S&P Global Commodity Insights Launches First Global Diesel, Gasoline & Jet Fuel Carbon Intensity Assessments and Price Premiums

Carbon Intensity a key metric in low carbon commodity pricing to advance the energy transition

LONDON, NEW YORK, SINGAPORE, Nov. 9, 2022 /PRNewswire/ -- S&P Global Commodity Insights, the leading independent provider of information, analytics and benchmark prices for the commodities and energy markets, today announced that on November 15th it will launch the industry's first-ever carbon intensity estimates for diesel, gasoline and jet fuel, along with daily carbon offset price premiums. The carbon intensity estimates for refined products will help refiners, investors, shareholders and downstream purchasers better understand the emissions attributes of these key transportation fuels.

S&P Global
Commodity Insights

S&P Global Commodity Insights' Platts carbon offset price premiums assessments will cover diesel, gas, and jet fuel in Northwest Europe (NWE), US Gulf Coast (USGC) and Singapore, and be tied to existing price benchmarks in these markets. The carbon intensity price premium currently reflects the cost of offsetting the emissions using removals-based carbon credits. This price premium is expected to evolve to become a differential to the basis price, based on the carbon intensity attribute of the product.

Deb Ryan, Head of Low Carbon Commodities at S&P Global Commodity Insights, said "The carbon intensity of these regional gasoline, diesel and jet fuel products are the next step in the evolution of carbon intensity assessments and provide an estimate of carbon emissions for the production of these key fuels. We believe publishing our assessments with the associated transparent methodology is key, and we will continue to evolve our methodology as technology improves."

Increased scrutiny of the emissions associated with fossil fuels, and efforts to reduce carbon footprints and emissions has resulted in a growing demand for transparency in how carbon intensity is estimated and how it will impact the buying, selling and trading of commodities. Estimating the carbon intensity of different commodities has become one of the ways the market has started to incorporate greenhouse gas (GHG) emissions from specific types of production because high GHG emissions per unit of output often translates into high carbon intensity (CI). Higher CI products will carry a greater carbon intensity premium and require more voluntary carbon credits to offset emissions, compared to products with a lower CI.

Paula VanLaningham, Global Head of Carbon at S&P Global Commodity Insights,said: "Growing interest in carbon intensity from market participants and recent trades to account for carbon emissions are important steps in the right direction for the energy transition. As low carbon commodity trading continues to gain traction, aligning our carbon intensity assessments and price premiums directly with the regional gasoline, diesel and jet fuel price benchmarks will allow the market to judge individual asset and cargo performance against the standard we have outlined."

From November 15, 2022, S&P Global Commodity Insights will begin publishing Platts monthly measures of gasoline, diesel and jet fuel carbon intensity in kilograms of carbon dioxide equivalent per produced volume of product. In the US this is gallons, in Europe this is metric tons, and in Asia it is barrels. The daily price premium assessments are published in $/gal, $/mt, $/bbl for the US, Europe and Asia respectively using the daily Platts Carbon Removal Credit (CRC) voluntary carbon credit assessment.

S&P Global Commodity Insights' refined product carbon intensity assesses regional emissions for the different products. S&P Global uses proprietary information about quantity of crude grade feedstock in each region; the different types of refinery configurations; the number of these refiners and the regional refinery yields to estimate a regional weighted carbon intensity value for the individual products used on PRELIM, an open-source model. These price assessments are estimated by

assessing the total costs of offset using the Platts CRC price. To learn more about the CRC assessment, please visit: method_carbon_credits.pdf (spglobal.com)

About S&P Global Commodity Insights

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

We are a trusted connector that brings together thought leaders, market participants, governments, and regulators and we create solutions that lead to progress. Vital to navigating commodity markets, our coverage includes oil and gas, power, chemicals, metals, agriculture, shipping and energy transition. Platts® products and services, including the most significant benchmark price assessments in the physical commodity markets, are offered through S&P Global Commodity Insights.

S&P Global Commodity Insights is a division of S&P Global (NYSE: SPGI). S&P Global is the world's foremost provider of credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help many of the world's leading organizations navigate the economic landscape so they can plan for tomorrow, today. For more information visit https://www.spglobal.com/commodityinsights.

SOURCE S&P Global Commodity Insights

For further information: Global/EMEA, Paul Sandell, +44 7816 180039, paul.sandell@spglobal.com; Americas, Kathleen Tanzy, + 1917 331 4607, kathleen.tanzy@spglobal.com; Asia, Melissa Tan, + 65 68189 7569, melissa.tan@spglobal.com

---

https://press.spglobal.com/2022-11-09-S-P-Global-Commodity-Insights-Launches-First-Global-Diesel,-Gasoline-Jet-Fuel-Carbon-Intensity-Assessments-and-Price-Premiums