

S&P Global Platts Launches First Carbon Neutral Hydrogen Assessments

New Daily Assessments Bring New Transparency To Hydrogen's Role in The Energy Transition

LONDON and SINGAPORE, Dec. 9, 2021 /[PRNewswire](#)/ -- S&P Global Platts (Platts), the leading independent provider of information, analytics and benchmark prices for the commodities and energy markets, has launched the world's first suite of Carbon Neutral Hydrogen (CNH) assessments, effective December 9, 2021.

Building on Platts first to market cost of Hydrogen production valuations, the Platts CNH assessments reflect the carbon neutral value of hydrogen as it leaves the production facility at key hubs in Northwest Europe, the Middle East, Far East Asia, Australia, California and the US Gulf Coast.

Platts CNH assessments consider carbon neutral trading activity in which emissions have been, in order of priority: avoided where possible through the use of low emissions generation, removed through the use of carbon capture and storage, and offset through the use of carbon credits or equivalent instruments.

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Alan Hayes, Head of Energy Transition Pricing at S&P Global Platts, said: "Our new Carbon Neutral Hydrogen assessments will first and foremost reflect the value of the hydrogen molecule, irrespective of production pathway or color. As the energy transition gains momentum, market participants, governments, industry and investors need a trusted and independently assessed price that reflects the value of hydrogen as a commodity to make informed trading and investment decisions and manage risk. Extensive feedback from market participants has illustrated that for a nascent global hydrogen market to grow, its price should be determined by a methodology that focuses on hydrogen as a commodity, not one that is based on a rainbow of colors or its production pathway."

The first assessment of Platts Carbon Neutral Hydrogen (CNH) was published on December 9 with regional differentials already evident. In the Asia-Pacific Region Platts CNH was assessed at \$3.45/kg on an ex-works basis Australia, and this compares to the Middle East CNH assessment of \$4.05/kg. However, the Far East CNH price was much higher with a carbon neutral hydrogen price of \$7.95/kg and the assessment for CNH NW Europe was Eur7.35/kg (\$8.30/kg). In contrast, Platts CNH Prices in the US were lower than any other region, with Platts USGC CNH priced at \$1.70/kg.

The daily Platts Carbon Neutral Hydrogen (CNH) assessments will be published on a per kg and per MMBtu basis, and assessed for Far East Asia, Australia and Middle East markets at 4:30 pm Singapore, for California and US Gulf Coast at 1:30 pm Houston, and for Northwest Europe markets at 4:30 PM UK time.

The new CNH assessments will build off Platts existing cost of production factors, which will provide baseline inputs in the absence of market activity. Platts will consider marginal costs of production for hydrogen for a given location in which renewable power prices and carbon capture costs are considered, with any remaining accounted emissions offset using relevant carbon market instruments.

S&P Global Platts Analytics shows the pipeline of new low carbon hydrogen production projects to be around 12.5 million tonnes by 2030, catering to the demand primarily from power, industrial, chemicals, and mobility sectors.

The new CNH assessments reflect 99.99% purity and minimum lot sizes of 20,000 kg for prompt delivery during the calendar month following the trade date.

Platts launched the world's first North American and European hydrogen cost of production assessments in December 2019 and has expanded its assessment coverage into Asia-Pacific and the Middle East. These assessments reflect the value of hydrogen produced at worldwide hubs by different production pathways, including the costs of using carbon capture and storage.

For more detail on the methodology and specifications of the new Platts CNH assessments, please click [here](#).

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