



GPP Proposed Program Requirements Updates

The U.S. Environmental Protection Agency's (EPA) Green Power Partnership (GPP) is proposing several program requirements updates including the pilot of several new Partner performance metrics. EPA is accepting feedback via email (Green_Power_Partnership@epa.gov) until December 6, 2024, before finalizing the proposed updates.

Overview

EPA is proposing program updates to the GPP. The proposed updates offer Partners the option to report data to inform several new metrics, which better describe the performance and impact of Partners' green power procurements. These performance metrics are intended to support broader market integrity by transparently informing a Partners' procurement and investment strategy to use green power. The proposed new metrics evaluate the locational and temporal alignment of a Partner's green power use with its operational use of electricity, the alignment of grid and operational emissions intensity, and a Partner's relative investment in new technologies that support grid system decarbonization. The newly proposed performance metrics build on the existing annual green power use reporting framework that the agency has required as a basis of partnership since 2001. In addition, EPA proposes additional updates to the program in other key areas outlined in this document.

Objectives of the Green Power Partnership

EPA's GPP has several objectives that informed the development of the new proposed performance metrics and other updates to program requirements:

- **Encourage demand for clean electricity:** EPA encourages organizations to purchase and use electricity generated from eligible renewable and clean energy sources, leading to greater organizational demand and spurring investment in clean electricity generation.
- **Expand clean electricity access and use geographically and temporally:** EPA seeks to reduce the emissions intensity of the U.S. power sector by supporting a range of voluntary procurement strategies which, in aggregate, contribute to market-wide decarbonization.
- **Support credible practices that inform credible claims:** EPA strives to support a U.S. renewable energy market that enables credible claims for all electricity consumers.
- **Assess the impact of procurements and recognize Partners for pursuing impactful procurements:** EPA supports a wide range of procurement strategies that contribute to increasing demand for clean energy and recognizing top performers, while also acknowledging the disparities in clean energy access across the U.S. and the differing capabilities of organizations to take action through voluntary procurement.

Proposed New Program Metrics

EPA proposes piloting four new performance metrics to complement the existing Annual Green Power Use metric, which remains a requirement for partnership. Partners choosing not to provide the data indicated below to inform a metric will not be scored against the metric. EPA welcomes feedback from interested parties on each proposed metric.

Annual Green Power Use Metric (Required). This metric reflects the ratio of a Partner's annual green power use (kWh) to total annual electricity use (kWh) across the Partner's eligible U.S. operations (e.g., facility or organization-wide).

- **Reporting Obligation:** Since 2001, this metric has been required and has determined partnership eligibility.
- **Reporting Implication:** No additional data is required to be reported by Partners.
- **Methodology:** As has been the standard practice, Partners who purchase and use 100 percent green power on a volume basis relative to their total annual electricity consumption would score a 1.0. A new element EPA is proposing would cap Partners at 100 percent of their total annual electricity use.
- **Rationale:** Higher performance under this metric requires a higher volume of green power procurement and use. Buying and using more green power adds more demand in the market, leading to a greater market signal to develop more green power supply.

Location Matching Metric (Optional). This metric measures the geographic match of the Partner's sources of green power generation to points of electricity consumption at the grid interconnection region (e.g., Eastern, Western, ERCOT).

- **Reporting Obligation:** EPA proposes that data reporting for this metric be optional for all Partners. EPA proposes to reevaluate the optional reporting of this metric in 2026, after Partners have accustomed themselves to the new metric requirements.
- **Reporting Implication:** This metric involves a Partner reporting its total annual electricity use and total annual green power use for each grid interconnect region. EPA anticipates that some Partners may find reporting facility-level electricity data to be sensitive. EPA proposes addressing these sensitivities by providing a tool as part of this update that allows Partners to aggregate facility-level data to a specific interconnect region before reporting it to EPA.
- **Methodology:** This metric is calculated as a weighted average of the Partner's share of total electricity use met with green power sourced from the same grid interconnect region. Partners matching 100 percent green power use within all grid regions in which they operate score 1.0. Generation not reported as sourced from a specific grid interconnect region will not be counted as a match in the calculation of the metric.
- **Rationale:** This metric encourages geographic alignment of green power generation with electricity consumption, potentially strengthening renewable electricity consumption claims, reducing transmission losses, and supporting air pollution and emissions reductions near the communities where the Partner operates.

Time Matching Metric (Optional). This metric assesses the alignment between the timing of a Partner's electricity use and the generation of green power on a monthly basis, with matched alignment achieved when monthly green power use equals monthly electricity consumption.

- **Reporting Obligation:** EPA proposes that data reporting for this metric be optional for all Partners. EPA proposes to reevaluate the optional reporting of this metric in 2026, after Partners have accustomed themselves to the new metric requirements.
- **Reporting Implication:** This metric involves a Partner reporting its total monthly electricity use and monthly green power use across the Partner's 12-month reporting period. EPA anticipates that some Partners may also find reporting facility-level data to be sensitive. EPA proposes to address these sensitivities by providing a tool to allow Partners to aggregate facility-level data before reporting it to EPA.
- **Methodology:** This metric is calculated as a weighted monthly average of the percentage of green power used matched to monthly electricity consumption. Partners whose electricity consumption for a specific month is reported to be 100 percent matched by green power generated in the same month would score a 1.0 for that month of electricity consumption. Generation not reported with a monthly generation profile will not be counted as a match in the calculation of the metric.
- **Rationale:** This metric encourages and values generation to consumption temporal alignment, which can reinforce renewable electricity use claims, mitigate curtailment investment risk, encourage demand side management, and facilitate investment in firm carbon-free resources and storage technologies. The proposed monthly matching approach is supported by existing market practice to issue energy attribute certificates, such as renewable energy certificates, on a monthly basis.

Emissions Balance Metric (Optional). This metric measures how well the emissions from a Partner's operational electricity use are balanced by emissions avoided through investments by Partners in new generation capacity.

- **Reporting Obligation:** EPA proposes that data reporting for this metric be optional for all Partners. EPA proposes to reevaluate the optional reporting of this metric in 2026, after Partners have accustomed themselves to the new metric requirements.
- **Reporting Implication:** The emissions balance metric involves a Partner reporting additional information to verify that the Partner signed a contract with a new project before it was constructed and operational. Partners will have to report the locations of operational electricity and green power use. This metric requires the added reporting of the contract's execution date for reported generation from new capacity development.
- **Methodology:** This metric is calculated as a weighted average of the percentage of avoided marginal emissions from new capacity investments to the average emissions from the Partner's operational electricity use across grid interconnect regions. A score of 1.0 indicates that generation from new capacity investments matches the emissions from the Partner's operations. This metric may result in a weighted score greater than 1.0. Generating capacity will be considered new when the reported contract execution date precedes the commercial operating date of the generating capacity serving the Partner. EPA proposes to estimate operational emissions using an [Emissions & Generation Resource Integrated Database \(eGRID\)](#) total output emissions rate for each grid

interconnect region and an eGRID non-baseload output emissions rate to estimate the marginal emissions of new capacity developers within each grid interconnect region where the new capacity is located. EPA anticipates that some Partners may find reporting facility-level electricity use data to be sensitive. EPA proposes to address these sensitivities by providing a tool to allow Partners to aggregate facility-level data to an interconnect region before reporting it to EPA.

- **Rationale:** This metric encourages Partners to target and invest in new projects that maximize marginal emissions reductions relative to the Partner's operational emissions footprint. This metric may encourage Partners to implement energy efficiency to enhance their performance and potentially invest in new capacity development to respond to electricity demand growth and electrification.

Incremental Capacity Metric (Optional). This metric measures the share of a Partner's total annual electricity consumption served by generation from new capacity in the Partner's green power portfolio.

- **Reporting Obligation:** EPA proposes that data reporting for this metric be optional for all Partners. EPA proposes to reevaluate the optional reporting of this metric in 2026, after Partners have accustomed themselves to the new metric requirements.
- **Reporting Implication:** The incremental capacity metric involves a Partner reporting additional information needed to assess whether the Partner signed a contract with a new capacity project before it was constructed and operational. This metric requires the added reporting of the contract's execution date for generation from new capacity development.
- **Methodology:** This metric is calculated as the ratio of reported green power generation from new capacity to the Partner's total annual electricity consumption. Generating capacity will be considered new when the reported contract signature date (new data) precedes the commercial operating date (currently collected data) of the generating capacity serving the Partner.
- **Rationale:** This metric encourages investment in new green power capacity, directly contributing to grid system emissions reductions and potential economic benefits for Partners.

Other Proposed Updates

Eligible resource definition

The GPP proposes adding nuclear power as an eligible resource, when the nuclear power is sourced from new incremental capacity. This capacity must stem from original contracts between a small modular reactor and a Partner (or group of Partners), with new capacity development costs not covered by other ratepayers. The Inflation Reduction Act offers incentives to boost the role of nuclear in the U.S. energy mix. EPA seeks feedback on adding nuclear power as an eligible resource, defining nuclear new incremental capacity, and other potential limitations.

The GPP relies on the voluntary market's definition of eligible green power sources, which includes solar photovoltaics, wind, geothermal, certain types of hydropower and biomass, and electricity from fuel cells

that are powered by an eligible renewable resource. Products offered in the voluntary market must meet consumer preferences for resource quality to be viable.

Eligible “new” date for generating sources

The GPP proposes 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. EPA seeks feedback on this proposed change. The new date requirement is intended to direct voluntary demand to newer sources while providing certainty for the developers and buyers that the new date requirement matches the necessary contract period for the developer to earn a return on investment through the buyer’s contractual commitment.

The GPP requires Partners to use green power from “new” renewable energy facilities. The Partnership currently defines “new” as those facilities put into service within the last 15 years (on or after January 1st of the year 15 years prior to the current date). Green power sourced from long-term supply contracts and Partner-owned projects are recognized as “new” through the term of the original contract or project commitment if the project was eligible as a “new” renewable resource (i.e., less than 15 years) at the time of when the contract or project commitment was first initiated. EPA believes that the period required for earning a return on investment has decreased, thus allowing for a shorter window for new generator eligibility.

New pilot initiative to recognize green power purchases serving electricity demand of sold products (Scope 3, Category 11)

The GPP proposes a pilot initiative to recognize Partners’ green power purchases covering the electricity demand for the use phase of the Partner’s sold products. Partners who opt in to this pilot would report relevant green power contracts and the generation volume allocated to the use phase of covered products under Scope 3, Category 11. Partners would report projected estimated product electricity use over the life of the product(s). Future pilots may include other electricity sources (i.e., purchasing on behalf of employees’ electricity use, line losses etc.) as well as Partner investments in specific technologies (e.g., storage capacity).

Many companies sell products that consume electricity. Under the Greenhouse Gas Protocol, corporations are responsible for the use phase emissions of sold products. EPA published a practice paper in 2024, titled “[Renewable Electricity Procurement for Use of Sold Products](#)”. Many EPA Green Power Partners have achieved significant progress toward addressing the emissions associated with their operational use of electricity. This and other proposed pilots provide a new opportunity to continue to build demand for renewable electricity by addressing other sources of emissions beyond scope 2.

Changes to EPA Green Power Communities Initiative

EPA proposes sunsetting the Green Power Communities initiative to reallocate program resources for more effective community support. Since 2004, this initiative has recognized the aggregated green power demand of communities meeting EPA’s minimum purchase requirements. Given the significant support available to communities under the Inflation Reduction Act and its associated grants programs, the GPP proposes to redeploy program resources in the development of guidance and new tools to assess and support greater community access to green power in lieu of the current Green Power Communities Initiative. EPA seeks feedback on this proposed change.

Advisories and Clarifications

New advisories on state policies

The GPP proposes clarifying its position on state policy issues affecting Partners' ability to make credible voluntary claims about their green power procurement. Clarifications will address recent policy decisions in several states to ensure alignment with U.S. voluntary green power market principles and practices (i.e., California community choice aggregation [CCA] eligibility). Some clarifications may impact eligibility of green power sourced from those states.

Minor clarifications to existing requirements

The GPP may make other minor clarifications as needed to its program reporting requirements document.

Future Program Considerations

Baseline electricity mix

EPA is interested in learning how Partners determine the baseline delivered electricity resource mix (e.g., standard service offer) available to all ratepayers and how Partners verify their claims to specific resources that are part of this baseline. Should EPA consider a future proposal to provide Partners with credit for the resource mix available to all ratepayers, it will be necessary to determine the appropriate resource mix. EPA is interested to hear from Green Power Partners how generation that is not traditionally viewed as voluntary (e.g., surplus to regulation or the standard service offer) be calculated and verified.

Next Steps and How to Provide Feedback

EPA is requesting comments on the proposed updates outlined in this document. We encourage those interested in providing comments to take the following steps:

1. **Submit your comments to Green_Power_Partnership@epa.gov by Friday, December 6, 2024.** Note that EPA will not respond to individual comments but will summarize comments received and post summary responses on the GPP website.
2. **After a period of analysis of submitted comments, EPA will issue a notification of program updates.** After consideration of feedback received, EPA will notify Partners and other interested parties of the intent to implement new program requirements. Existing Partners will be given a period to meet the new requirements, while new organizations joining the program will be required to meet the requirements immediately as of their effective date.