The Business Council for Sustainable Energy®

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**BCSE Submission to the Science Based Target Initiative on its Draft Power Sector Net-Zero Standard**

November 3, 2025

The Business Council for Sustainable Energy (BCSE), appreciates the opportunity to provide comments on the Power Sector Net-Zero Standard Consultation Draft released in September 2025. BCSE is a coalition representing a broad spectrum of energy technologies—including renewable energy, energy efficiency, natural gas, energy storage, sustainable transportation, and emerging low-carbon solutions. Council members include clean energy developers, utilities, large corporate energy buyers, and technology providers. Many BCSE members rely on SBTi guidance to set credible, science-based net-zero targets, and we value the standard's role in driving investment and accelerating decarbonization across the power sector.

BCSE supports the overall aim of this draft: to provide sector-specific guidance that enables companies to set and deliver science-based targets aligned with global net-zero goals by 2050. We also recognize the importance of a framework that supports practical, scalable, and market-driven solutions, while remaining flexible to accommodate innovation and diverse operational realities.

The following comments reflect BCSE's review of the draft and build on our May 2025 submission on the Corporate Net-Zero Standard.

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## 1. Flexibility in Target Setting

- **Scope 1 and Scope 2 Coverage:** BCSE recommends retaining flexibility to cover 95% rather than 100% of emissions, allowing companies to exclude immaterial emissions and reduce unnecessary administrative burdens.
- **Location-Based vs. Market-Based Targets:** Companies should not be required to set both location-based and market-based targets. Many operate across multiple grids where location-based decarbonization options are limited. Market-based approaches—such as virtual power purchase agreements (vPPAs)—have proven highly effective, supporting over 100 GW of new clean energy in the U.S. over the past decade. We urge SBTi to preserve market-based pathways as primary target-setting options.
- **Interim Pathways and Timelines:** BCSE encourages SBTi to allow flexibility in defining interim targets and timelines for achieving net-zero outcomes. This enables companies to plan phased decarbonization strategies aligned with operational and market realities while maintaining alignment with the 2050 global net-zero trajectory.

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## 2. Inclusion of Renewable Fuels and Sustainable Feedstocks

- The standard should explicitly recognize all certified biomethane applications (electricity generation, transportation fuel, and pipeline injection) as eligible pathways.
- We recommend that Annex C explicitly list **"biogas" or "biomethane" alongside "biomass"** in the list of low-carbon generation sources. Biogas-derived electricity, often produced via anaerobic digestion or upgraded biomethane combustion, is a distinct, dispatchable renewable

energy carrier that delivers immediate methane-avoidance benefits. Clear recognition will facilitate participation by distributed renewable power producers, ensure alignment with international frameworks (GHG Protocol, EU RED II/III, ISCC), and prevent inconsistent interpretation across reporting entities.

- **Sustainably Sourced Biomass:** BCSE urges SBTi to clearly define "sustainably sourced" biomass. Biomass should qualify if generated from organic wastes, residues, and byproducts, including high-impact biogas feedstocks such as manure, wastewater sludge, food waste, and other organic residues. These feedstocks deliver some of the deepest carbon-negative lifecycle scores via widely adopted LCA methodologies (e.g., Argonne GREET), due to substantial methane avoidance and displacement of fossil fuels. Leading scientific bodies, including IPCC and UNEP, recognize methane as a powerful short-lived climate pollutant, where near-term reductions can substantially slow global warming. Including biogas pathways in the definition of sustainable biomass acknowledges their immediate climate mitigation potential—complementary to longer-term $CO_2$ reductions from other renewable technologies.
- **Renewable Hydrogen, Ammonia, and Hybrid Solutions:** The standard should also explicitly recognize renewable hydrogen, green ammonia, and other sustainable molecules as eligible decarbonization pathways. Co-firing and blended applications in power generation, industrial, and transportation sectors should be included to reflect practical pathways for near-term emissions reductions.

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## 3. Biogenic $CO_2$ & Methane Avoidance

- SBTi should continue to treat biogenic $CO_2$ separately from fossil $CO_2$ in Scope 1 reporting, but require transparent, separate disclosure of gross biogenic emissions and associated LCAs.
- Verified methane-avoidance should be credited where projects demonstrate robust baselines and lifecycle assessments. As highlighted by the IPCC and UNEP Global Methane Assessment, rapid methane reductions are essential to limit near-term warming, and waste-sector interventions—including anaerobic digestion and biogas production—are proven pathways to avoid methane while producing renewable energy. Explicit recognition of methane-avoidance benefits from verified biogas projects should be included in the Power Sector Net-Zero Standard.

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## 4. Scope 3 and Indirect Mitigation

- BCSE supports allowing indirect mitigation to count toward Scope 3 targets. These measures should not be limited to interim use, nor subject to arbitrary time limitations.
- Engagement of Tier 1 suppliers should remain optional, recognizing its potential value while avoiding feasibility constraints.
- While Tier 1 supplier engagement should remain optional, companies should be encouraged to consider broader value-chain collaboration where feasible. Indirect mitigation measures should be supported by robust traceability and verification mechanisms to ensure credibility and alignment with science-based pathways.

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### 5. Technological Neutrality and Innovation

- The standard should remain technology-neutral, encompassing all renewable energy, carbon-free technologies (including nuclear), and emerging low-carbon solutions.
- Innovative solutions—such as storage-backed clean electricity, grid-interactive technologies, and sustainable molecules—must remain eligible to ensure companies can implement science-based, innovative decarbonization strategies.
- Emerging carbon removal solutions—including bioenergy with carbon capture and storage (BECCS), direct air capture (DAC), and soil carbon enhancements—should remain eligible. In addition, hybrid approaches that integrate multiple decarbonization technologies, such as storage-backed clean electricity combined with advanced energy efficiency measures, should be recognized.

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### 6. Alignment with Other Standards

- BCSE encourages alignment with ISO Net-Zero, GHG Protocol, and other credible frameworks to reduce duplication, increase clarity, and ensure consistency for reporting and verification.
- Alignment should extend to credible regional and sector-specific standards, ensuring consistent definitions of residual emissions, carbon removals, and eligible mitigation pathways, thereby reducing reporting complexity for multinational companies.

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### 7. Claims, Reporting, Market-Based Instruments, and Legacy Contracts

- Clear eligibility of market-based instruments and indirect mitigation is critical for substantiating progress and achievement claims.
- SBTi should permit market-based instruments and accept book-and-claim or mass-balance approaches as a pathway where physical delivery is infeasible or impractical. This enables small and distributed renewable producers, including biogas generators, to contribute to corporate net-zero targets without imposing impractical operational requirements.
- Existing contractual instruments, including long-term RECs and PPAs, should continue to be recognized under the revised standard to avoid procurement uncertainty and protect investments.
- Companies should be able to report upstream environmental benefits (air and water quality improvements, avoided methane emissions, soil carbon sequestration) distinctly from carbon offsets.
- The standard should ensure distributed biogas electricity producers can contribute to SBTi-aligned targets through aggregated reporting, nominated offtakes, or recognized registries, ensuring projects of all scales have access to corporate demand.
- Digital tracking systems, registry transparency, and third-party verification are critical for substantiating claims and ensuring integrity of market-based instruments. Long-term contractual instruments, including cross-border RECs and PPAs, should continue to be recognized to protect investments and support global clean energy deployment.

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## 8. Summary of Key Recommendations

1. Maintain flexibility in Scope 1 and 2 coverage (95% option).
2. Preserve market-based target pathways; location-based targets should not be mandatory.
3. Recognize all renewable fuels and biomethane applications.
4. Explicitly list biogas and biomethane alongside biomass in Annex C.
5. Clearly define sustainably sourced biomass and include high-impact biogas feedstocks (manure, wastewater sludge, food waste, organic residues).
6. Credit verified methane-avoidance from biogas projects.
7. Allow market-based accounting for Scope 2 electricity purchases and for sustainable fuels in Scope 1 and Scope 3.
8. Maintain technological neutrality to enable innovation, including hybrid solutions and carbon removal technologies.
9. Keep supplier engagement optional, not mandatory, and allow value-chain collaboration with verification.
10. Recognize legacy contracts and instruments.
11. Align with ISO Net-Zero, GHG Protocol, and other credible frameworks.
12. Enable small/distributed renewable generators to contribute to corporate net-zero targets.

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## Conclusion

The BCSE supports SBTi's effort to provide a robust, science-based standard for the power sector. We urge the initiative to retain flexibility, encourage market-based solutions, preserve technological neutrality, and explicitly recognize biogas, methane avoidance, and distributed generation pathways. Doing so will ensure companies can continue to invest in decarbonization, scale clean energy deployment, and achieve meaningful net-zero outcomes while maintaining operational feasibility.

We appreciate the opportunity to provide these comments and look forward to continued engagement.