interconnection capacity, consistent with the GHG Protocol's use of ENTSO-E as Europe's deliverable market boundary. This ensures that geographic claims are credible while preserving cross-border PPAs and the integrity of the EU's internal electricity market.

Robust legacy protection is essential to maintain investment certainty and safeguard existing contracts and renewable assets financed under current rules.

WindEurope shares the GHG Protocol's objective of improving transparency and ensuring credible corporate climate reporting. However, mandatory hourly matching, rigid interpretations of deliverability and retroactive application of new rules would risk undermining PPAs, slowing electrification and weakening Europe's renewable investment pipeline at a critical moment.

A balanced approach—based on voluntary progress towards higher temporal granularity, market-aligned deliverability rules and strong legacy protection—would strengthen the credibility of Scope 2 accounting while preserving the investment signals Europe needs to meet its climate, energy security and industrial competitiveness objectives.