EXPONENTIAL ROADMAP INITIATIVE

ERI position statement on EACs for corporate buyers

Introduction

Environmental Attribute Certificates[1] (EACs) allow transfer of ownership of an environmental attribute of a product, either in conjunction with it or separately. As market-making instruments, EACs have the potential to positively influence the development and exponential scaling of climate solutions[2], bringing them towards "positive tipping points"[3 4]. To incentivise corporate investments in such solutions, organisations are seeking clarity regarding the conditions under which the EACs can be used to claim emission reductions[5] within market-based GHG accounting and/or progress against climate targets.

Since 2015, the GHG Protocol (GHGP)[6] has directed how and when companies can report lower emissions from purchased energy in their scope 2 market-based GHG inventories by using energy EACs. However, neither the GHGP Corporate Standard nor the ISO standard on organisational GHG inventory reporting (ISO 14064-1) provide methodology to account for EACs within scope 1 or 3 GHG inventories. An expansion of the use of EACs in GHG accounting is currently being discussed within the revisions of the GHGP and ISO organisational GHG reporting standards. Furthermore, SBTi is investigating the role of EACs in corporate sustainability target setting and substantiation of claims, and includes provisions on EACs in their latest Corporate Net Zero Standard V2.0 draft. There are also new initiatives (eg The AIM Platform, The Center for Green Market Activation, and the Value Change Initiative) which are independently working on setting the requirements for quality, accounting and reporting of EACs in corporate GHG inventories.

To date, there is no clear consensus on whether and under which circumstances EACs can be used to claim emissions reductions and meet targets. Currently available evidence[7] on the efficacy of energy EACs in scaling renewable energy production capacity is inconclusive. On one hand, there are strong indications that EACs have the potential to positively influence climate financing of renewable technologies[2]. Conversely, there are arguments that EACs might lead to finance dilution[8] due to the current low prices of the energy commodities. It will be some months or years before revisions of relevant standards are concluded.

In the meantime, companies are uncertain about the best practices in GHG reporting when purchasing EACs for various commodities, such as SAF, biomethane, steel, cement, and hydrogen. Continued uncertainty could limit investments in these solutions, thereby delaying system-wide climate action.

ERI position and recommendations

ERI believes that the purchase of high-quality EACs can make an important contribution to scaling climate solutions. At the same time, EACs should be considered a temporary solution until the necessary market capacity for climate solutions is reached. After that point, emission reduction interventions will be possible within the organisations' value chains, without support from EACs.

To help organisations navigate the current uncertain landscape of commodity certificates, ERI recommends:

- Organisations may choose to purchase EACs for specific interventions to address emissions that could be linked to their scope 1, 2 or 3.
- Given the ongoing revisions to the main standards for organisational GHG reporting, companies should adopt a transparent approach to reporting on their use of EACs.
- Companies report on the purchase of EACs specifically in relation to their scope 1, 2 and/or 3 GHG emissions.
- Organisations should disclose the following information:
    - Quantity of EACs purchased for each relevant commodity
        - eg RECs for 1000 MWh, or SAF for 10,000 litres
    - Report any GHG emission impacts from the purchase of EACs in an independent "impact ledger" alongside physical/location-based figures.
        - eg fuel switch resulting in 1,000 tonnes of GHG emission change
    - The origin of the EACs (e.g. market location)
        - eg UK
    - Statement on the connection of the EACs to the organisation's value chain
        - eg use the AIM Platform Association Test[9]
        - alternatively, geographical/regional mapping
    - The certification scheme of the purchased EACs
        - eg I-REC or Guarantee of Origin for renewable energy certificates
        - eg GCCA Global Low Carbon Rating for Cement and Concrete[10] of at least a C rating[11]
    - If standardised information is available, show the claimed GHG impacts in tCO_2e, following relevant standards
        - eg for RECs, show the GHG emissions from market-based approaches[12]
        - eg for non-energy/non-fuel commodities, a similar approach can be used, showing both the emissions quantified using the standard emissions factor, and the emissions quantified taking into account purchased EACs
    - The portion of emissions from each of the commodities covered by the certificate
        - eg 20% of all steel purchases are covered by EACs for green steel.

Notes and references

1. For this statement, EACs are defined as “market-based instruments representing verified environmental attributes associated with the production of specific commodities, and allow the decoupling of the environmental attributes from the said commodity” (Raynor & Gopalakrishnan, 2025).
2. This Research report shows that voluntary renewable energy procurement beyond state clean energy mandates is a key driver for renewable energy growth.
3. For more information on “positive tipping points”, refer to this material.
4. This relates to Pillar 4 of the Exponential Framework.
5. This could also be reflected in the “impact ledger” of GHG reporting, which is one possible outcome of the GHG Protocol revision process.
6. The Scope 2 Guidance (2015) is an amendment to the GHGP Corporate Standard.
7. The evidence is presented in the Synthesis report (2025) published by SBTi on the energy EACs.
8. Finance dilution is the risk of allocating financial resources to projects with limited or no verifiable impact, jeopardising their effectiveness (SBTi, 2025, p.15).
9. More information on the Association Test is available here.
10. More information on the Rating is available here.
11. The Qualification criteria developed by Microsoft & Carbon Direct (2025) sets the minimum floor of a D rating, with a B level being ideal. Additionally, the guidance developed by GMA and RMI (2025) sets the minimum level for qualifying solutions to a C level.
12. As per GHGP Scope 2 Guidance (2015).