S&P Global Platts to Publish Prices Showing Cost to Reduce Carbon Emissions Using Biofuels

New prices offer granular look at actual costs of reducing greenhouse gas emissions with biofuels

NEW YORK, Sept. 2, 2021 /PRNewswire/ -- S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced it has launched a suite of 36 new daily prices to reflect the cost of reducing greenhouse gas emissions using biofuels.

These new calculations, spreads and ratios use existing Platts assessments in global biofuels, refined product and carbon credit markets to give key insights to the actual cost of carbon emission reductions from biofuel use.

Ian Dudden, Global Pricing Director for Agriculture and Metals, S&P Global Platts, said: "Biofuels have long been at the leading edge of the energy transition toward lower carbon emissions. These prices give traders, analysts and policy makers granular insight into the cost fuel buyers pay to reduce greenhouse gas emissions using biofuels, as well as the price relationships between biofuels and conventional fuels. More stringent climate policies around the globe demand transparency around not just the price of fuels, but the role those fuels play in meeting emissions targets."

The new Platts price calculations, spreads and ratios include:

- Spreads and ratios between existing Platts assessments, such as ethanol and gasoline, as well as renewable diesel and fossil-fuel diesel
- Values per point-of-carbon-intensity under California's Low Carbon Fuel Standard
- Calculated costs of reducing greenhouse gas emissions under Europe's Renewable Energy Directive using Platts biofuel and fossil fuel assessments

Sophie Byron, Associate Pricing Director, Agriculture Americas, S&P Global Platts, said: "These prices, relying on some of Platts' key assessments around the world, can help market participants compare fuels on a carbon emissions basis and build emissions costs into forecasts. With biofuel feedstock demand rapidly increasing, these prices can help the market make informed decisions about the emissions reduction differences between waste products, vegetable oils and other feedstocks."

For example, while Platts' existing assessments give the market a transparent view into the price of biofuels such as rapeseed-based biodiesel (RME) in Europe, the new prices drill down into relationships between RME and ultra-low sulfur diesel (ULSD), both in outright price terms and in carbon costs. Fuel buyers will be able to see that the cost of reducing greenhouse gas emissions using RME instead of ULSD is 0.07 cent for each gram of carbon dioxide equivalent in each megajoule of RME, based on Sept. 1 Platts assessments.

The new price references are the latest edition to the Platts offering related to Energy Transition. For more information, see subscriber note.

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