

# Platts CNC and Household Devices Carbon Credit Price Assessments

Six months following the launch of the Platts CEC, interest in the voluntary carbon credit markets has continued to evolve. Not only are buyers looking to off-set carbon emissions, there has been an increased focus on how those emissions are off-set, which has led to a surge in demand for credits generated by nature-based and community-based projects. Platts has launched two new carbon credit assessments to bring much-needed additional transparency to these markets: Platts CNC and the Platts Household Devices voluntary carbon credit assessments.

Together with CEC, these additional assessments will provide a comprehensive picture of prices in the swiftly developing global voluntary carbon credits market.

## What is the Platts CNC Price assessment?

Platts has launched a daily price assessment that reflects the most competitive Nature-Based Carbon Credits in dollars per metric ton of carbon dioxide equivalent (\$/mtCO<sub>2</sub>e) and Euros per metric ton of carbon dioxide equivalent (Eur/mtCO<sub>2</sub>e). The Platts CNC reflects value at 16:30 London time and represents five lots of 1,000 CO<sub>2</sub>e units each. Platts reflects credits from nature-based projects that carry standard Sustainable Development Goal (SDG) co-benefits (i.e. Climate Action) certified by the following groups: The Gold Standard, Climate Action Reserve (CAR), Verified Carbon Standard (VCS), Architecture for REDD+ Transactions, and American Carbon Registry (ACR).

Both Avoidance/Reduction Nature-Based Carbon Credits (i.e. avoided de-forestation, REDD+) and Removal Carbon Credits (i.e. soil sequestration, reforestation/afforestation) can be used in the assessment of the Platts CNC.

Platts CNC reflects the spot market for maturations, or vintages, of each of the last five years for delivery in the current year. Platts does not publish separate values for different vintages of the CNC assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages for current year delivery. It does not reflect price differences caused by any additional, non-standard project co-benefits or location which may have a measurable impact on the cost of a specific carbon credit. While credits that specify additional co-benefits or specific geographical regions may be used in the Platts CNC assessment process, they may be normalised back to a neutral nature-based credit for the purposes of assessment.

## What is the Platts Household Devices Carbon Credit Price Assessment?

Platts has launched a daily price assessment that reflects the most competitive Household Device Carbon Credits in \$/mtCO<sub>2</sub>e and Eur/mtCO<sub>2</sub>e at 16:30 London time. The Platts' Household Device Carbon Credit assessment reflects 20 lots of 1,000 CO<sub>2</sub>e units each. Platts reflects credits from Household device projects that carry standard SDG co-benefits (i.e. Good Health & Well-Being, Zero Hunger) from projects certified by the following groups: The Gold Standard, Climate Action Reserve (CAR), Verified Carbon Standard (VCS), Architecture for REDD+ Transactions, and American Carbon Registry (ACR).

The Platts Household Devices Carbon Credit Assessment reflects the spot market for vintages of the last three years for delivery in the current year. Platts does not publish separate values for different vintages of the Household devices assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages for current year delivery. It does not reflect price differences caused by additional, non-standard project co-benefits or location which may have a measurable impact on the costs of a specific carbon credit. While credits that specify additional co-benefits or specific geographical regions may be used in the Platts Household Devices assessment process, they may be normalised back to a neutral credit for the purposes of assessment.

## What makes these prices different than Platts CEC?

The Platts CNC will provide additional pricing transparency for Nature-based Carbon Credits, which are in high demand in the market and often price differently than other types of carbon credits. Nature-based carbon capture projects, many of them from avoided deforestation and REDD+ projects, make up a large proportion of the credits available in the Voluntary Carbon Credit Market. While these projects may be included in the Platts CEC, they frequently price at a premium to other types of Voluntary Carbon Credit projects such as Renewable Energy. The Platts CNC will bring pricing transparency to a part of the VCM that is currently very active but is not fully reflected in the CORSIA-eligible market.

The Platts Household Devices Carbon Credit assessment will be the first carbon credit price that fully reflects carbon credits generated by Household Device projects like Cookstoves. Household device projects are often locally managed, community-based projects that carry strong additional SDG co-benefits. As a result, carbon credits generated by these types of projects often trade at a substantial premium to larger projects with fewer co-benefits. While Household Device projects are classified as Avoidance/Reduction-style projects, they typically trade independently of other Avoidance/Reduction-style projects.

The introduction of these two new sets of price assessments to Platts' voluntary carbon market coverage will provide additional transparency to the evolving Voluntary Carbon Markets at a time when there is a growing focus on greenhouse gas emissions across all different sectors of the economy. Platts' growing suite of carbon credit assessments will help market participants to make informed choices about the price of carbon, which will continue to have a growing influence on company, investor and buyer decisions moving forward.

## How does Platts assess its Carbon Credit Prices?

All of Platts' voluntary carbon credit assessments reflect bids, offers and trades for any eligible credits as reported in either the Platts Market on Close process, in the brokered and retail markets, or on trading and exchange instruments for delivery within the current calendar year. In the case of Platts CNC, this would include any trading activity in instruments that reflect delivery of nature-based carbon credits.

All of the information used to inform the assessment is published transparently on Platts' platforms as heards.

## Why are these prices important?

- These new price assessments bring additional transparency to an opaque, and fast-developing market.
- Provide the first concrete, daily prices for Household Device Carbon Credits.
- Help buyers and sellers to make informed planning and trading decisions.

## Where are the prices and commentary published?

- Platts Platform
- Platts Live
- Commentary: European Marketscan, Asia Pacific Arab Gulf Marketscan, US Marketscan

## Who can I contact to learn more about this price assessment?

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