

# Renewable Energy Procurement and Carbon Offsetting: Consultation Summary Report

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With thanks to the UKGBC Advancing Net Zero programme partners:

Lead Partner:



Programme Partners:



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## Introduction

In July 2020, UKGBC brought together an [industry task group](#) of 32 organisations and industry bodies to develop guidance on the procurement of high-quality renewable energy and carbon offsets. The guidance is intended to support those using [Net Zero Carbon Buildings: A Framework Definition](#) to develop net zero carbon buildings.

In October 2020, UKGBC published the [draft guidance](#) for public consultation. Stakeholders were able to provide feedback through an online survey or via one of two workshops held. Those who attended the workshops were encouraged to provide more detailed feedback through the online survey. This paper provides a summary of the consultation responses received, and the subsequent decisions taken by the task group to finalise the guidance. 61 industry stakeholders contributed their feedback.

Task group members were provided a summary of the consultation feedback prior to the final task group workshop in December 2020. Major updates to the guidance were discussed and agreed upon at the workshop, with further minor refinements made throughout the report drafting process in early 2021.

## Workshop consultation – summary

In both workshops on the 5<sup>th</sup> and 12<sup>th</sup> November, attendees were provided an overview of the draft guidance and then split into breakout rooms to feedback using Jamboard, an interactive whiteboard system. Participants were then invited to verbally discuss their comments in more detail with the group. The following section highlights the key themes which came out from the workshops.

### Fossil Fuel Use and Renewable Energy Procurement

Content under discussion	<b>Principles for assessing the quality of electricity procurement options</b> <b>Assessment of procurement routes</b> <b>Main guidance requirements for application of proposal</b>
<b>Overall agreement with the draft consultation guidance, deemed as ‘clear’, ‘relevant’ and ‘helpful’. There were some concerns about the applicability of the guidance, and some specific queries.</b>	
<b>General comments:</b>	
<ul style="list-style-type: none"> <li>• Supportive of the principles, stating that they are clear and relevant.</li> <li>• The hierarchy is referred to as clear and helpful for the user.</li> <li>• Some concern that the resource is too complex for a non-specialist. Some highlighted that some definitions and guidance on terms such as PPA would be helpful.</li> <li>• Wish for the guidance to have a greater emphasis on the reporting and disclosure, to increase transparency and acknowledge action.</li> </ul>	
<b>Specific details raised:</b>	
<ul style="list-style-type: none"> <li>• Some individuals questioned whether biogas should be included within the description of the principle “renewably sourced”. Individuals raised concerned that some types of biogas generation (e.g., landfill) can be environmentally harmful therefore we should not be encouraging it.</li> <li>• Questions around relevance of some procurement routes for certain sectors and situations. Individuals highlighted that some routes appeared less applicable and useful for residential, co-working space and property where landlords do not control their energy procurement.</li> <li>• Differentiating between which procurement routes are good and which are excellent needs to be clearer.</li> <li>• Concern that the use of the phrase ‘a share’ when referring to guidance requirements for application proposals may be weak and could be at risk of manipulation.</li> </ul>	

### Carbon Offsetting and Carbon Accounting

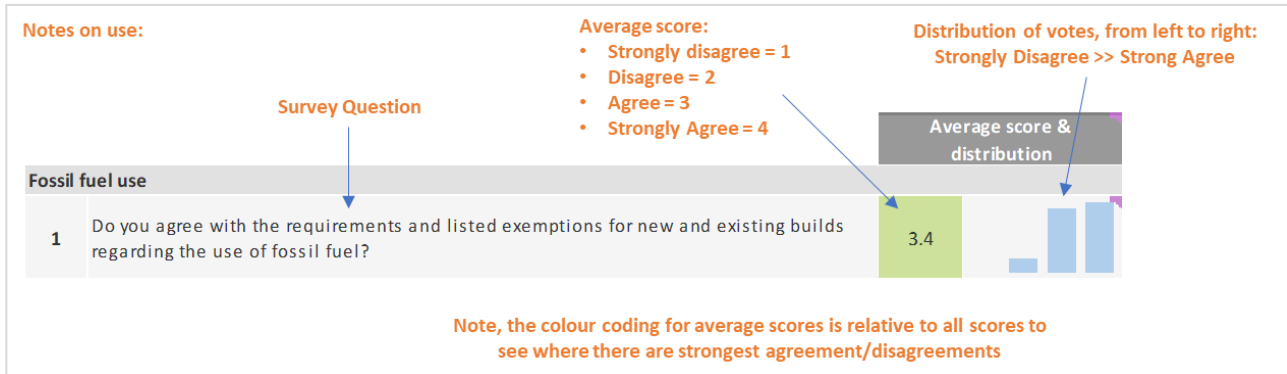
Content under discussion	<b>Key messaging – carbon offsetting</b> <b>UK Twinning</b> <b>Transition Fund</b>
<b>Overall agreement that the guidance was appropriate for the context today, with the aim to comprehensively account for carbon emissions and to assist in the growth of the UK offsetting market. There were some concerns about the rationale behind different ratios and wider impact on wider offsetting schemes.</b>	
<b>General comments:</b>	
<ul style="list-style-type: none"> <li>• Agree with the guidance in the context of the market today - particularly in terms of flexibility while the market is still developing.</li> <li>• Agreement that this approach will support growth of UK offsetting schemes.</li> <li>• Agreement that these approaches allow for real carbon savings and involvement in local projects.</li> </ul>	
<b>Specific details raised:</b>	
<ul style="list-style-type: none"> <li>• Some individuals questioned the purpose of increasing the carbon offsetting ratio to greater than 1:1 if the offsetting routes chosen are verified as high quality. Some individuals said that if the ratio is set at above 1:1, the ratio would be arbitrary.</li> <li>• Concern over double counting and overlap with local authority carbon offset funds.</li> </ul>	

- Agreement that using verified schemes is important but concerns that this exclusivity may restrict the routes of other schemes including WCC.
- Concerned that the WCC will not be able to cope with the increased demand and affordability will be impacted, stunting the UK offset market growth.
- Concern that the pickup of UK Twinning route will be much more than the Transition Fund due to the differences in cost.

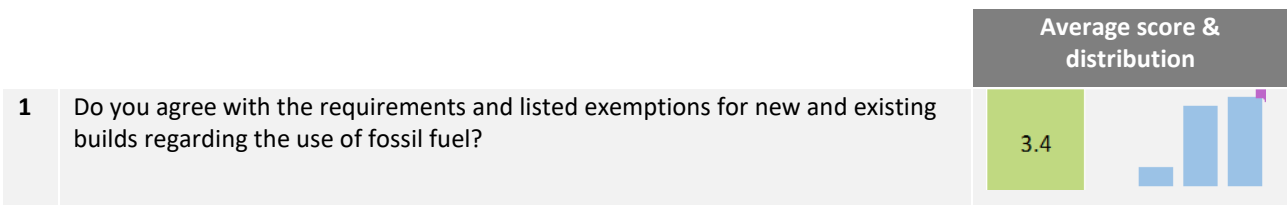
*There was strong repetition between the feedback received in these two workshops and the online survey responses. For ease, a summary of the proposed changes that were discussed with the task group, and the resulting changes that were implemented has been provided in the online survey section below. This is simply as the survey goes into a greater level of detail of the proposals, and therefore it is easier to address the changes made in relation to the workshop and survey responses in that section.*

**Online survey – summary and actions**

This section provides a summary of the responses to the online survey consultation, the proposed changes discussed with the task group and the resulting edits that were implemented within the final guidance. Please see below for notes on use.



**Fossil Fuel Use**

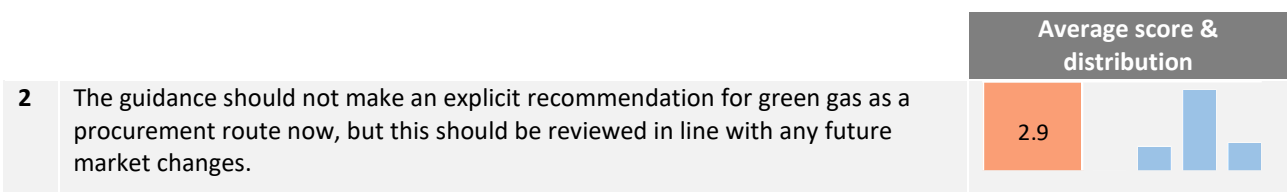


**Firm agreement with requirements, though more detailed clarifications on specific exemptions and terms required. Potential unintended consequences flagged up regarding decarbonisation of heat, relating to hybrid and H2 pathways.** Key comments:

- A few comments disagreeing with exemption for back-up generators and district heating. Suggestion for cooking to be included.
- Concern around unintended consequences re: pathways to decarbonisation of heat – should buildings installing hybrid heat-pumps be penalised if they are building heat pump supply chain experience / public acceptance and de-risking heat decarbonisation?
- Suggestion to gather data through reporting on sorts of processes / equipment for which organisations are applying exemptions to, so over time, the guidance can be tightened to remove these processes when non-fossil fuel alternatives become available.

**Proposed updates discussed with task group:** Specific exemptions, updating wording to reflect concerns around decarbonisation pathways: ... *should not be generated using fossil fuel as the primary energy source.*

**Implemented updates:** Wording updated in line with above to reflect concerns around decarbonisation pathways. Cooking included. Clarification of exemptions, e.g., cooking for cultural and religious reasons.



**Limitations of current green gas market acknowledged, although frequent comments noting that green gas will help de-risk hydrogen in the heat decarbonisation transition. A few comments around ensuring clean biomethane, and a couple around not perpetuating a reliance on fossil fuel.** Key comments:

- Need to make a distinction between green gas PPAs and tariffs – larger organisations/estates may seek to explore local waste sources / circular economy process via PPAs. Noted future policy change re: food waste, etc. can provide opportunities.
- Green gas should be acknowledged as a stepping stone for testing hydrogen (green/blue).
- Need to clarify what is better or if same: green gas or natural gas + offsetting.

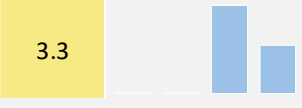
**Proposed updates discussed with task group:** Outline green gas as an option alongside electricity in the guidance, but with explanation of its limitations due to current market maturity.

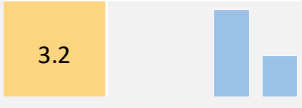
**Implemented updates:** As above.

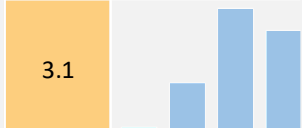
**3** Any further comments on the 'Net zero in operation: fossil fuel use' section

**Emphasis fabric first approach and important to understand how the whole guidance fits in with one another to ensure there are no loopholes or unintended consequences. What role does energy storage play in this guidance?**

## Renewable Electricity Procurement

		Average score & distribution
4	Do you agree with the approach taken to assess the quality of electricity procurement using the three principles of: Energy Attribute, Renewable Sourced and Additionality?	3.3 
<p><b>Firm agreement that principles are appropriate for assessing the quality of renewable procurement.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Renewable sourced definition – concerns around this including certain sources.</li> <li>Additionality requires further defining and how it can be demonstrated – add an infographic.</li> <li>Energy Attribute – should REGOs and ‘behind the meter’ be provided the same weighing? (If all options ‘high’, should it be included in the table?).</li> </ul> <p><b>Proposed updates discussed with task group:</b> Whether specific sources should be included/excluded from the renewable energy definition.</p> <p><b>Implemented updates:</b> Agreed that renewable sourced definition should remain linked to <i>The Electricity (Guarantees of Origin of Electricity Produced from Renewable Energy Sources) Regulations 2003</i> to ensure alignment and consistency with the energy market and REGO system. Infographics to explain additionality provided. Added in a table with procurement routes that <i>does not</i> meet the principles, so the distinction of including Energy Attribute as a principle is clearer.</p>		

		Average score & distribution
5	Do you agree with the assessment of allowable procurement routes in Table 1?	3.2 
<p><b>Agreement with general assessment, with some edits required. Additionality critical - must define this more clearly.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Additionality is critical for differentiating between options, to demonstrate causal relationship + achieve environmental benefits.</li> <li>Table should be updated to clarify additionality more clearly in terms of subsidised and unsubsidised generation.</li> <li>Several suggestions that low additionality should be removed from allowable routes, either now (for credible net zero claims and ability to quantify) or in the future (to allow supply to catch-up and practical procurement reasons).</li> </ul> <p><b>Proposed updates discussed with task group:</b> Update key and table to provide greater clarity between the quality levels (specifically relate additionality back to definition and not inc. REGOs as providing any) and procurement routes in terms of subsidised vs unsubsidised. Signpost that low additionality routes will be phased out in due course.</p> <p><b>Implemented updates:</b> As above.</p>		

		Average score & distribution
6	Do you agree with the requirements that: ‘Users should demonstrate that a share of their overall strategy is High/Med quality for (a) Renewable Sourced and (b) Additionality; and, where this is not currently feasible, the rationale should be publicly disclosed with an action plan on how High/Med quality procurement	3.1 



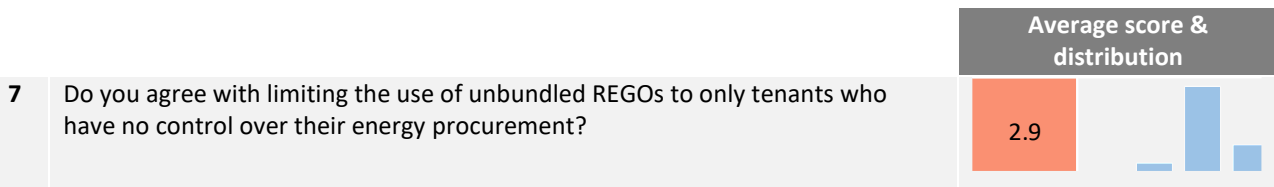
route(s) will be achieved at the next procurement cycle opportunity?' Please comment on both parts of the requirements.

**Agreement but varying opinions on (1) whether it is strict enough, (2) whether it is realistic/practical enough for uptake.** Key comments:

- (1) Multiple questions around 'share' – too vague and needs defining.
- (1) Some comments on now allowing any 'low' additionality for net zero claims.
- (2) Some comments that it is setting bar too high too quickly, should be a staged progression – comply + explain not helpful here.
- (2) Additionality is very difficult on a smaller scale: onsite requires capital/spatial requirements, PPAs requires larger volumes.
- (2) Action plan for transition is helpful and in clarifying what is and isn't acceptable, but reporting can be out of scope for some.

**Proposed updates discussed with task group:** Introduce a staged progression to allow for industry awareness and market to catch up: suggestion was that those using 'low' additionality routes have to use location-based factors and offset their consumption through carbon offsets. Those using 'high/med' additionality routes can use market-based factors and claim zero emissions on this proportion.

**Implemented updates:** As above. Share was kept in – acknowledgement that the gap between green tariffs and PPAs is still quite significant – PPAs still relatively new to many in industry, and very unlikely that PPA would be secured to cover all of an organisation's energy.

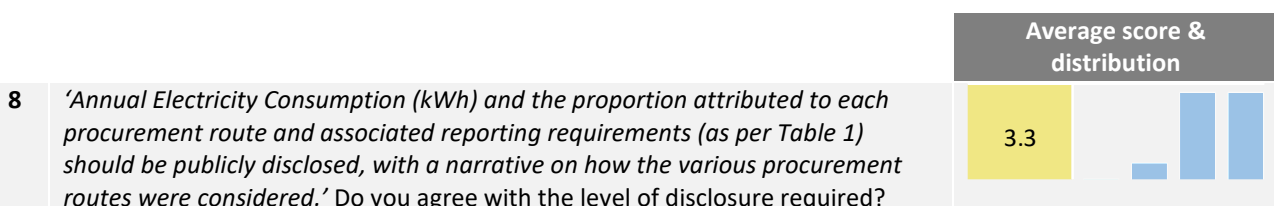


**No clear result but leaning towards agreement. Disagreements generally split and relate to either (1) it shouldn't be allowed in the first instance for net zero claims or (2) it provides greater transparency than low-quality green tariffs, therefore should be a valid option for more consumers.** Key comments:

- Need more support re: tenant/landlord relationship, where does the responsibilities lie, how does any NZC claims work?
- Limiting unbundled REGOs to all consumers with no choice (i.e., not just tenants) would help greenwashing claims but should not be allowed indefinitely and only for existing tenants.
- Low quality green tariffs can have lower transparency than unbundled REGOs.

**Proposed updates discussed with task group:** Proposed to keep the same requirements but provide greater clarity over why in guidance explanation.

**Implemented updates:** As above, acknowledged that unbundled REGOs provide greater transparency in terms of where the certificates come from precisely, but if it still is unbundled then the issue fundamentally remains.



**Firm agreement that level of disclosure appropriate, with strong support for public disclosure for transparency and industry development.** Key comments:

- Align with existing reporting requirements where possible to limit administration burden.
- A few concerns that reporting disclosure required isn't realistic for some, e.g., sensitive commercial information.
- Public disclosure should not be used as demonstration of 'net zero alignment' if it has not met the required threshold of performance.

**Proposed updates discussed with task group:** Update reporting template – no significant changes due to strong agreement.

**Implemented updates:** As above.

**Average score & distribution**

**9** Are these principles and requirements achievable for all building and user types?

Yes	31%
<b>Most</b>	<b>43%</b>
Some	23%
Not achievable for majority	3%

**Firm agreement that this is achievable for most organisations - although split opinions on whether this is achievable now or in the future. Question didn't specify.** Key comments:

- Achievability commented in two ways: (1) Certain typologies (historical, resi), retrofitting and smaller organisations may find this difficult, therefore the guidance should acknowledge and make allowances for this, (2) market supply of high quality procurement very limited at the moment, so may not be achievable now but good to set the benchmark/aspiration pathway.
- UKGBC should build case studies for procurement.

**Proposed updates discussed with task group:** Provide a transition pathway, i.e., as proposed in Q6.

**Implemented updates:** As above. Noted that unrealistic to expect all procurement pathways to be accessible to all typologies, but guidance should make it clear that the quality is based on the three principles so any routes can be evaluated. Noted that high quality green tariffs (particularly as they become more commonplace) are accessible for all building and owner/occupier types.

**Average score & distribution**

**10** Any further comments on the 'Renewable Electricity Procurement' section

Yes	31%
<b>Most</b>	<b>43%</b>
Some	23%
Not achievable for majority	3%


**Final guidance needs to be very clear, not all users will have existing experience or knowledge, so help users understand the journey towards better procurement. Emphasise on energy efficiency first before procurement. Procurement should be principle-led, important to maintain this integrity.** Key comments:

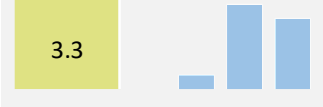
- Similar comments to previously: Where does storage fit into this? Adjust acceptable sources for 'Renewable Sourced' definition.
- Question on affordability of procurement/reporting requirements

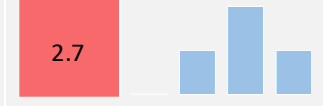
**Proposed updates discussed with task group:** Review Renewable Sourced definition, discuss including reference to storage.

**Implemented updates:** Renewable Sourced definition kept same as The Electricity Regulations 2003 (see Q4). Detailed guidance on energy storage was ruled out in the deep dives but agreed that guidance should make reference to considering storage and flexibility options as part of any procurement strategy – signposted within the guidance that organisations should increasingly seek to operate, and not just procure electricity – and this will become more important when time-of-use tariffs become more accessible.

## Carbon Offsetting

		Average score & distribution
11	Do you agree that carbon offset credits must meet the 'high quality' offset principles in order to account for and offset any carbon emissions?	 <p>3.6</p>
<p><b>Strong agreement with principles.</b> Key comments:</p> <ul style="list-style-type: none"> <li>A suggestion to add or refer to two more principles/elements (governance and do no environmental harm).</li> <li>Comments on supporting UK offsets in line with the CCC, with acknowledgement of transition required.</li> </ul> <p><b>Proposed updates discussed with task group:</b> Add do no environmental harm into the principles. Absorb governance in description.</p> <p><b>Implemented updates:</b> As above.</p>		

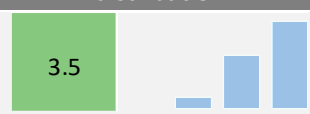
		Average score & distribution
12	Do you agree that utilising existing offset mechanisms, such as the Gold Standard, is the most consistent route currently available to align with these principles and achieve the required outcomes?	 <p>3.3</p>
<p><b>Firm agreement that existing mechanisms the most consistent route to aligning with the principles.</b> Key comments:</p> <ul style="list-style-type: none"> <li>For final guidance, refer to a list of acceptable standards for user's ease, but retain principles to allow new/innovative mechanisms a route in if in alignment.</li> <li>Question mark around how to treat Woodland Carbon Code – see Question 15 for updates.</li> </ul>		

		Average score & distribution
13	Do you agree that due to concerns relating to additionality and the over-estimation of carbon savings, residual carbon emissions should be offset at a ratio greater than 1:1?	 <p>2.7</p>
<p><b>No clear result. Fairly mixed opinions, with concern that stating a greater ratio is being offset due to concerns re: over-estimation and additionality runs the risk of undermining trust in existing mechanisms, and conflicts with having 'high quality' principles. Other perspectives agree with additionality and over-estimation concerns but split on how to address this.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Multiple concerns that rationale will undermine trust in existing mechanisms, and also conflicting for guidance to indicate these meet the 'high quality' principles but then only offer routes that suggest otherwise. Broader implication around costs too.</li> <li>Other comments agree with over-estimation concerns, particularly given issues more generally in built environment, but split on how to address this.</li> <li>Better for users to focus on ensuring transparent and accurate data as a priority in calculation of residual emissions, improve the baseline first.</li> <li>No real robust rationale for 'doubling' – more acceptable to have a smaller ratio, e.g., 1:11, and base it around uncertainties in baseline calculations (e.g., where there is no metered information, accurate EPDs, etc.).</li> <li>Practical concerns: organisations require a firm ratio to plan and budget for offsetting costs. Can also be hard to justify greater ratios if transactions need to be supported by auditable and traceable records.</li> </ul>		

- Other comments: 1:1 ratio would keep it simpler, with anything more considered 'leadership'. Further studies should be carried out into appropriate ratios. Tiered approach, e.g., those with greater uncertainty to offset at greater ratios.

**Proposed updates discussed with task group:** Twinning approach to be reviewed in line with this, and other carbon offsetting feedback.

**Implemented updates:** Agreed that whilst there were concerns around overestimation, the minimum ratio should be 1:1 so not to undermine the current carbon standards and confidence in the principles. Concerns around availability of woodland carbon code credits, and potential impact on afforestation market also noted as reasons for supporting a return to the 1:1 ratio. A slightly greater ratio, e.g., 1:1.1 was discussed but it was felt that any increase in ratio would require having a firm evidence base for why, which doesn't currently exist.

		Average score & distribution
14	Do you agree that the guidance should facilitate the option for Users to support UK / domestic projects?	 <p>3.5</p>

**Strong agreement that guidance should facilitate the option for users to support UK/domestic projects, but it should not be mandated, i.e., those who have international presence/operations, or want to support global projects should be able to. Links to concerns around UK Twinning approach not compatible with currently supply. Acknowledgement that international offsets will be required in the transition until domestic markets develops.**

Key comments:

- Strong support for facilitating support of domestic market, though recognising that this is very limited currently – but set the pathway to be able to support domestic routes going forward.
- Noted that WCC unlikely to have capacity to support the UK Twinning route, i.e., PIUs could easily be bought up quickly – so should have more flexibility in choices beyond Transition Fund (this applies to those also who want to support global projects).
- Adding too much pressure onto WCC not may have detrimental unintended consequences to overall net zero momentum if demand outstrips supply too quickly and increases costs significantly.
- Noted that due to UK's strong climate policies, etc. additionality will likely be difficult to prove for WCC/future mechanisms.

**Proposed updates discussed with task group:** Allow any carbon standards that is recognised by ICROA or UK Environmental Reporting Guidelines.

**Implemented updates:** As above – noted that in between consultation period and final publication, ICROA formally recognised WCC as an acceptable carbon standard, and clarification from Defra acknowledging that they consider domestic credits on parity to international offsets.

		Average score & distribution								
15	Do you agree that Users should have the option of choosing one of the two proposed carbon offsetting approaches to take? Or should the guidance explicitly recommend one approach?	<table border="1"> <tbody> <tr> <td>It should provide the two options</td> <td>58%</td> </tr> <tr> <td>It should provide only one – UK Twinning</td> <td>5%</td> </tr> <tr> <td>It should provide only one – Transition Fund</td> <td>5%</td> </tr> <tr> <td>Other (explain below)</td> <td>33%</td> </tr> </tbody> </table>	It should provide the two options	58%	It should provide only one – UK Twinning	5%	It should provide only one – Transition Fund	5%	Other (explain below)	33%
It should provide the two options	58%									
It should provide only one – UK Twinning	5%									
It should provide only one – Transition Fund	5%									
Other (explain below)	33%									

**Majority supportive of providing the user options, although not necessarily limited to just two, or that the two shouldn't be mandated but provided as 'leadership' options.** Key comments:

- Some concerns around when this guidance will come into ‘effect’ and how it will impact projects and clients that are already in the pipeline/development – affordability considerations too.
- Similar comments to previously, i.e., concerns around UK Twinning – WCC not able to provide for potential demand, and no robust rationale for 1:2 ratio. Not everyone would like to support WCC, but may not want to go Transition Fund route either – should facilitate support of UK projects but not mandate it.
- Some concerns around accountability of Transition Fund, in general and if reinvested internally.
- Agreement that LAs existing offset funds should not quality as offsets, but suggestion to engage with LAs on greater alignment.

**Proposed updates discussed with task group:** As reverting back to 1:1 ratio, reposition options as ‘Minimum Requirement’ and ‘Leadership Approach’.

**Implemented updates:** As above.

		Average score & distribution	
<b>16 (A)</b>	Do you agree that a minimum pre-defined carbon price should be set for the Transition Fund approach?	Yes	63%
		No – there shouldn’t be a minimum pre-defined carbon price	10%
		No – but the guidance should recommend a best-practice price	22%
		Other (explain below)	5%

**Agreement for a minimum price but split in terms of what this should be: (1) should be comparable to the UK Twinning option, otherwise unlikely that organisations would consider this route or (2) large increases in carbon prices above voluntary market needed to meet net zero targets and help drive incentives to decarbonise broader built environment.** Key comments:

- For no – the principles should be the overriding arbiter of quality. A high price may reduce number of projects that offset due to client financial pressures and discourage the right mindset.
- Practically, a few concerns around providing individual organisations the flexibility to determine their own costs and ensuring accountability.
- Noted that several UK REITs recently established Transition Fund-style mechanisms so can potentially learn from their experience in 12-18 months’ time.

**Proposed updates discussed with task group:** Majority voted that a pre-defined carbon price should be defined, but to discuss changing this to recommendation in light of the repositioning of the options as Minimum Requirement and Leadership Approach.

**Implemented updates:** Best practice carbon price to be recommended as part of the Leadership Approach.

**16 (B)** If you agree that there should be a minimum or recommended pre-defined carbon price for the Transition Fund approach, what are your thoughts on this being based on the HM Treasury Green Book Non-traded central scenario?

Average score & distribution	
Too high	9%
<b>It is an appropriate price</b>	<b>49%</b>
Too low	3%
Support an alternative price (please list price and source in comments)	9%
We should not be setting or recommending any price	9%

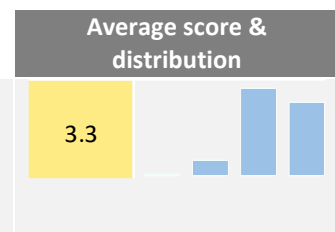
**No majority, but largest support for ‘it is an appropriate price’. Noted that question could have been phrased better, possible those that answer ‘no’ in 16a did not answer this question. Key comments:**

- Should take into account international businesses / context when suggesting a price.
- Split views on price: Too low – needs to incentivise onsite reductions and low carbon construction approaches, Appropriate – central source, evidence based and increases over time, Too high – discourage participation, who would ultimately have to pay for that price? Concern around cost being passed on to end user.
- Suggestion of tiered pricing.

**Proposed updates discussed with task group:** Discussion on price/credible sources.

**Implemented updates:** Agreement that HMT Green Book most appropriate as credible and time-weighted (e.g., World Bank figures are for 2020 so can be outdated after a few years).

**17** Do you agree that the choice / priority of the carbon offset projects should be left open to the individual organisations to decide on? With the caveat that once carbon removals and long-lived storage options become more commercially viable, these projects are to be prioritised.



**Firm agreement that choice should be left to the individual organisations to align with their own ESG, SDG goals.**

Key comments:

- Noted that offsetting is broader than just carbon – social elements, where the money goes, etc.
- Acknowledged that long-lived storage not yet well understood, including how ‘finite’ the resource is – so in meantime focus should be on reducing emissions that can be abated, such that removals can be used where emissions are not avoidable in future due to lack of technical alternative. Any storage/removals must not cause environmental harm and meet the principles.
- Guidance could provide direction as to what carbon reduction projects are higher quality (i.e., not large-scale renewables).
- Provide the flexibility in terms of choice to ensure momentum around net-zero continues until UK market catches up.

**Proposed updates discussed with task group:** No major changes due to strong agreement.

**Implemented updates:** As above – included acknowledgment that further studies would be required to understand how finite global GHG removals are.

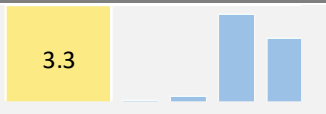
18 Any further comments on the 'Carbon Offsetting' section.

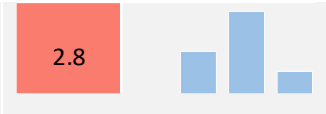
**Provide clarity on what needs to be offset from an operational and embodied carbon perspective. Will need to be reviewed regularly to ensure alignment with emerging changes – i.e., Paris Agreement, Mark Carney's Task Force, etc.** Key comments:

- Most important factor is quality of projects, which is driven by the principles. Other environmental benefits might be better met through other means, e.g., CSR.
- Considerations of how it links with existing planning requirements.
- A number of considerations which suggests more than one 'level' of NZC.
- Should be a grace period to (1) ensure continued operations, worry that dramatic increase in cost would turn current clients away from net zero and (2) many organisations are working on improving their data quality and would not want to purchase offsets at 1:2+ ratio using estimated data.



## Carbon Accounting

		Average score & distribution
19	Do you agree that dual reporting as recommended by the GHG Protocol Scope 2 guidance should be required?	 <p>3.3</p>
<p><b>Firm agreement that dual reporting should be required, but guidance should provide greater clarity and worked examples as to how this would work. Guidance should also outline limitations of the market-based method but emphasise that all users should be dual reporting to help limit double counting.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Market-based method is problematic (due to greenwashing concerns around green tariffs, unbundled REGOs, etc.).</li> <li>But dual reporting should be followed to help minimise the double counting that habitually occurs in industry.</li> <li>UKGBC should lobby BEIS to provide the residual mix carbon factor.</li> </ul> <p><b>Proposed updates discussed with task group:</b> None – strong agreement.</p> <p><b>Implemented updates:</b> As above.</p>		

		Average score & distribution
20	Do you agree that the residual carbon balance to be offset should be calculated using the market-based emission factors?	 <p>2.8</p>
<p><b>No clear result. Some votes accompanied by comments explaining they were not completely sure they understood the topic well enough.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Market-based method is problematic as empirical evidence that REGOs doesn't increase the amount of renewable generation.</li> <li>Would dilute claims of net zero if low quality green tariffs allowed to be reported as 'zero emissions' and be equal to routes that provide genuine additionality, e.g., onsite renewables/PPAs.</li> <li>Fundamentally should result in better buildings, therefore, should limit any greenwashing concerns.</li> <li>Noted that suppliers do not necessarily have 'well to tank' / robust emission factors given they can purchase REGOs.</li> <li>Suggestion that market-based factors (i.e., zero emissions) should only be allowed for procurement with additionality, with location-based factors used for everything else.</li> <li>Final guidance must provide worked examples / more guidance!</li> </ul> <p><b>Proposed updates discussed with task group:</b> Limit market-based to procurement with demonstrated additionality, with rest calculated using location-based factors.</p> <p><b>Implemented updates:</b> As above.</p>		

		Average score & distribution
<b>21</b>	Do you agree that exported renewable electricity generated should no longer be allowed to account for and offset upfront embodied carbon for net zero in construction?	3.1
<p><b>Agreement that exported electricity should not be allowed to account for upfront embodied carbon, key reasons cited were to limit double counting and the time difference (and impact) between when the carbon is emitted vs accounted for.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Those in disagreement referenced (1) onsite renewables more valuable than offsetting (esp in relation to additionality) and (2) may limit larger-scale renewable projects from going ahead.</li> <li>A few suggestions to allow it within a limited timeframe, e.g., 3 years, but noted that saved emissions in the future should not cancel emissions in the past on a 1:1 basis because earlier emissions are doing harm for longer.</li> <li>Concern that there aren't enough offsets to account for embodied carbon of all construction projects.</li> </ul> <p><b>Proposed updates discussed with task group:</b> None, agreement to stick with recommendations.</p> <p><b>Implemented updates:</b> As above.</p>		

		Average score & distribution
<b>22</b>	Do you agree that exported renewable electricity can account for gas consumption, if converted to kgCO <sub>2</sub> savings?	2.8
<p><b>Not a clear response but leaning towards agreement. Most 'strongly agree/agree' didn't have associated comments.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Need to make it clear in the final guidance how this would be reported in line with GHG Protocol Standard.</li> <li>If agreement, must ensure that this doesn't provide organisations the ability for maintaining the status quo, as concerns around incentives to decarbonise and move away from fossil fuel (might communicate that fossil fuel is still 'okay').</li> <li>Limit use to specific circumstance, retrofit/energy networks, etc.</li> </ul> <p><b>Proposed updates discussed with task group:</b> Task group agreed to keep recommendations.</p> <p><b>Implemented updates:</b> Exported renewable electricity considered only in net calculations.</p>		

		Average score & distribution
<b>23</b>	Do you agree that all renewable generators expected to export more than a cumulative 0.5-1.0MWh over the financial year should be required to claim and retire the associated REGOs if using the export is to be used as a carbon offset?	3.3
<p><b>Firm agreement to prevent double counting. Make clear that REGO does not = an offset, but an accounting instrument.</b> Key comments:</p> <ul style="list-style-type: none"> <li>Concern around administration burden for smaller scale projects.</li> </ul> <p><b>Proposed updates discussed with task group:</b> None, strong agreement.</p> <p><b>Implemented updates:</b> As above.</p>		

**24** Any further comments on the '*Carbon Accounting*' section

**Carbon accounting section needs to be clearer – final guidance must provide more supporting information on how this works practically, included worked examples of the new reporting template. Need to consider broader implications of guidance recommendations as a whole – e.g., are we saying low quality green tariffs better than offsets? How to include storage considerations? Link to Whole Life.**

**Main changes from consultation paper**

- Inclusion of cooking as a function that should not be powered using fossil fuel – but highlight the need for a just transition, i.e., be mindful of religions or cultures that require an open flame for cooking.
- Procurement routes are more clearly differentiated – those providing additionality can calculate their emissions using market-based factors, those that do not would need to calculate their residual emissions using location-based factors and offset this through a verified carbon standard. This in effect created a new carbon accounting approach for the Framework Definition.
- Carbon offsetting approaches positioned as 'Minimum Requirement' (1:1 ratio) and 'Leadership Approach' – removal of the UK Twinning approach. UK carbon standards considered on parity to international standards.