

February 2, 2026

Dr. Alexander Bassen
Chair, Independent Standards Board
Greenhouse Gas Protocol
10 G Street, NE, Suite 800
Washington, D.C. 20002

Re: Comments on Proposed Revisions to the Scope 2 Guidance

Dear Dr. Bassen:

On behalf of the National Association of Manufacturers (“NAM”), we write to share our concerns about the proposed changes to the Greenhouse Gas Protocol’s Scope 2 Guidance. These comments are in addition to the responses that we provided through the GHG Protocol’s public consultation portal.

The NAM is the voice of the manufacturing community and the leading advocate for a policy agenda that supports and empowers the 13 million people who make things in America. The NAM’s membership includes businesses of all sizes, across all industrial sectors, and in all 50 states. Manufacturers collectively contribute \$2.93 trillion to the U.S. economy—and many manufacturing companies are suppliers to and purchasers of energy from renewable sources to reduce the impact of their operations on local communities and the planet overall.

Manufacturers in the United States remain committed to reducing greenhouse gas emissions and improving their efficient use of energy. Between 2002 and 2021, GHG emissions from domestic manufacturing fell by 17%, and manufacturers in the U.S. have become global leaders in various technological innovations for emissions reduction.¹ The NAM will continue to advocate for sensible policies that encourage domestic emissions reductions so that the U.S. continues to lead on the global stage, driving the international community to do the same.

¹ Congressional Budget Office, Emissions of Greenhouse Gases in the Manufacturing Sector (February 2024), *available at* <https://www.cbo.gov/publication/60030#:~:text=Emissions%20from%20manufacturing%20were%2017,as%20the%20electric%20power%20sector.>

To accomplish these emission reduction goals, the NAM supports commonsense Scope 2 accounting and reporting rules so manufacturers can continue to utilize clean energy sources efficiently and track their emissions without incurring significant additional costs.

As you weigh changes to the Scope 2 Guidance, the NAM encourages the GHG Protocol to consider the practical business realities that both manufacturers and clean energy suppliers now face. We believe that a more balanced approach will further foster continued emission reductions, greater investment in renewable energy, and support the diverse needs of manufacturers here in the U.S. and around the globe.

I. The Proposed Changes Would Add Complexity and Increase Costs for Manufacturers

The proposed changes would make decarbonization more expensive, unpredictable, and complex. The changes to the matching rules represent a sizeable leap in complexity compared to the 2015 Scope 2 Guidance within a relatively short timeline. Manufacturers have invested considerable sums into their current systems for tracking emissions data and renewable energy certificates (“RECs”) to comply with the current guidance, other reporting frameworks, and federal and state requirements. The proposed changes would require an overhaul of those internal processes.

The change from annual to hourly matching would add significant complexity for all manufacturing companies that buy clean energy. Most renewable sources are not yet able to provide hourly emissions data, which would force corporate buyers to prepare their own estimates and/or rely on secondary data such as third-party load profiles that also are based on estimates, which would undermine the GHGP’s goal of improving emissions accuracy.

The changes to the physical deliverability definition, under which electricity from the source of the purchased generation must be “physically able” to reach the reporting company’s grid region, would also add significant complexity and cost. A large manufacturer that buys renewable energy from sources around the United States could have to track and report on sources from more than 20 eGRID subregions. This would be much more difficult for smaller manufacturers, which have fewer resources to track purchases in multiple power markets. Unfortunately, the proposal provides no exceptions for these regional matching standards.

In addition, requiring both geographic and hourly matching would create compounded challenges, because technologies capable of providing clean, hourly matched energy

are unevenly distributed across the United States. Regions with limited or higher cost access to such technologies would face significantly greater compliance burdens, resulting in disproportionate impacts on manufacturers depending on where their facilities are located.

The proposed revisions also overlook the fact that electricity sourcing in the United States is governed by a highly complex and heavily regulated system. Market access, deliverability, contracting pathways, and sourcing options are constrained not only by geography but also by state-level regulatory structures, utility monopolies, transmission limitations, and market rules. These structural constraints mean that many buyers cannot source electricity within narrowly defined deliverability boundaries, even if they wish to do so. Any new Scope 2 framework must reflect these realities to remain workable and accurate.

For large corporate buyers of renewable power, the proposal would require significant changes to their renewable procurement strategy, as well as additional labor resources and systemic updates to track the more granular hourly data across the dozens or in some cases, hundreds of sources from which they buy electricity.

Smaller companies would be less able to absorb the increased compliance costs for new data systems, specialized contracts, and reporting resources. The added complexity imposed by the hourly matching and physical deliverability changes may force them to abandon their renewable energy commitments altogether.

From a climate perspective, increasingly granular accounting requirements—such as exact hourly and geographic matching—do not improve actual global climate outcomes. Climate change is a global phenomenon, not a regional one; therefore, imposing strict regional and temporal matching does not meaningfully alter global emissions trajectories. Instead, overly rigid matching rules risk discouraging participation in clean energy procurement markets and slowing the pace of decarbonization.

In this face of this added complexity, some manufacturers may scale back their participation in clean energy markets and reduce their climate commitments. Such a retreat would slow decarbonization progress and in turn reduce demand for new sustainable energy development, which would be contrary to the GHG Protocol's mission to enable “an acceleration in [emission] reductions in line with the global warming limits required by climate science.”²

² See Greenhouse Gas Protocol, Mission and Vision, “About Us” webpage, available at [About Us | GHG Protocol](#).

II. The Proposed Changes Likely Would Reduce Demand for Electricity from Remote and Intermittent Clean Power Sources

Under the current Scope 2 guidance, manufacturers can buy from a wide array of clean power sources around the country, which has allowed for a proliferation of new renewable projects in locations where they are best suited based on available land, weather/hydrological conditions, and local support. The proposed regional matching/physically deliverability requirement would distort the U.S. market for renewables by decreasing corporate buyers' demand for energy from geographically remote projects. Many wind projects are located in Texas or the Great Plains states which receive more predictable wind but are far from the industrialized Northeastern and Midwest states where many manufacturers are located.³ Likewise, utility-scale solar facilities are concentrated in Southern states such as Texas, Florida, Arizona, California, and North Carolina, which are remote from the U.S. industrial heartland. Similarly, major hydropower projects are clustered in Western states, while California and Nevada lead the way in geothermal energy capacity. While some manufacturers may opt to install rooftop solar and other behind-the-meter generation, the proposed physical deliverability change likely would prompt manufacturers to cut back on purchases from utility-scale clean power sources in states that are not in the same energy market as their factories. Overall, we expect a meaningful reduction in demand for these remotely located clean energy sources.

Similarly, the proposed hourly matching requirement also would disadvantage wind, solar, and other suppliers of intermittent power. Only nuclear (and biomass) facilities can reliably guarantee now that they can provide power to manufacturers around the clock. Other renewable sources would face a significant disadvantage, unless they were to make substantial investments in storage technology to offset the variable output levels they experience during the day.

It is apparent that these proposed changes to the Scope 2 Guidance would have the unintended consequence of disadvantaging remote and intermittent power sources and could drive some renewable suppliers out of business. While nuclear plants could provide hourly matching now, the market is seeing growing demand from data centers for nuclear generation. Manufacturers appreciate the efforts by the Trump administration to promote nuclear generation, to streamline complex permitting processes, and help defray the capital costs required to bring new reactors online. Until

³ The top five states for wind power production are Texas, Iowa, Oklahoma, Kansas, and Illinois. See Choose Energy, [Wind Energy by State | January 2026 | Choose Energy](#).

these efforts are successful, however, manufacturers need to have the flexibility to continue to purchase electricity and RECs from a variety of clean energy sources around the country, including wind and solar facilities that may be outside the energy markets where their facilities are. Without such flexibility, many manufacturers will be unable to continue to meet their emissions reduction goals.

III. Hourly Matching Could Drive Up Americans' Electricity Costs

The proposed changes, particularly a strict hourly matching requirement, also could have the unintended consequence of driving up electricity prices for consumers. A recent McKinsey study⁴ concluded that hourly matching by individual corporate and industrial buyers is more costly and less efficient than coordinating power purchasing and dispatch decisions at the grid level. That McKinsey study also found that retail customers could pay 26% more for electricity “when isolated than they would as part of a combined grid load.”

Likewise, consultants from Energy and Environmental Economics (E3) warned that mandating hourly matching would be “prohibitively expensive . . . because it requires [energy buyers] to become electrical ‘islands,’ cut off from the benefits of transacting in wholesale electricity markets.” Such an approach would risk “smothering the voluntary market for clean electricity purchases and needlessly increasing costs in compliance markets,” they concluded in a 2023 op-ed.⁵

More recently, the Brattle Group⁶ testified before the Minnesota Public Utilities Commission that hourly matching (whether supported by batteries or RECs) would be significantly more expensive than annual matching.⁷ The Brattle consultants, who

⁴ McKinsey, “Rethinking your company’s clean-power strategy” (12 February 2025), *available at* <https://www.mckinsey.com/industries/electric-power-and-natural-gas/our-insights/rethinking-your-companys-clean-power-strategy>.

⁵ *Utility Dive*, “Opinion: Every load an island: Requiring hourly matching of clean electricity purchases would raise emissions” (29 August 2023), *available at* [Every load an island: Requiring hourly matching of clean electricity purchases would raise emissions | Utility Dive](#).

⁶ Comments of Dr. Kathleen Spees and Dr. Long Lam, The Brattle Group, to the Minnesota Public Utilities Commission, In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minnesota Statute § 216B.1691 (19 March 2025), *available at* <https://www.brattle.com/wp-content/uploads/2025/03/Expert-Testimony-of-Dr.-Kathleen-Spees-and-Dr.-Long-Lam-before-the-Minnesota-Public-Utilities-Commission.pdf>.

⁷ In addition to greater costs, the Brattle report found that hourly matching also is less effective to advance decarbonization: “Applying the concept inside the realities of real market conditions illustrates

reviewed past research on this topic, concluded: “All studies conclude that hourly energy matching is more costly than annual matching, though the magnitude of this cost difference varies substantially. A key driver of these higher costs is the mismatch between variable renewable generation and demand profiles. Achieving a 100% hourly match requires deploying a larger volume of renewable resources and storage than what would be needed under annual matching.”

In light of these potential consequences as well as recent concerns⁸ raised by state and federal officials about increasing retail electricity prices, we urge the GHG Protocol to fully consider the impact on affordability before mandating strict hourly matching.

IV. The Phase-in Deadline Should Be Delayed Beyond 2031

Given the many drawbacks of the proposed matching requirements,⁹ the NAM asks the GHG Protocol to refrain from adopting these changes, which would upend the voluntary market for carbon-free energy and increase compliance and electricity costs.

If the GHG Protocol nevertheless proceeds with these changes, we urge delaying the phase-in deadline well beyond 2031. Setting an earlier timetable would impose additional costs and complexity on buyers of clean power, especially those manufacturers that have announced 2030 carbon reduction targets and have already developed clean energy purchase strategies and negotiated power purchase agreements based on those goals. If regional and hourly matching are mandated, manufacturers will have to overhaul their purchase strategies, negotiate new supply agreements, and find new sources that are closer to their facilities and able to provide 24/7 generation to support hourly matching. It would make more sense to delay compliance so manufacturers have sufficient time to thoughtfully craft and execute a new purchase strategy that would accommodate the new matching requirements and their post-2030 decarbonization goals.

why hourly matching does not advance other goals of decarbonization, reliability, managing market risk exposures and managing transmission constraints.”

⁸ See, e.g., *The Hill*, “White House, bipartisan governors call on biggest US grid operator to lower prices” (16 January 2026).

⁹ Across the globe, new regulations are emerging at the national and state level that require GHG reporting for corporate entities. As the leading standard for GHG accounting, the GHG Protocol Corporate Standard and the supporting guidance documents are often referenced in these regulations. The impact of the proposed Scope 2 changes would be magnified if incorporated in these new and emerging regulations.

We also believe that implementation of any matching requirements should be delayed given the significant headwinds the renewable energy industry is now facing in this country. Developers of wind, solar, and other non-nuclear renewable energy projects are now coping with the phase-out of tax incentives from the Inflation Reduction Act, the cancelation of government loans, unpredictable stop-work orders and litigation that are driving up development costs,¹⁰ and greater tariff-related expenses on key materials. While the Trump administration is promoting nuclear generation, an increasing share of the current nuclear capacity is being acquired by data center developers, which have more resources and thus can pay higher prices than most manufacturers. Given the current political and market environment, the GHG Protocol should exercise care before adopting any policy changes that would impose additional compliance costs on non-nuclear renewable developers and the manufacturers that buy their power and RECs.

Finally, we urge the GHG Protocol to adopt a Legacy Clause to allow buyers to continue to utilize current reporting standards for contracts that are already in effect and may have more than 20-year time horizons.¹¹ A Legacy Clause would recognize the significant financial and operational commitments to energy resources by buyers and producers, ensure that early adopters of the Scope 2 Guidance are not disadvantaged, and help maintain trust and market confidence in long-term contracts.

V. Recommendations

The NAM offers the following recommendations as the GHG Protocol considers changes to its Scope 2 Guidance.

- The hourly and regional (physical deliverability) matching rules should be optional for buyers of clean energy and RECs.
- If hourly and regional matching are required, the phase-in timeline for these changes should be extended beyond 2031.
- If there is a regional requirement, those regions should be defined as expansively as possible. We suggest the six NERC (North American Electricity Reliability

¹⁰ See MSN/Oilprice.com, [Trump's war on wind power is raising costs around the world](#) (January 2026) (During the first eight months of Trump's second term, \$19 billion in wind and solar power projects were canceled).

¹¹ If there is no Legacy Clause, a new hourly matching requirement could invalidate many long-term power purchase agreements and energy attribute certificates (EACs) signed under current rules. In the interim, businesses may see downgraded scores in sustainability reporting frameworks (e.g., Science Based Targets initiative, CDP), as existing contracts fail to meet the new criteria, which would erode investor confidence and board-level support for decarbonization efforts.

Corp.) regions in the U.S. and Canada, which would provide a greater array of clean energy sources for manufacturers to purchase from. Requiring physical deliverability within the smaller eGRID subregions would significantly increase compliance costs for buyers while disadvantaging geographically remote producers.

- There should be a Legacy Clause to exempt existing purchase agreements with renewable energy suppliers, including those that may extend beyond 20 years. Buyers should be allowed to continue to report under the current Scope 2 rules during the duration of those contracts. Without such clarity, producers and buyers will lose faith in the reporting rules and fear that additional Scope 2 changes will be made that would add costs and force the renegotiation of energy contracts.
- Companies in industries essential to national security should be exempt from the new Scope 2 rules (or at least have a longer compliance timetable) to ensure that those companies can achieve their national security and emissions objectives without undue financial or operational burdens.

On behalf of the 13 million men and women who manufacture in the United States, we ask that you proceed cautiously before adopting any Scope 2 Guidance changes that would drive up costs and complexity for manufacturers that buy clean energy or inadvertently reduce the number of renewable sources in this country.

Sincerely,



C. Edward Allen
Senior Director, Corporate Finance Policy



Jake Kuhns
Vice President, Domestic Policy