

S&P Global Platts Hydrogen Price Assessments



As the need for reliable, clean sources of energy escalates hydrogen is standing out as a potential carbon free energy source. There is increasing interest from investors, policymakers and energy market participants into the potential of hydrogen as a clean fuel for transportation and a lower-carbon substitute for natural gas in industrial processes, materials production, power generation, as well as for commercial and residential use.

If your company and your environmentally conscious customers are keen to assess the development of hydrogen and the important role it is going to play in the future of clean energy, S&P Global Platts Price Assessments will provide the insight and transparency you need.

By providing benchmark price assessments, news and commentary about the emerging hydrogen economy, Platts can help your company to understand hydrogen's role in the ever-changing, global, energy market and help you to recognize opportunities, make decisions and plan effectively.

Platts has been providing industry with valuable market-tested information for many years and is now the first company to launch a hydrogen price assessments platform in order to provide an independent, impartial evaluation of hydrogen as a fuel.

What are Platts Hydrogen Assessments?

Building on the world's first-to-market hydrogen assessments launched in December 2019, Platts expanded in April on its North American and European assessments and launched its first hydrogen assessments in Asia.

Platts daily price assessments include 10 US regional set

of prices, one Canadian set of prices, and prices from the Netherlands and Japan.

The daily price assessments demonstrate the production cost of hydrogen for *Steam Methane Reforming (SMR)* production methods, including in some regions for *Carbon Capture and Storage (CCS)*, along with prices for *Proton Exchange Membrane (PEM) Electrolysis*, and *Alkaline Electrolysis* production pathways, in each of the key production hubs.

The calculated prices reflect both the commodity production cost and the capital expenditure associated with building a hydrogen facility.

Potential additional hydrogen assessments include adding assessments in both North America and Europe, along with new assessments in Asia-Pacific due to the fast pace of change and transition in the energy markets.

In the US, Canada and Japan, Platts publishes two prices for the SMR without CCS, PEM and Alkaline Electrolysis production pathways. One price reflects the commodity production cost and the other price reflects the commodity production cost and capital expenditures associated with building a hydrogen facility. Daily feedstock prices for natural gas and electricity and weekly California carbon allowances prices are used in some calculations.

In the Netherlands, prices are published for four different production pathways, including carbon capture and storage, produced through both SMR with and without CCS. For SMR production, month ahead natural gas, electricity, and carbon allowance prices are used in calculations. To Platts EU wind Guarantee of Origin prices are added Dutch electricity prices and capital costs to create a production cost for PEM and Alkaline Electrolysis.

Platts has the best experience and know how to provide independent and external analysis of the hydrogen market

The prices in Japan include both SMR without CCS and PEM and Alkaline Electrolysis production pathways. Platts uses day-ahead Japanese power prices in addition to capital costs that are roughly twice European costs to calculate production costs for PEM and Alkaline Electrolysis.

The assessments will include a commodity price as well as a commodity plus production cost, for the following hydrogen production hubs:

Canada

Alberta (SMR w/o CCS, Alkaline Electrolysis, PEM Electrolysis, excluding and including CapEx)

United States (SMR w/o CCS, Alkaline Electrolysis, and PEM Electrolysis, all excluding and including CapEx)

- Appalachia
- Midcontinent
- Northern California
- Rockies
- Southern California
- Gulf Coast
- Northeast
- Northwest
- Southeast
- Upper Midwest

The Netherlands

- SMR w/o CCS
- PEM Electrolysis
- SMR with CCS
- Alkaline Electrolysis

Japan

- SMR w/o CCS
- Alkaline Electrolysis
- PEM Electrolysis

Key Features

- Platts is the first company to provide independent hydrogen price assessments.

- Daily price assessments published in US dollars and Euros per kilogram (\$/kg and euro/kg) respectively,
- Bringing transparency to an opaque market to help companies to accurately evaluate hydrogen production
- The price assessments will also include costs of the resulting emissions from the process – reflecting respective carbon allowances.

How could this benefit your company?

- Critical market data, industry news and insightful analysis giving you the information needed to fuel your decision making
- Write contracts and negotiate transactions with confidence by understanding price drivers and fluctuations
- Trade at price levels that are in synch with market participants
- Develop a strategy for your assets planning with robust forecasting from Platts Analytics.

How would Platts Analytics Scenario Planning Service (SPS) benefit your company?

Platts Analytics Scenario Planning Service (SPS), offers clients insights into the different pathways around the Energy Transition and achieving long term climate goals – supporting informed decisions in this rapidly moving space. Hydrogen is a flexible energy carrier that can reduce emissions from key sectors where renewables/battery solutions are challenged to provide meaningful decarbonization. SPS combines global, comprehensive, cross-commodity modeling together with deep dives into transformative technologies and policies – with hydrogen a key areas of focus. Detailed research includes analysis of hydrogen production and transport pathways, cost trajectories and uptake in key sectors such as longhaul transport and steelmaking.

About S&P Global Platts

At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

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