

# S&P Global Commodity Insights First to Measure Carbon Intensity of Crudes Forming Brent Benchmark

*Six Popularly Traded Crude Oil Grades to Help Purchasers Measure Cost of Emissions Offsets*

NEW YORK, June 16, 2022 /PRNewswire/ -- S&P Global Commodity Insights, the leading independent provider of information and benchmark prices for the commodity and energy markets, has launched the oil industry's first carbon intensity measures for all six crude grades forming the global Brent benchmark, including Dated Brent and BFOE (Brent, Forties, Oseberg, Ekofisk, plus Troll and WTI Midland<sup>1</sup>). The carbon intensity for these grades will be published in kilogram-per-CO<sub>2</sub>-equivalent per barrel (kgCO<sub>2</sub>eq/b) and makes Brent the first carbon-measured global benchmark allowing purchasers of crude grades to evaluate the cost of emission offsets in their supply chains.

Platts, part of S&P Global Commodity Insights, will publish daily the carbon-associated price premiums of Brent, Forties, Oseberg, Ekofisk, Troll and WTI Midland. These will build on the October-2021-launched, S&P Global Commodity Insights field-by-field oil carbon intensity measures and associated price premiums assessments. Over 100 oil fields are now covered, including those that underpin the six crude grades of the benchmark Brent complex.

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Commodity Insights

**Deb Ryan, Head of Low Carbon Commodities, S&P Global Commodity Insights, said:** "By adding these six grades that form the global Brent benchmark, the industry now has not only its oil benchmark, but a carbon intensity measure as well. Carbon intensity measures are currently used by the industry to offset emissions, but over time is expected to become an attribute of the traded commodity, like API viscosity and sulfur standards for oils."

As companies look to offset and/or understand the emissions from all their activities, having a crude-grade carbon intensity measure is the next step in the supply chain for downstream purchasers of crude.

**Paula VanLaningham, Global Head of Carbon Pricing at S&P Global Commodity Insights, said:** "By taking a bottoms-up view of the carbon intensity, understanding the carbon price and the cost to offset the emissions, purchasers of crude grades can now start to understand the cost of emissions in their supply chain."

The S&P Global Commodity Insights upstream carbon intensity calculations measure the impact of greenhouse gas emissions from well production to the storage terminal and is designed to reflect the value of upstream-production carbon intensity for a specific crude grade coming from an oil field. The measures reflect the main sources of emissions relevant to specific operations, including production, flaring and venting, maintenance activities, production processing and transport to the storage hub. Emissions generated during the exploration and drilling stages are currently not included as part of the S&P Global Commodity Insights upstream carbon intensity calculation. Proprietary research and analysis is used to calculate results, with the [Oil Production Greenhouse Gas Emissions Estimator \(OPGEE\)](#) 2.0 model as the foundation.

The carbon intensity for the crude grades is the production-weighted carbon intensity from the fields that feed each grade, and is evaluated in kgCO<sub>2</sub>eq/b. These values are updated on the 15<sup>th</sup> of each month, or the following business day if the 15<sup>th</sup> falls on a non-business day.

Platts Carbon Intensity Premiums for the crude grades are calculated in \$/b, with the value of the carbon intensity premium calculated using the daily Platts Carbon Removal Credit Assessment (Platts CRC). To learn more about the Platts CRC assessment please visit: [method\\_carbon\\_credits.pdf \(spglobal.com\)](#)

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## About S&P Global Commodity Insights

At S&P Global Commodity Insights, our complete view of global energy and commodities markets enables our customers to make decisions with conviction and create long-term, sustainable value.

We're a trusted connector that brings together thought leaders, market participants, governments, and regulators and we create solutions that lead to progress. Vital to navigating commodities markets, S&P Global Commodity Insights coverage includes oil and gas, power, chemicals, metals, agriculture, shipping and energy transition.

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<sup>1</sup>Platts, part of S&P Global Commodity Insights, [announced on June 8, 2022](#) that it will reflect cargoes of WTI Midland crude oil in its Dated Brent, Cash BFOE and all related assessments across the Brent complex with effect from June 2023 cargo deliveries.

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