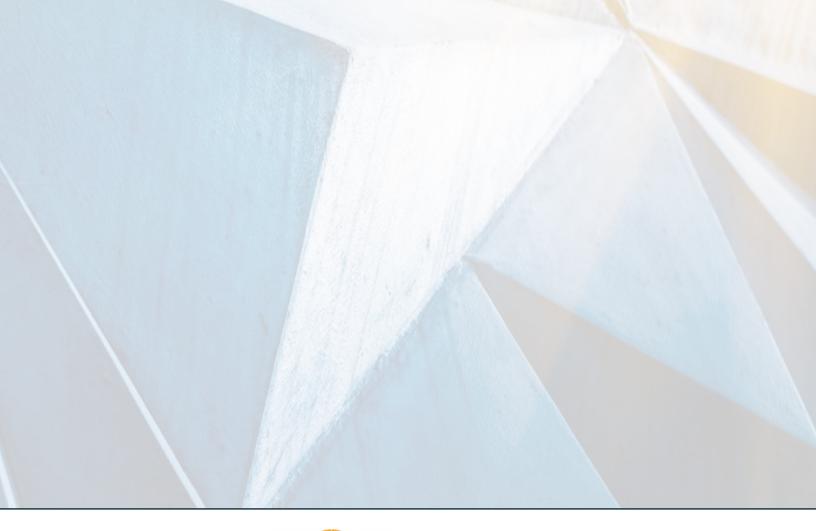# Advanced and Indirect Mitigation (AIM) Platform

Meeting Minutes – September 26, 2024

The Advanced and Indirect Mitigation (AIM) Governing Committee

September 26, 2024 | 1:30 – 3:30 PM US Eastern Time | New York Climate Week

In-Person Attendees:

Governing Committee Members:

- Alexia Kelly (High Tide Foundation)
- Tim Juliani (WWF)
- Devon Lake (Meta)
- Cynthia Cummis (Deloitte)
- Kelley Kizzier (Bezos Earth Fund)
- Lisa Spetz (H&M)

Invited Observers:
- Brad Schallert (Winrock International)
- Abby Synder (Verra)
- Kristin Komives (ISEAL)
- Gill Alker (RSB)
- Silvana Paniagua (VCI/SustainCERT)
- Cristoph Wolff (SFC)
- Andrew Prag (WMB)
- Michael Macrae (GHGP)

AIM Organizers:
- Kim Carnahan (GMA)
- Dan Magrath (GS)
- Verena Radulovic (C2ES)
- Sam Pearl-Schwartz (GMA)
- Holly Lahd (GMA)

Via Zoom:
- Owen Hewlett (Gold Standard)

Discussion Topics

1) Check In on AIM Objectives

Kim Carnahan presented a summary of the AIM Objectives, including existing barriers identified by the Governing Committee. The Governing Committee was asked if anything was missing.

The group discussed the barriers. There was consensus among participants to add "allocation barrier" to the list of barriers. "Allocation barrier" refers to challenges allocating the full amount of an intervention's emissions reductions at a facility with multiple customers. An example was raised that in the textile sector, an intervening company may provide 100% of a decarbonization project's financing, but they only represent 20% of the factory's output. Under current attributional accounting rules it is difficult to isolate the project's value to the intervening company, which reduces the investment case.

2) Criterion 1 Discussion
   a. Renaming Criterion 1
      i. Stakeholder feedback identified that criterion 1 was different than the rest of the criteria. AIM organizers recommended renaming criterion 1 to "Value Chain Association Test". Participants expressed interest in the renaming. It was raised that renaming criterion 1 as a screening test was another possibility, and that VCMI uses the term "foundational criteria" in its language.

         Next Step: Organizers will consider these options and bring back a final recommendation to the Governing Committee in a future meeting for approval.

   b. Value Chain Definition

      Kim presented a summary of stakeholder feedback on the definition and scope of the sectoral / hard to abate approach (criterion 1, step 2). Stakeholders expressed that the current definition of this approach is broader than what many think of the term "value chain".

      Question for the Governing Committee: What should our official definition of value chain be? How should we communicate this?

Organizers asked the Governing Committee this approach and the value chain definition. The group reviewed the GHG Protocol value chain definition from the 2013 Scope 3 Standard.

Governing Committee consensus direction: there was general agreement to anchor on existing value chain definitions (which are primarily focused on physical relationships to a good or service), and then add another layer/term/definition to describe what AIM is doing.

c. The 3 Association Approaches – additional descriptions

Kim reminded the group of our criterion 1 task: Develop a reasonable approach to defining association with value chain that solves for barriers identified while also mitigating credibility risks related to allowing this added flexibility

Through previous discussions, three key variables emerged across all 3 approaches (known supplier, supply shed, and sectoral):

- Association with intervention host
- Good or service matching requirements
- Ambition of mitigation activity

Kim presented slide 10 of how these variables relate to the 3 approaches. The group discussed the slide and debated word choices, whether it was understandable, and how different example interventions would pass the approach tests or not.

i. Common carrier networks & electricity interventions

The group discussed the concept of energy common carrier networks. The examples given were of electricity transmitted across shared transmission grids, or biomethane distributed through existing natural gas pipelines. One Governing Committee member did not think renewable energy procurement should be permitted through these approaches because other GHG accounting providers should be addressing this need. Others disagreed, pointing out that electricity consumption is the largest source of emissions for many supply chains, and that reporting companies with credit worthy companies are best

positioned to make impactful clean energy procurements. The concern of companies "cherry picking" certain RECs was raised.

One observer suggested it may be easier to remove sources like electricity from the supply shed definition, and include it as a distinct row/approach option, or in the sectoral approach. The issue might be with the phrasing "intervention host" -- it doesn't make sense for electricity, because the intervention won't be at the host.

ii.   Supply shed and "produced in the same way" discussion

The group discussed the current supply shed definition. Stakeholder feedback recommended using the VCI definition, through previously the Governing Committee decided to remove the geographic component of the definition for the purposes of AIM. The group discussed if the supply shed definition should be different for FLAG and other intervention types.

Next Steps: Organizers will incorporate governing committee feedback into the 3 approaches, and reorganize the table on slide 10.

Governing Committee Assignment: Governing Committee members are asked to collect at least 2 real-world value chain intervention projects they are considering or have seen within their organizations. Participants should apply criterion / test 1 to these interventions, and document questions and information sources they found to evaluate the intervention against criterion / test 1. Please send intervention examples to sam.pearl.schwartz@gmacenter.org by October 25th.

3) Governance Update

Kim presented the organizers proposed updates to the AIM Governance system. The group discussed the conflict of interest perception of an AIM organizer also forming and accrediting AIM-conformant programs in the future. In the near term the organizers will work to post the governing committee terms of reference, meeting minutes, and other materials for increased transparency. The organizers will also look at other governance approaches and tools employed by similar organizations and talk with GHGP and SBTI on what governance changes would be seen as valuable.

4) Timeline and Governing Committee Meeting Cadance

Kim presented an updated standard and guidance completion timeline for the Governing Committee to consider. The organizers suggested that more Governing Committee meetings (currently scheduled for once a month) will be needed to meet this timeline. There was general consensus among the Governing Committee members present that twice a month meetings would work.

Action: organizers will send calendar invites for more Governing Committee meetings. These meetings will be cancelled, or repurposed for small group discussions, if agendas aren't ready for a given scheduled call.

Meeting adjourned at approximately 3:45 PM US Eastern Time.