EPA Green Power Partnership Program Updates

Overview

On November 7, 2024, EPA's Green Power Partnership (GPP) provided stakeholders an opportunity to provide feedback in response to several new program updates under consideration. This document describes the GPP's path forward regarding the suggested updates and provides EPA's response to stakeholder feedback. For additional details on the initially proposed updates, please see the related documents on the Green Power Partnership website.

Updates to the GPP Program Requirements

New Program Metrics

- The GPP will pilot four (4) new (optional) program metrics starting in summer 2025. The four new metrics will include the Location Matching Metric, Time Matching Metric, Emissions Balance Metric, and Incremental Capacity Metric.
- At the launch of the new metrics pilot, the GPP will update key program resources including the program's data reporting form, requirements document, related web content, and additional procurement guidance and resources to support Partners.
- Reporting data under the new metrics pilot will be optional for all Partners. Partners will continue to be required to report annual green power usage data under the current Annual Green Power Use Metric as the basis of partnership.
- The GPP will encourage Partners to report data under the new metrics pilot by offering new kinds of Partner recognition starting after the launch of the pilot.
- Starting in 2026, the GPP will evaluate progress of Partners reporting to the new metrics. EPA will also monitor and work to support the market's capability to supply data to inform granular matching of generation and consumption data. The GPP will adjust the metrics and underlying requirements as the market evolves. Following on feedback from stakeholders, the GPP will also evaluate other methodologies for Partners to report the avoided emissions calculation under the proposed Emissions Balance Metric.

Eligible Resource Definitions

- The GPP will expand its eligible resource definition to include generation from limited sources of new, incremental nuclear capacity.
- The GPP will implement the expanded resource definitions to include limited forms of nuclear in summer 2025. EPA will reflect this change in the GPP's program requirement document along with other updates such as additional details on eligible nuclear technologies, requirements for verifying eligible generation to EPA, and eligible procurement options.
- As proposed, the new, incremental generation capacity from nuclear sources must not be paid for by ratepayers.
- Based on feedback, the GPP will clearly distinguish in its requirements that nuclear power is not renewable and involves a different set of considerations for voluntary buyers.

Eligible "New" Date for Generating Sources

- Based on stakeholder feedback, the GPP will not implement the proposed 10-year "new" date for eligible sources. The GPP will continue to employ a 15-year "new" date for eligible sources.

New Pilot Initiative to Recognize Scope 3, Category 11 Green Power Purchases

- The GPP will pilot a new initiative to recognize procurement of eligible generation by Partners to meet the electricity use of products sold in the United States.
- The GPP will launch this pilot in summer 2025.
- Participation in this pilot will be optional. The GPP will incentivize participation through recognition opportunities.
- The GPP will explore other pilot concepts to encourage Partner investments in clean technologies and clean electricity beyond a Partner's Scope 2 procurement.

Changes to the Green Power Communities Initiative

- The GPP will sunset the Green Power Communities initiative in summer 2025.
- The GPP will reallocate program resources to better support communities through development of guidance and new tools to assess and support greater access to green power.
- Current Green Power Communities will have a full year upon notification from EPA to remove all public reference related to EPA Green Power Community recognition.

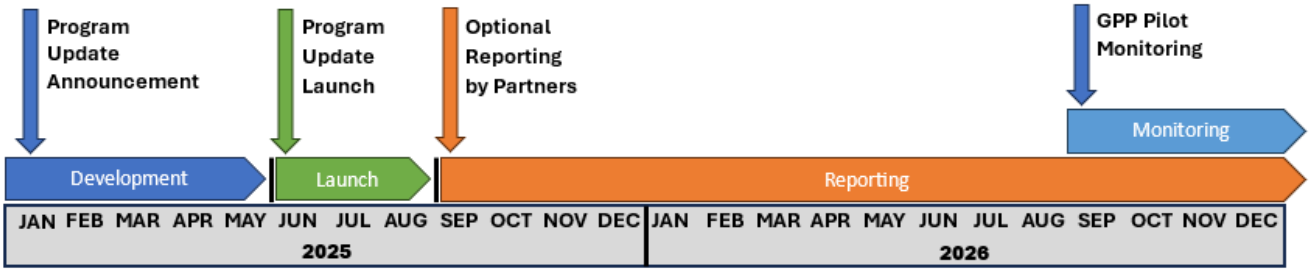
New Advisories to State Policies

- The GPP will implement guidance related to several state policy topics that impact voluntary market procurement and clarify eligibility of green power use under GPP requirements. This program guidance will be implemented and enforced by summer 2025.

Baseline Electricity Mix

- The GPP received little feedback on how Partners assess baseline electricity mix in relation to voluntary green power procurements that are incremental to clean electricity available to all ratepayers.
- The GPP will continue to investigate options for recognizing generating sources that do not meet traditional definitions for voluntary green power and procurement within and apart from the standard offer service (e.g., baseline electricity mix).
- The GPP anticipates that greater percentages of clean electricity generation will necessitate that the market evolve from demand-focused frameworks like the GPP towards frameworks focused on verification of all generation delivered to consumers.

Timeline for Implementation



Response to Feedback on Proposed Program Updates

Proposed New Program Metrics

The GPP has long required Partners to meet a minimum annual performance requirement as the basis of partnership with EPA. The **Annual Green Power Metric** relates a Partner's annual green power use (kWh) to a Partner's total annual electricity use (kWh) across eligible US operations (e.g., facility or organization-wide). Partners are required to meet a minimum green power usage percentage, otherwise referred to as minimum usage benchmark. Partners will continue to be required to report data to inform the Annual Green Power Metric and meet the minimum usage benchmarks to establish and maintain partnership with EPA. The GPP will now cap Partners at 100 percent green power of their total annual electricity use for this metric but is not proposing any other updates to the Annual Green Power Metric at this time.

Under the Proposed Program Requirements Update, the GPP proposed several new program metrics. The new metrics are optional and do not define eligibility for partnership with EPA. The proposed metrics relate to several emerging clean electricity procurement strategies being employed by leading organizations and provide Partners the opportunity to measure their own procurement performance against standardized metrics. The metrics also reflect emerging trends in emissions accounting, reporting, and disclosure that many Partners may be exposed to in the future.

Stakeholder feedback on including the proposed new program metrics were overwhelmingly supportive. The following table identifies the relative level of support expressed by nearly 30 unique stakeholders.

Proposed Program Metrics	Supportive	Supportive with Adjustments	Not Supportive
1. Annual Green Power Metric*	5	0	0
2. Location Matching Metric	7	3	2
3. Time Matching Metric	4	6	2
4. Incremental Capacity Metric	7	3	1
5. Emissions Balance Metric	7	1	4
Total count	**30**	**13**	**9**

*Current required program metric – only update is to cap Partners at 100 percent green power of their total annual electricity use

Several commenters inquired as to how EPA will incentivize Partners to report to these metrics. The GPP plans to develop recognition and awards opportunities for Partners that report data to the new metrics. Several of these recognition opportunities may allow for performance comparisons between partners. The GPP's ability to recognize Partners will be dependent on Partners reporting to the new metrics.

Several commenters requested more clarity on the timeline for implementation related to the new metrics pilot. The GPP plans to implement the new metrics and reporting framework pilot in summer 2025. Because reporting to the new metrics will be optional, Partners may start or stop reporting metrics at any time. All Partners must continue to report and meet the minimum requirements of the **Annual Green Power Metric** as the basis of partnership with EPA. The GPP's annual reporting form will afford all Partners the ability to test and preview the new pilot calculated metrics based on data reported in the form. This will allow Partners to assess their unique situation and adjust their procurement behaviors based on their chosen strategy and indicated performance. The GPP recognizes that it may take time for Partners to evolve their procurement portfolios to reflect higher performance across different metrics. The GPP also recognizes that suppliers play an important role in providing more granular data to inform several of the new metrics. EPA plans to work with market stakeholders to facilitate these outcomes as well as provide GPP Partners tools to support ease of reporting.

The intent of these new metrics is to provide quantitative information to support Partner decision making in pursuit of a chosen procurement strategy, as well as improved performance across a set of standardized metrics. The GPP seeks to encourage a demand signal through buyer action and wants buyers of different strategies to coalesce around building demand and not competing on chosen strategy differences. In addition, the partnership seeks to highlight that these metrics can describe a range of supply options for green power procurement and that different procurement strategies will emphasize performance in different metrics. The GPP sees the new metrics as independent measures of performance, without establishing preference between metrics.

The feedback received by EPA in response to the proposed program updates was broadly supportive of the proposals. Stakeholders acknowledged that the proposed metrics were supportive of procurement trends in the market and would be useful in helping Partners think more about their strategic approach to buying clean electricity.

One comment received indicated whether the metrics should be placed in a hierarchy. EPA feels that different buyer strategies and market circumstances make developing a hierarchy of metrics difficult and potentially ineffective. The new metrics do not prevent Partners from pursuing greater precision, and EPA encourages Partners to pursue more granular reporting when and where it makes sense for Partners (i.e., hourly vs. monthly vs. annual).

The GPP received stakeholder feedback expressing concerns with the added complexity and cost of complying with the proposed metrics. Since the metrics will be optional, the GPP believes the burden and cost to most Partners will be minimal, and be partially offset by eliminating or limiting previously collected data required of Partners (e.g., which states/regions Partners have operations in.)

Other stakeholder feedback indicated a concern that new metrics may create confusion from a Partner claims perspective. The GPP wishes to avoid claims confusion and will work with Partners and the market by issuing guidance and information to support credible and clear claims. The new metrics may in fact help to better support existing claims already being made by buyers. Commercial marketing claims have been based on consumer preference for the underlying attributes conveyed through Energy Attribute Certificates (EACs). The underlying attributes of EACs have long been used to validate locational, temporal, and resource claims that reflect buyer and policymaker preferences for power.

One commenter indicated concern for stranded assets (e.g., for past procurements not optimized for new metric performance). Another comment requested that these metrics remain optional in 2026 and beyond. The GPP recognizes that many buyers have made significant long-term investments in generating sources to serve their operations. The Partnership has been tracking several emerging trends in the market that point toward organizations pursuing more granular GHG accounting and reporting, as well as supporting claims on a more granular basis. The GPP sees these optional metrics providing a framework through which Partners can start to evolve their portfolios of electricity investments to meet emerging trends towards matching generation to consumption and reporting clean electricity consumption. The GPP plans to monitor the market's development to allow for more granular reporting starting in 2026 and assess the market situation moving forward. While it should be expected that the GPP will evolve over time, EPA has sought to provide ample notice of required program updates to its Partners.

Several comments pertaining to the **Location Matching Metric** and **Time Matching Metric** questioned whether EPA had selected the right granularity to achieve the intended purpose of both metrics. The GPP sees the implementation of these metrics as encouraging both Partners and green power suppliers to think more critically around the geospatial and temporal relationships of generating sources chosen to meet a consumer's electricity consumption. The GPP has heard from Partners that any program framework that necessitates the reporting of electricity use data from a single identifiable facility would reveal potentially sensitive business data for some Partners. For this reason, the GPP sought to adopt a reporting framework that allows for aggregation of operational data to address these concerns. EPA believes that larger geographic regions help mitigate sensitive information concerns as it relates to the geographic aspects of reporting operational data.

With respect to temporal granularity and the proposed "monthly" reporting level, EPA believes that many buyers and suppliers could immediately comply with or provide data based on EAC "vintage" data. While several comments make a case for how greater granularity leads to greater precision, EPA believes the implemented program framework must balance precision with the practicality of reporting the data to inform each metric. While academic research may identify certain opportunities and outcomes related to a more granular practice, EPA believes the market must mature further to

fully support a more granular framework. As such, EPA plans to monitor the market's progress and reevaluate more granular reporting in the future.

Related to the **Location Matching Metric**, one comment noted that grid congestion at a subregional level would prevent green power deliverability to matched facilities. EPA is sensitive to the dynamics that intra-regional grid congestion may have on power sector operations and grid emissions, in addition to the implications for a buyer's electricity usage claims. One intent of the Location Matching Metric is to elevate a buyer's awareness to the geospatial relationships between their chosen generating sources and electricity consumption. The Location Matching Metric seeks to balance highly precise renewable electricity use claims with a Partner's capability to take practical action towards expressing demand in ways that lead to systemwide incremental emissions reductions. Highly precise matching is currently only practiced by a few large leading companies.

On the **Location Matching Metric**, the GPP was asked by one commenter to provide a visual map indicating the identified interconnection regions (e.g., Eastern, Western, ERCOT) to ensure Partners understand the scope and intent of the metric. The GPP will provide a map of the interconnect regions in future documentation.[1] Another commenter requested that EPA provide a zip-code matching tool to facilitate the matching of generating sources or consuming facilities to one of the three interconnect regions. To address this request, the GPP plans to incorporate a simple look-up tool within the program's updated reporting form to identify both generation source and facility alignments with grid interconnect.

In response to the **Time Matching Metric**, one commenter expressed that under their organization's power purchase agreement (PPA) and virtual power purchase agreement (VPPA) contracts, their supplier only delivers renewable energy certificates (RECs) on a quarterly basis, rather than monthly, thus presenting a challenge to meeting the proposed metric. EPA seeks to clarify that EACs (e.g., RECs) include information that indicates when the certificates were "issued" by the tracking system. It is the EAC "vintage" or issuance date that pertains to the metrics. The EAC issuance date is different from the cycle of contractual delivery of accumulated EACs between two parties. Furthermore, EPA anticipates that practices will evolve in the coming years as registries issue certificates with granular temporal data, thus enabling more granular reporting and matching. Upon implementation of these metrics in summer 2025, EPA will clarify for Partners any complexities presented by specific tracking systems or the instruments they issue in meeting the Time Matching Metric.

EPA received comments that, while monthly matching is an improvement over annual, it still does not support the deployment of a diversity of clean technologies. A key aspect of matching electricity on a granular temporal and locational basis is that it values energy when and where it is needed. Granularity in matching is, however, a spectrum. Monthly granularity provides signals that could encourage and address seasonal variability and procurement, particularly in clean technologies that support green power delivery and grid emissions reductions. For example, monthly energy generation and consumption assessment could support the development of medium- or long-term storage technologies which will be needed to achieve long-term emissions reductions.

The **Emissions Balance Metric** received the most feedback among all proposed metrics. Several comments were consistent with feedback received on other metrics, including requests that metrics remain optional in 2026 and beyond, concerns that metrics would create confusion in claims, and

[1] North American Electric Power Grids (Eastern, Western, ERCOT) https://www.epa.gov/sites/default/files/2017-08/gpp_map-electric-power-grid.png

that proposed metrics would contribute to cost increases. EPA received broadly supportive feedback on this proposed metric.

One comment asked whether there would be any geographic boundaries applied to the **Emissions Balance Metric**. Consistent with the GHG Protocol Scope 2 Guidance market boundary criteria (Section 7.5 Criteria 5), the GPP requires that all eligible generation must be generated from, and applied to facilities within, the United States. For the purposes of calculating the Emissions Balance Metric, the GPP will measure how effective a Partner is in balancing the emissions avoided through investments in comparison to the emissions resulting from a Partner's operations. This metric will require geolocational information for both generating sources of clean electricity and operational electricity consumption. EPA will evaluate alternative options for calculating marginal emissions as they come available and can be applied on a consistent and comparable basis to all Partners, including the application of more granular temporal emissions rates.

One comment inquired about baseline scenarios in the evaluation of the **Emissions Balance Metric**. The Emission Balance Metric is intended to be a snapshot of eligible marginal emissions avoided from new incremental capacity investments relative to the average emissions caused due to the Partner's operations. The metric is intended to inform the effectiveness of a Partner's procurements relative to the Partner's operational use of electricity over time. Partner purchases from new incremental generation sources will be credited to the Partner's marginal emissions metric's calculation if the Partner can attest to having an original contract where the signing of the contract occurred before the generator was commercially operational. Partners that pursue procurements with new incremental generating sources as a percentage of the Partner's portfolio in regions where marginal emissions are greatest may perform better on this metric. Partners who exhibit increases in base annual electricity use over time or in regions with higher average emissions rates may see decreasing performance under this metric. Unlike several of the other new metrics proposed, a Partner's performance under the Emissions Balance Metric can exceed a 1:1 ratio.

The **Emission Balance Metric** is not attempting to validate Partner investments under project accounting or as project offsets. One comment inquired whether EPA was worried about the use of RECs to make emissions offsetting claims and if such concerns conflict with the fundamental purpose of RECs as energy instruments. GPP encourages the use of marginal emission assessments in targeting project investment opportunities. The GPP believes the proposed metric provides a reasonable measure of the avoided emissions performance of current investments relative to the Partner's operational emissions and could be a useful barometer for business decision making. The metric's methodology is based in part on Scope 2 accounting methodologies that predate dual reporting, where reporting organizations calculated their average location emissions and then netted out marginal emissions from renewable energy investments. EPA views EACs as energy instruments and not emissions instruments. EACs do not convey direct emissions claims between parties as project offsets are intended to.

A commenter inquired whether a more rigorous additionality assessment should be made for qualifying procurements that count towards avoided emissions under this metric. Currently, all generation reported to the GPP must meet criteria for regulatory surplus and timing requirements (e.g., project "new" dates), which are comparable to commonly applied project-based accounting additionality criterion. The **Emissions Balance Metric** proposes a second timing requirement that a Partner's contract must have been signed prior to the project being commercially operational. EPA views financial additionality tests as subjective due to renewable energy projects having multiple revenue streams. Since this metric is not attempting to determine additionality for the purpose of project offsets, EPA does not believe further criterion is required to demonstrate that a project's generation is new relative to the Partner's electricity consumption profile.

Regarding the **Incremental Capacity Metric**, several commenters inquired about combining metrics. The GPP views each of the proposed metrics as unique and independent measures of performance. These metrics can be assessed independently or in combination to assess a Partner's individual procurement strategy. While different procurement strategies lend themselves to different metrics, all metrics converge as grid emissions are reduced.

One commenter inquired how EPA would address repowering, uprating, and retirement avoidance. EPA's GPP currently recognizes generation from repowered sources that meet certain requirements as well as for uprated capacity that is independently metered. Any generation meeting the existing repowering or uprating of capacity requirements would be eligible under the GPP. The GPP program framework has been designed to build demand for new incremental sources of generation, rather than focus on supplement of existing sources of generation.

Several comments indicated that EPA should also focus on metrics that measure incremental firm, dispatchable carbon-free supply, reliability, or use generator capacity factors as a measure of firm generation. EPA will consider these options in the future as additional metrics are explored and evaluated. Consideration for these metric options will require a definition of what constitutes firm or dispatchable generation and require that Partners and EPA can validate such sources through existing market information.

One commenter indicated in relation to the **Incremental Capacity Metric** that the "newness" of a project is an incomplete measure, and that EPA should employ a financial additionality test to ensure that projects with commercial certainty are not credited. The voluntary green power market has long applied "tests" to purchased generation, including "regulatory" and "timing" tests. Regulatory surplus within the U.S. market can easily be established by a buyer through the procurement and retirement of EACs for private claims, thus preventing the EACs from being counted toward a regulatory mandate. The proposed Incremental Capacity Metric applies a form of "timing" test placed on generation sources reported by partner organizations. EPA views financial additionality tests as subjective and impractical when renewable resources have multiple revenue streams and are increasingly the lowest cost resource available on the grid across large regions of the United States. Furthermore, EPA is not focusing on project offsets in the electricity sector and instead seeks to build demand for clean electricity and to reduce emissions through aggregated demand.

Another commenter indicated that a better criterion would be to include a contract execution date prior to financing or at least before construction commencement. EPA proposed a comparison of the contract signature date to the commercial operating date of the generating project based on data that EPA believes is widely available and verifiable through existing tracking systems and data sources. EPA does not believe that the determination of when financing or construction occurs is a readily verifiable data element.

One commenter suggested EPA should combine the **Incremental Capacity Metric** with the **Emissions Balance Metric**. EPA proposed separate metrics to highlight slightly different aspects of Partner procurement. The Incremental Capacity Metric seeks to encourage longer-term procurement with new capacity development and measure it against the partner's total portfolio of purchased generation. In contrast, the Emissions Balance Metric seeks to assess the emissions performance of a Partner's procurements in relation to the Partner's aggregated regional emissions on an average locational basis. EPA believes separate metrics tell a more holistic and useful story regarding Partner procurements.

One commenter indicated that EPA should more clearly identify qualifying circumstances for generation sources that are "new." The example provided included nuclear units receiving the 45U

zero emissions production credit. EPA will assess the 45U zero emissions production credit for potential application to the GPP framework.

Eligible Resource Definition

EPA proposed to expand its Eligible Resource Definition to include incremental, new nuclear power under limited circumstances. This proposal received support from many stakeholders.

EPA received a comment indicating that the GPP will need to more clearly define what constitutes a small modular nuclear reactor and define new capacity requirements. The Partnership will clearly identify the technologies and circumstances that new, incremental nuclear capacity would have to meet i to be eligible in the GPP. The GPP's proposal indicated that a new, incremental nuclear power plant may not have any of its capital costs paid for by other ratepayers. New incremental capacity would base eligibility on the development of incremental new generation capacity from several advanced small modular reactor technologies, potentially including liquid metal fast reactors, molten salt reactors, high temperature gas reactors, advanced light-water reactors, or heat pipe reactors.

EPA received comment expressing concern regarding whether the expansion to include nuclear under its **Eligible Resource Definitions** would impact voluntary renewable electricity use claims. Consumer claims already vary based on resource type. The expansion of eligible resource definitions under the GPP does not present a material difference in how a consumer must validate their claim. The GPP supports consumer claims backed by EACs, which is consistent with the allocation of power from suppliers to consumers regardless of resource type. Further, the GPP supports building demand for clean firm energy technologies including next-of-a-kind technologies such as advanced nuclear, geothermal, and long-duration energy storage. These emerging technologies are well-positioned to expand as the result of the Inflation Reduction Act and voluntary investment.

One comment cautioned equating nuclear power as renewable or as "green" under the GPP. However, EPA believes it can adequately distinguish carbon-free power from green power resources and track these resources separately and adequately to address these concerns.

EPA received feedback on whether the fair allocation of carbon-free generation from existing nuclear power plants could also be considered. EPA recognizes fairness as an important consideration as it pertains to rate-based generation that all ratepayers have equal claim to. However, the proposal to expand the GPP Eligible Resource Definition to include generation from limited incremental new nuclear is not inclusive of existing nuclear power sources. Similarly, another comment asked whether new incremental nuclear would be inclusive of nuclear from new, relicensed, uprates, and at-risk sources. The GPP will consider different aspects of what is incremental new generation. Relicensing of power plants, while important for continued operations, generally does not constitute an event where the generator and its generation would be considered new. The eligibility of an uprated facility would depend on the operational details of the generating facility and whether the uprated generation can be separately metered and adequately tracked using EACs apart from the base generation and capacity. The evaluation of at-risk nuclear requires significant assessment of the operational and financial circumstances of a power plant.

One commenter asked whether eligible resource definitions would include thermal energy resources in the future. At this time, the GPP is focused on building voluntary demand for clean electricity. Another comment asked how repowered wind would be treated under the GPP. EPA already provides eligibility requirements for repowered generating sources in its program requirements.

One commenter suggested that the GPP should consider carbon capture utilization and storage (CCUS) under its Eligible Resource Definitions. While CCUS has potential to address the direct emissions associated with different power generating sources, U.S. energy attribute tracking system registries haven't yet evolved to track generation sources with CCUS.

Several commenters indicated that the GPP should consider allowing Partners to purchase and report generation from sources like low-impact hydropower that are older, existing generation but lack widespread market support to maintain operations. EPA will consider this feedback as part of the GPP's exploration of how to assess the standard offer service and baseline electricity mix that all ratepayers can claim. To the extent that certain sources like low-impact hydropower are not rate-based, EPA will explore this comment in the future.

Eligible "New" Date for Renewable Energy Facilities

EPA proposed reducing the eligible "new" date for renewable energy facilities from 15 years to 10 years, with all other requirements (i.e., grandfathering long-term contracts and self-supply sources) remaining in effect. Overall, the majority of comments on this proposal were non-supportive.

Several commenters indicated concern for the proposed shorter "new" date eligibility, noting that smaller projects often require longer contract terms to be financially viable. While EPA agrees that smaller projects generally do require longer periods to provide a return on investment, a long-term commitment under a self-financed project or a contract through third-party financing would not be penalized under EPA's 10-year proposal, as any original procurement would be grandfathered over the life of the commitment/contract for the original buyer.

Several commenters asked that EPA provide data to demonstrate the cost reductions indicated in the proposal. EPA utilizes government and industry sources to track technology cost trends, including Lawrence Berkeley National Laboratory's (LBNL's) Tracking the Sun report for solar technologies and LBNL's Land-based Wind Market Report for wind technologies in the United States. Additionally, EPA recognizes that inflationary pressures, supply-chain constraints, financing structures, current and future electricity cost assumptions, as well as a range of other factors can also influence figures.

Several commenters indicated that a shorter "new" date period would not support all technologies. One commenter suggested that different technologies should have different "new" date requirements. EPA agrees that different technologies are faced with different investment circumstances and project development barriers. The voluntary market has relied on a conservative "new" date to ensure that most project deals could be realized without discriminating against specific technologies, regions, or project sizes. The voluntary market's new date mostly impacts retail products so that suppliers can focus their portfolios of generation on newer sources.

Several commenters indicated concern that current investments made by Partners would be ineligible due to the proposed "new" date change. EPA wants to clarify that Partners are not disincentivized in making long-term commitments or entering long-term offtake contracts. As long the generator's "new" date is eligible at the time the Partner enters the contract, the GPP will recognize or "grandfather" the entire contract period.

Several commenters indicated concern for how the "new" definition, if more narrowly defined, might complicate the ability for consumers to purchase Green-e certified generation and ensure that it is eligible for the GPP. EPA agrees with this point. While Green-e certifies a large portion of the voluntary market, data was provided indicating that projects between 11 and 15 years old under

Green-e provide approximately 28 million megawatt-hours (MWh) of generation produced by approximately 15,000 megawatts (MW) of capacity from roughly 291 generators.

New Pilot Initiative to Recognize Green Power Purchases Serving Electricity Demand of Sold Products (Scope 3, Category 11)

The proposed new pilot to recognize green power purchased to serve the electricity demand of sold products (Scope 3, Category 11) received mixed feedback, mostly focused on questions related to the pilot itself.

Based on the questions in response to this proposal, EPA recognizes that more information related to the pilot and its design will be required. The GPP has a significant number of Partners who are at or near 100 percent procurement for their own operations (e.g. Scope 2). Some of these Partners have started to look at their Scope 3 emissions as a new area for engagement. The pilot concept would largely mimic the framework proposed in EPA's recent practice paper titled "Renewable Electricity Procurement for Use of Sold Products." EPA would design a framework and reporting form that partners could use to make purchases to address their Category 11 emissions related to electricity consumption by purchasing additional green power. Partners would have to document their product categories, their assumptions on sold product electricity use, and execute eligible renewable electricity procurements to address the electricity use of said products. Additional information and data on how the pilot will be designed will be provided in the near future.

One commenter wanted clarification that the green power use was for products sold by a Partner in the United States only, while another commenter asked how a Partner would know where the products were used even if they were sold in the United States. While some products may reside and consume electricity entirely in the United States there are certain product categories that could result in electricity use in multiple electricity markets. Absent the Partner having clear product electricity usage data or the ability to identify locational usage trends, EPA would propose that Partners generally assume that all sold products are used in the United States.

One commentor indicated that one company's Scope 3 is another company's Scope 2, which leads to duplicate procurement and accounting of the same emissions. EPA's practice paper titled "Renewable Electricity Procurement for Use of Sold Products" acknowledges this circumstance and discusses ways that companies that sell products can work within their supply chain or customers to reduce the prospect of "double procurement" circumstance. This pilot would be optional with no plans to make it a requirement for any Partner in the GPP.

One commenter expressed interest for other pilots focused on supply chain relationships. EPA has considered pilots focused on supply chain, electricity storage investments and voluntary hydrogen procurement. EPA will further assess new pilots based on stakeholder input and feedback.

Changes to EPA Green Power Communities Initiative

EPA received no stakeholder feedback related to its proposed changes to the Green Power Community Initiative. The proposal includes sunsetting the initiative in favor of reallocating program resources toward more effective community support.

New Advisories on State Policies

The GPP proposed to clarify its position on several state policy issues affecting Partners' ability to make credible voluntary claims about their green power procurements. Noted state circumstances may include clarifications on the eligibility of voluntary procurements through California community choice aggregators (CCAs), recent rulings in Oregon that could impact voluntary green power investments and claims, regulatory surplus considerations related to North Carolina, and requirements for voluntary set-asides for states that participate in emissions cap-and-trade programs.

One commenter noted that debates have increased as it relates to green power in certain states and the commenter indicated that EPA's leadership on emissions accounting and REC instruments is needed to ensure a foundation for best practices. EPA seeks to continue a longstanding position of cooperative federalism in relation to state policy topics. Some states have invited EPA to provide technical support and expertise on certain issues. Additionally, the GPP will in some cases also provide technical insights into how specific state policies may affect voluntary buyers in the market.

One commenter asked for clarification whether EPA requires Green-e certification, or not, under its program requirements. Under the National Technology and Transfer Advancement Act, federal agencies are instructed to use voluntary standards unless the government has a reason to deviate. To date, EPA has not required that all renewable generation be Green-e certified, but has strongly recommended that buyers purchase third-party certified products. EPA may consider focusing retail procurement requirements to be more closely tied to national standards in the future.

Several commenters directly responded to EPA's interest in clarifying retail product eligibility offered through California CCAs. Similarly, a commenter provided several areas of clarification and proposals which EPA's GPP will directly respond to as EPA prepares its state policy guidance and informational materials. Another commenter also requested that EPA uphold and recommunicate its position on the double counting of RECs through voluntary purchases and renewable portfolio standard (RPS) programs. EPA intends to do so through upcoming guidance as well.

Future Program Considerations

EPA also asked for feedback on how organizations are assessing and verifying existing sources of carbon-free or renewable generation, which is part of the standard offer service that all ratepayers receive. EPA plans to explore new program frameworks that would recognize the verifiable delivery of existing or mandated sources of generation to Partners.