

# Specifications Guide

## Carbon Markets

Latest update: August 2021

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## DEFINITIONS OF THE TRADING LOCATIONS FOR WHICH PLATTS PUBLISHES DAILY INDEXES OR ASSESSMENTS

The following specifications guide contains the primary specifications for Platts Carbon Credit and Allowance assessments. All the assessments listed here employ Platts Assessments Methodology, as published at [https://www.spglobal.com/platts/plattscontent/\\_assets/\\_files/en/our-methodology/methodology-specifications/platts-assessments-methodology-guide.pdf](https://www.spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/platts-assessments-methodology-guide.pdf).

These guides are designed to give Platts subscribers as much information as possible about a wide range of methodology and specification questions.

This guide is current at the time of publication. Platts may issue further updates and enhancements to this guide and will announce these to subscribers through its usual publications of record. Such updates will be included in the next version of this guide. Platts editorial staff and managers are available to provide guidance when assessment issues require clarification.

### Platts voluntary carbon credit price assessment specifications

Carbon credits are generated by specific projects that avoid or remove GHG emissions, and are verified and validated by a set of independent standards that have been created by coalitions of NGOs and market participants over the last few decades.

The voluntary carbon markets have evolved to encompass a large range of project types, geographies and standards ranging from renewables in India to forestry in Brazil. Voluntary carbon credits have been embraced by investors and corporations as a tool for financing the reduction of emissions.

The carbon credits reflected may be retired at some point in the future as an offset for the purposes of carbon accounting.

Platts carbon credit assessments reflect bids, offers and trades as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments.

Platts reflects high-quality, voluntary credits which fund projects that demonstrate the following:

- **Additionality:** The project should not be legally required, common practice, or financially attractive in the absence of credit revenues.
- **No Overestimation:** CO2 emissions reduction should match the number of offset credits issued for the project and should take account for any unintended greenhouse gas (GHG) emissions caused by the project. Projects should be monitored to ensure the number of credits issued continues to match the reduction of CO2 emissions, particularly in the event a project is at risk of reversal (ie nature-based projects involving land use and forestry).
- **Permanence:** The impact of the GHG emission reduction should not be at risk of reversal and should result in a permanent drop in emissions. In the event a project is at risk of reversal (ie, in the event of a forestry credit which may see reversal in the event of a fire) this must be accounted for in the number of credits issued by the project.
- **Exclusive Claim:** Each metric ton of CO2 can only be claimed once and must include proof of the credit retirement upon project maturation. A credit becomes an offset at retirement.
- **Provide additional social and environmental benefits:** Projects must comply with all legal requirements of its jurisdiction and should provide additional co-benefits in line with the UN's Sustainable Development Goals (SDGs) such as, but not limited to: community employment, biodiversity and biological habitat conservation, improvements to air and/or water quality, and improve access to community health

and education resources. Community-based projects which provide strong additional co-benefits are an important part of the growing carbon credit market and will be reflected in Platts' Global Carbon Assessments. Details of how additional social and environmental benefits are dealt with in price assessments are outlined below.

The UN's Sustainable Development Goals can be found here: [https://www.undp.org/content/undp/en/home/sustainable-development-goals.html#:~:text=The%20Sustainable%20Development%20Goals%20\(SDGs,peace%20and%20prosperity%20by%202030.](https://www.undp.org/content/undp/en/home/sustainable-development-goals.html#:~:text=The%20Sustainable%20Development%20Goals%20(SDGs,peace%20and%20prosperity%20by%202030.)

#### Registries and Standards

Platts Voluntary Carbon Credit Assessments reflect 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).

#### Timestamps & Conversions

Platts Voluntary Carbon Credit Assessments are published in prices per metric ton of Carbon Dioxide equivalent and reflect a global timestamp of 12:00 GMT and are available in Euros, Chinese Yuan, Japanese Yen, Indian Rupees, Brazilian Reals, Singapore Dollars, Australian Dollars and Russian Rubles.

**Geography**

Project location can have a measurable impact on the cost of a specific carbon credit. Platts' Voluntary Carbon Credit Assessments reflect carbon credits net of any additional co-benefits or specific geographical region. While these credits may be used in the assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral carbon price for assessment purposes.

Platts defines regions as follows:

- Europe
- North America
- Central America
- South America
- South East Asia
- North Asia

- West Africa
- Eastern Africa
- Northern Africa
- Southern Africa
- Oceania

**Co-Benefits**

Platts accepts bids, offers and trade information for carbon credits that come with additional social, environmental and economic co-benefits as outlined in the UN's Sustainable Development Goals, beyond the value of the carbon itself. In order to ensure that credits from projects with strong environmental and social co-benefits are represented in the Platts' Global Carbon Credit assessments, Platts will normalize any named credit co-benefits back to the neutral value of carbon by subtracting the value of the co-benefit from the price of a bid, offer or interest to trade for the purposes of assessment.

Platts labels co-benefits as follows:

1	poverty	No Poverty
2	hunger	Zero Hunger
3	health	Good Health and Well-Being
4	education	Quality Education
5	gender	Gender Equality
6	water	Clean Water and Sanitation
7	energy	Affordable and Clean Energy
8	work	Decent Work and Economic Growth
9	industry	Industry, Innovation and Infrastructure
10	equality	Reduced Inequalities
11	sustainability	Sustainable Cities and Communities
12	consumption	Responsible Consumption and Production
13	climate	Climate Action
14	underwater	Life Below Water
15	land	Life on Land
16	peace	Peace, Justice and Strong Institutions
17	partnership	Partnerships for the goals

## STAND-ALONE CARBON CREDIT ASSESSMENTS

Assessment Name	Platts CEC	Platts CNC	Platts Renewable Energy Curr Year	Platts Renewable Energy Yr01	Platts Methane Collection	Platts Methane Collection Yr01
\$/mtCO <sub>2</sub> e	PCECA00	CNCAD00	CNRED00	CNRED10	AMECA00	AMECB00
\$/mtCO <sub>2</sub> e Mavg	PCECA03	CNCAD03	CNRED03	CNRED13	AMECA03	AMECB03
Eur/mtCO <sub>2</sub> e	PCECE00	CNCAE00	CNREE00	CNREE13	AMECC00	AMECD00
Eur/mtCO <sub>2</sub> e Mavg	PCECE03	CNCAE03	CNREE03	CNREE13	AMECC03	AMECD03
CNY/mtCO <sub>2</sub> e	PCECG00	CNCAG00	CNREG00	CNREG10	AMECE00	AMECF00
CNY/mtCO <sub>2</sub> e Mavg	PCECG03	CNCAG03	CNREG03	CNREG03	AMECE03	AMECF03
JPY/mtCO <sub>2</sub> e	PCECK00	CNCAK00	CNREK00	CNREK10	AMECO00	AMECP00
JPY/mtCO <sub>2</sub> e Mavg	PCECK03	CNCAK03	CNREK03	CNREK13	AMECO03	AMECP03
INR/mtCO <sub>2</sub> e	PCECH00	CNCAH00	CNREH00	CNREH10	AMECI00	AMECJ00
INR/mtCO <sub>2</sub> e Mavg	PCECH03	CNCAH03	CNREH03	CNREH13	AMECI03	AMECJ03
BRL/mtCO <sub>2</sub> e	PCECF00	CNCAF00	CNREF00	CNREF10	AMECG00	AMECH00
BRL/mtCO <sub>2</sub> e Mavg	PCECF03	CNCAF03	CNREF03	CNREF13	AMECG03	AMECH03
SGD/mtCO <sub>2</sub> e	PCECI00	CNCAI00	CNREI00	CNREI10	AMECK00	AMECL00
SGD/mtCO <sub>2</sub> e Mavg	PCECI03	CNCAI03	CNREI03	CNREI13	AMECK03	AMECL03
AUD/mtCO <sub>2</sub> e	PCECJ00	CNCAJ00	CNREJ00	CNREJ10	AMECM00	AMECN00
AUD/mtCO <sub>2</sub> e Mavg	PCECJ03	CNCAJ03	CNREJ03	CNREJ13	AMECM03	AMECN03
RUB/mtCO <sub>2</sub> e	PCECL00	CNCAL00	CNREL00	CNREL10	AMECQ00	AMECR00
RUB/mtCO <sub>2</sub> e Mavg	PCECL03	CNCAL03	CNREL03	CNREL13	AMECQ03	AMECR03
Minimum Size	5,000 mt	5,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt
Maximum Size	N/A	N/A	N/A	N/A	N/A	N/A

## Platts Stand-alone Voluntary Carbon Credit Assessments

### Platts CEC

This assessment reflects carbon credits eligible for the International Civil Aviation Organization's CORSIA program. Under the ICAO, airlines have committed to reducing their Carbon footprint through an initial voluntary period (2021-2023) and a subsequent mandatory reduction period (2024 onwards), per the registry and methodology limits set out here: <https://www.icao.int/environmental-protection/CORSIA/Pages/default.aspx>.

The Platts CEC assessment reflects bids, offers and trades for CORSIA-compliant credits as reported in either the Platts

Market on Close process, in the brokered market, or on trading and exchange instruments. This includes any trading activity in instruments that reflect delivery of CORSIA-eligible credits. Platts reflects activity in which buyers agree to take any suitable credits that meet the requirements around guidelines and standards of both CORSIA and Platts.

Platts CEC is measured in \$/mtCO<sub>2</sub>e and represents five lots of 1,000 CO<sub>2</sub>e units each.

Platts reflects the methodologies for these standards for the relevant types of carbon credit projects listed as per ICAO's guidelines.

### Vintage

Platts CEC reflects the spot market for specific maturations,

or vintages as per ICAO's guidelines. Platts does not publish separate values of different vintages for the CEC assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

### Delivery

Platts publishes CEC for current year delivery only.

### Co-Benefits

Project co-benefits can have a measurable impact on the cost of a specific carbon credit. Platts CEC reflects carbon credits without co-benefits. While these credits may be used in the Platts CEC assessment process, bids, offers and trades that specify individual co-benefits may be normalized back to a neutral CORSIA-eligible credit for assessment purposes.

## Platts CNC

This assessment reflects the most competitive nature-based carbon credits that either avoid or remove GHG emissions. The Platts CNC reflects bids, offers and trades for nature-based credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. This includes any trading activity in instruments that reflect delivery of nature-based credits. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines nature-based credits as any Avoidance/Reduction or Removals credits that fall within Forestry, Farming & Land Management. This includes, but is not limited to, credits that avoid deforestation (including REDD/REDD+), no till farming, wetland management, soil sequestration (including biochar), reforestation and afforestation projects.

Platts CNC is measured in \$/mtCO<sub>2</sub>e and represents five lots of 1,000 CO<sub>2</sub>e units each.

Platts CNC reflects nature-based VCS credits that also include Climate, Community & Biodiversity (CCB) certification. CCB Standards identify land-use projects that include benefits that support local communities and conserve biodiversity, in addition meeting climate action objectives. Platts does not reflect nature-based projects that only include CCB certification in the Platts CNC.

### Vintage

Platts CNC reflects the spot market for maturations, or vintages, of each of the last five years, including current year. So, for example, for assessments in 2021, Platts would reflect nature-based credit vintages from 2017-2021. Platts does not publish separate values of different vintages for the CNC assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

### Delivery

Platts publishes CNC for current year delivery only.

### Co-Benefits and Geography

Project co-benefits can have a measurable impact on the cost of a specific carbon credit. Platts CNC reflects carbon credits without additional co-benefits or specific geographical region beyond standard co-benefits for nature-based projects. While these credits may be used in the Platts CNC assessment process, bids, offers and trades that specify individual co-benefits may be normalized back to a neutral nature-based credit for assessment purposes. CNC reflects the most competitive geographic location for these projects.

## Platts Renewable Energy Carbon Credits

This assessment reflects the most competitive renewable energy carbon credits that avoid GHG emissions. Platts Renewable Energy reflects bids, offers and trades for renewable energy credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. This includes any trading activity in instruments that reflect delivery of renewable energy credits. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines renewable energy credits as any avoidance credits that contribute to the development of renewable energy projects. This includes, but is not limited to hydro, wind, solar and biomass projects.

Platts Renewable Energy is measured in \$/mtCO<sub>2</sub>e and represents 20 lots of 1,000 CO<sub>2</sub>e units each.

### Vintage

Platts Renewable Energy reflects the spot market for maturations, or vintages, of each of the last three years, including current year. So, for example, for assessments in 2021, Platts

would reflect renewable energy credit vintages from 2019-2021. Platts does not publish separate values of different vintages for the Renewable Energy assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

### Delivery

Platts publishes Renewable Energy assessments for both current year delivery and delivery one year forward. For example, in calendar year 2021, Platts would publish Renewable Energy Assessments for delivery in 2021 and 2022.

### Co-Benefits and Geography

Project co-benefits can have a measurable impact on the cost of a specific carbon credit. Platts Renewable Energy reflects carbon credits without additional co-benefits or specific geographical region beyond standard co-benefits for renewable energy projects. While these credits may be used in the Platts Renewable Energy assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral renewable energy credit for assessment purposes.

## Platts Methane Collection

This assessment reflects the most competitive methane collection carbon credits that avoid or reduce GHG emissions. Platts Methane Collection reflects bids, offers and trades for methane collection credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines methane collection credits as any avoidance or reduction credits that contribute to the development of methane reduction projects. This includes, but is not limited to landfill gas collection, waste gas, and livestock waste management projects.

Platts Methane Collection is measured in \$/mtCO<sub>2</sub>e and represents 20 lots of 1,000 CO<sub>2</sub>e units each.

#### Vintage

Platts Methane Collection reflects the spot market for maturations, or vintages, of each of the last three years, including current year. So, for example, for assessments in 2021, Platts would reflect methane collection credit vintages from 2019-2021. Platts does not publish separate values of different vintages for the Methane Collection assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

#### Delivery

Platts publishes Methane Collection assessments for both current year delivery and delivery one year forward. For example, in calendar year 2021, Platts would publish Methane Collection Assessments for delivery in 2021 and 2022.

#### Co-Benefits and Geography

Project co-benefits can have a measurable impact on the cost of a specific carbon credit. Platts Methane Collection reflects carbon credits without additional co-benefits or specific geographical region beyond standard co-benefits for methane collection projects. While these credits may be used in the Platts Renewable Energy assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral methane collection credit for assessment purposes.

**PLATTS AVOIDANCE-BASED CREDITS**

Assessment Name	Platts CAC Curr Year	Platts CAC Yr01	Platts Household Devices Curr Year	Platts Household Devices Yr01	Platts Industrial Pollutants Curr Year	Platts Industrial Pollutants Yr01	Platts Nature-Based Avoidance Curr Year	Platts Nature-Based Avoidance Yr01
\$/mtCO2e	ACACA00	ACACB00	CNHDD00	AHDVA00	APOLA00	APOLB00	ANBAA00	ANBAB00
\$/mtCO2e Mavg	ACACA03	ACACB03	CNHDD03	AHDVA03	APOLA03	APOLB03	ANBAA03	ANBAB03
Eur/mtCO2e	ACACC00	ACACD00	CNHDE00	AHDVB00	APOLC00	APOLD00	ANBAC00	ANBAD00
Eur/mtCO2e Mavg	ACACC03	ACACD03	CNHDE03	AHDVB03	APOLC03	APOLD03	ANBAC03	ANBAD03
CNY/mtCO2e	ACACE00	ACACF00	CNHDG00	AHDVE00	APOLE00	APOLF00	ANBAE00	ANBAF00
CNY/mtCO2e Mavg	ACACE03	ACACF03	CNHDG03	AHDVE03	APOLE03	APOLF03	ANBAE03	ANBAF03
JPY/mtCO2e	ACAC000	ACACP00	CNHDK00	AHDVH00	APOLO00	APOLP00	ANBAO00	ANBAP00
JPY/mtCO2e Mavg	ACAC003	ACACP03	CNHDK03	AHDVH03	APOLO03	APOLP03	ANBAO03	ANBAP03
INR/mtCO2e	ACACI00	ACACJ00	CNHDH00	AHDVD00	APOLI00	APOLJ00	ANBAI00	ANBAJ00
INR/mtCO2e Mavg	ACACI03	ACACJ03	CNHDH03	AHDVD03	APOLI03	APOLJ03	ANBAI03	ANBAJ03
BRL/mtCO2e	ACACG00	ACACH00	CNHDF00	AHDVC00	APOLG00	APOLH00	ANBAG00	ANBAH00
BRL/mtCO2e Mavg	ACACG03	ACACH03	CNHDF03	AHDVC03	APOLG03	APOLH03	ANBAG03	ANBAH03
SGD/mtCO2e	ACACK00	ACACL00	CNHDI00	AHDVF00	APOLK00	APOLL00	ANBAK00	ANBAL00
SGD/mtCO2e Mavg	ACACK03	ACACL03	CNHDI03	AHDVF03	APOLK03	APOLL03	ANBAK03	ANBAL03
AUD/mtCO2e	ACACM00	ACACN00	CNHDJ00	AHDVG00	APOLM00	APOLN00	ANBAM00	ANBAN00
AUD/mtCO2e Mavg	ACACM03	ACACN03	CNHDJ03	AHDVG03	APOLM03	APOLN03	ANBAM03	ANBAN03
RUB/mtCO2e	ACACQ00	ACACR00	CNHDL00	AHDVI00	APOLQ00	APOLR00	ANBAQ00	ANBAR00
RUB/mtCO2e Mavg	ACACQ03	ACACR03	CNHDL03	AHDVI03	APOLQ03	APOLR03	ANBAQ03	ANBAR03
Minimum Size	20,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt
Maximum Size	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Platts CAC – GHG Avoidance Credits**

Platts CAC is a basket assessment that reflects the most competitive of the Platts Household Devices, Platts Industrial Pollutants and Platts Nature-Based Avoidance assessments. Platts publishes individual assessments for both current delivery and delivery one year forward.

For example, if Household Devices Current Year is assessed at \$6.60/mtCO2e, Industrial Pollutants is assessed at \$6.75/mtCO2e, and Nature-Based Avoidance is assessed at \$6.55/mtCO2e, Platts CAC would be assessed at \$6.55/mtCO2e.

**Platts Household Devices**

This assessment reflects the most competitive carbon credit assessments issued by Household Devices projects that either reduce or avoid GHG emissions. This assessment reflects bids, offers and trades for Household Devices credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines Household Devices projects as any projects that lead to improved Energy Efficiency and Water Access including, but not limited to Clean Cookstoves projects, improved building energy efficiency, and clean water access.

Platts Household Devices is measured in \$/mtCO2e and represents twenty lots of 1,000 CO2e units each.

**Vintage**

Platts Household Devices reflects the spot market for maturations, or vintages, of each of the last four years, including the current year. So, for example, for assessments in 2021, Platts would reflect Household Devices credit vintages from 2018–2021. Platts does not publish separate values of different vintages for the Household Devices assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

**Delivery**

Platts publishes Household Devices assessments for both current year delivery and delivery one year forward. For example,

in calendar year 2021, Platts would publish Household Devices Assessments for delivery in 2021 and 2022

#### Co-Benefits and Geography

Both project co-benefits and project location can have a measurable impact on the cost of a specific carbon credit. Platts Household Devices reflects carbon credits with standard SDG benefits for this project type, but not any additional co-benefits or specific geographical region. While credits with additional SDG benefits may be used in the Platts Household Devices assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral Household Device credit for assessment purposes.

#### **Platts Industrial Pollutants**

This assessment reflects the most competitive carbon credit assessments issued by Industrial Pollutants projects that either reduce or avoid GHG emissions. This assessment reflects bids, offers and trades for Industrial Pollutants' credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines Industrial Pollutants projects as any projects that destroy or manage Industrial Pollutants through industry including, but not limited to Fugitive Emissions Management, Ozone-Depleting Substances capture and destruction, Wastewater Treatment and Nitric Acid management projects.

Platts Industrial Pollutants is measured in \$/mtCO<sub>2</sub>e and represents twenty lots of 1,000 CO<sub>2</sub>e units each.

#### Vintage

Platts Industrial Pollutants reflects the spot market for maturations, or vintages, of each of the last four years, including the current year. So, for example, for assessments in 2021, Platts would reflect Industrial Pollutants credit vintages from

2018-2021. Platts does not publish separate values of different vintages for the Industrial Pollutant assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

#### Delivery

Platts publishes Industrial Pollutants assessments for both current year delivery and delivery one year forward. For example, in calendar year 2021, Platts would publish Industrial Pollutants Assessments for delivery in 2021 and 2022

#### Co-Benefits and Geography

Both project co-benefits and project location can have a measurable impact on the cost of a specific carbon credit. Platts Industrial Pollutants reflects carbon credits with standard SDG benefits for this project type, but not any additional co-benefits or specific geographical region. While credits with additional SDG benefits may be used in the Platts Industrial Pollutants assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral Industrial Pollutants credit for assessment purposes.

#### **Platts Nature-Based Avoidance**

This assessment reflects the most competitive carbon credit assessments issued by nature-based projects avoid GHG emissions. This assessment reflects bids, offers and trades for Nature-Based Avoidance credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines Nature-based avoidance projects as any projects that fall within Forestry, Farming & Land Management. This includes, but is not limited to, credits that avoid deforestation (including REDD/REDD+), no till farming and wetland management.

Platts Nature-Based Avoidance is measured in \$/mtCO<sub>2</sub>e and represents twenty lots of 1,000 CO<sub>2</sub>e units each.

Platts Nature-Based Avoidance reflects VCS credits that also include Climate, Community & Biodiversity (CCB) certification. CCB Standards identify land-use projects that include benefits that support local communities and conserve biodiversity, in addition meeting climate action objectives. Platts does not reflect nature-based projects that only include CCB certification in the Platts CNC.

#### Vintage

Platts Nature-Based Avoidance reflects the spot market for maturations, or vintages, of each of the last five years, including the current year. So, for example, for assessments in 2021, Platts would reflect Nature-Based Avoidance credit vintages from 2017-2021. Platts does not publish separate values of different vintages for the Nature-Based Avoidance assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

#### Delivery

Platts publishes Nature-Based Avoidance assessments for both current year delivery and delivery one year forward. For example, in calendar year 2021, Platts would publish Nature-Based Avoidance Assessments for delivery in 2021 and 2022

#### Co-Benefits and Geography

Both project co-benefits and project location can have a measurable impact on the cost of a specific carbon credit. Platts Nature-Based Avoidance reflects carbon credits with standard SDG benefits for this project type, but not any additional co-benefits or specific geographical region. While credits with additional SDG benefits may be used in the Platts Nature-Based Avoidance assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral Nature-Based Avoidance credit for assessment purposes.

**PLATTS REMOVALS-BASED CREDITS**

Assessment Name	Platts CRC Curr Year	Platts CRC Yr01	Platts Natural Carbon Capture Curr Year	Platts Natural Carbon Capture Yr01	Platts Tech Carbon Capture Curr Year	Platts Tech Carbon Capture Yr01
\$/mtCO <sub>2</sub> e	ACRCA00	ACRCB00	ANCCA00	ANCCB00	ATCCA00	ATCCB00
\$/mtCO <sub>2</sub> e Mavg	ACRCA03	ACRCB03	ANCCA03	ANCCB03	ATCCA03	ATCCB03
Eur/mtCO <sub>2</sub> e	ACRCC00	ACRCD00	ANCC00	ANCCD00	ATCCC00	ATCCD00
Eur/mtCO <sub>2</sub> e Mavg	ACRCC03	ACRCD03	ANCC03	ANCCD03	ATCCC03	ATCCD03
CNY/mtCO <sub>2</sub> e	ACRCE00	ACRCF00	ANCC00	ANCCF00	ATCCE00	ATCCF00
CNY/mtCO <sub>2</sub> e Mavg	ACRCE03	ACRCF03	ANCC03	ANCCF03	ATCCE03	ATCCF03
JPY/mtCO <sub>2</sub> e	ACRC000	ACRCP00	ANCC000	ANCCP00	ATCC000	ATCCP00
JPY/mtCO <sub>2</sub> e Mavg	ACRC003	ACRCP03	ANCC003	ANCCP03	ATCC003	ATCCP03
INR/mtCO <sub>2</sub> e	ACRCI00	ACRCJ00	ANCCI00	ANCCJ00	ATCCI00	ATCCJ00
INR/mtCO <sub>2</sub> e Mavg	ACRCI03	ACRCJ03	ANCCI03	ANCCJ03	ATCCI03	ATCCJ03
BRL/mtCO <sub>2</sub> e	ACRCG00	ACRCH00	ANCCG00	ANCCH00	ATCCG00	ATCCH00
BRL/mtCO <sub>2</sub> e Mavg	ACRCG03	ACRCH03	ANCCG03	ANCCH03	ATCCG03	ATCCH03
SGD/mtCO <sub>2</sub> e	ACRCCK00	ACRCL00	ANCCCK00	ANCCCL00	ATCCCK00	ATCCCL00
SGD/mtCO <sub>2</sub> e Mavg	ACRCCK03	ACRCL03	ANCCCK03	ANCCCL03	ATCCCK03	ATCCCL03
AUD/mtCO <sub>2</sub> e	ACRCM00	ACRCN00	ANCCM00	ANCCN00	ATCCM00	ATCCN00
AUD/mtCO <sub>2</sub> e Mavg	ACRCM03	ACRCN03	ANCCM03	ANCCN03	ATCCM03	ATCCN03
RUB/mtCO <sub>2</sub> e	ACRCQ00	ACRCR00	ANCCQ00	ANCCR00	ATCCQ00	ATCCR00
RUB/mtCO <sub>2</sub> e Mavg	ACRCQ03	ACRCR03	ANCCQ03	ANCCR03	ATCCQ03	ATCCR03
Minimum Size	20,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt	20,000 mt
Maximum Size	N/A	N/A	N/A	N/A	N/A	N/A

**Platts CRC – GHG Removal Credits**

Platts CRC is a basket assessment that reflects the most competitive of the Platts Natural Carbon Capture and Platts Technological Carbon Capture assessments.

For example, if Natural Carbon Capture Current Year is assessed at \$20/mtCO<sub>2</sub>e and Technological Carbon Capture was assessed at \$25/mtCO<sub>2</sub>e, Platts CRC would be assessed at \$20/mtCO<sub>2</sub>e.

**Platts Natural Carbon Capture**

This assessment reflects the most competitive carbon credit assessments issued by nature-based projects that remove GHG emissions. This assessment reflects bids, offers and trades for

Natural Carbon Capture credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines Natural Carbon Capture projects as any GHG removal projects that fall within Forestry, Farming & Land Management. This includes, but is not limited to, credits generated from reforestation and afforestation projects, soil sequestration (including biochar), and wetland restoration.

Platts Natural Carbon Capture is measured in \$/mtCO<sub>2</sub>e and represents twenty lots of 1,000 CO<sub>2</sub>e units each.

Platts Natural Carbon Capture reflects VCS credits that also include Climate, Community & Biodiversity (CCB) certification. CCB Standards identify land-use projects that include benefits that support local communities and conserve biodiversity, in addition meeting climate action objectives. Platts does not reflect nature-based projects that only include CCB certification in the Platts CNC.

**Vintage**

Platts Natural Carbon Capture reflects the spot market for maturations, or vintages, of each of the last five years, including the current year. So, for example, for assessments in 2021, Platts would reflect Natural Carbon Capture credit vintages from 2017-2021. Platts does not publish separate values of different vintages for the Natural Carbon Capture assessment, but rather

reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

#### Delivery

Platts publishes Natural Carbon Capture assessments for both current year delivery and delivery one year forward. For example, in calendar year 2021, Platts would publish Natural Carbon Capture Assessments for delivery in 2021 and 2022.

#### Co-Benefits and Geography

Both project co-benefits and project location can have a measurable impact on the cost of a specific carbon credit. Platts Natural Carbon Capture reflects carbon credits with standard SDG benefits for this project type, but not any additional co-benefits or specific geographical region. While credits with additional SDG benefits may be used in the Platts Natural Carbon Capture assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral Natural Carbon Capture credit for assessment purposes.

#### **Platts Tech Carbon Capture**

This assessment reflects the most competitive carbon credit assessments issued by technology projects that remove GHG

emissions. This assessment reflects bids, offers and trades for Technological Carbon Capture credits as reported in either the Platts Market on Close process, in the brokered market, or on trading and exchange instruments. Platts reflects activity in which buyers agree to take any suitable credits that meet requirements around Platts guidelines and standards.

Platts defines Technological Carbon Capture projects as any tech-based projects that capture and remove GHG emissions from the atmosphere. This includes, but is not limited to, credits generated from mineralization, direct air capture and carbon capture and storage. This project type currently makes up a very small portion of the projects currently generating credits in the voluntary carbon markets, but this is expected to scale up in the coming years, leading to the generation of a greater number of credits.

Platts Tech Carbon Capture is measured in \$/mtCO<sub>2</sub>e and represents twenty lots of 1,000 CO<sub>2</sub>e units each.

#### Vintage

Platts Tech Carbon Capture reflects the spot market for maturations, or vintages, of each of the last five years, including the current year. So, for example, for assessments in 2021, Platts would reflect Technological Carbon Capture credit vintages from

2017-2021. Platts does not publish separate values of different vintages for the Technological Carbon Capture assessment, but rather reflects bids, offers and trades in which a buyer agrees to take any suitable vintages.

#### Delivery

Platts publishes Technological Carbon Capture assessments for both current year delivery and delivery one year forward. For example, in calendar year 2021, Platts would publish Technological Carbon Capture Assessments for delivery in 2021 and 2022.

#### Co-Benefits and Geography

Both project co-benefits and project location can have a measurable impact on the cost of a specific carbon credit. Platts Tech Carbon Capture reflects carbon credits with standard SDG benefits for this project type, but not any additional co-benefits or specific geographical region. While credits with additional SDG benefits may be used in the Platts Tech Carbon Capture assessment process, bids, offers and trades that specify individual co-benefits and geographies may be normalized back to a neutral Technological Carbon Capture credit for assessment purposes.

## COMPLIANCE MARKET ALLOWANCE ASSESSMENTS

Assessment Name	Code	Euro Conversion	Unit	Minimum Size	Maximum Size
EC Carbon Auction Spot Price Qtly	PCECB00	N/A	\$/mt	N/A	N/A
EU Allowances Nearest December	EADLP00	N/A	Eur/mt	10,000 mt	50,000 mt
EU Allowances Nearest December +1	EADLP11	N/A	Eur/mt	10,000 mt	50,000 mt
EU Allowances Nearest December +2	EADLP22	N/A	Eur/mt	10,000 mt	50,000 mt
UK Allowances Nearest December	AIEUK00	AIDUK00	GBP/mt	10,000 mt	20,000 mt
UK Allowances Nearest December +1	AIEUK11	AIDUK11	GBP/mt	10,000 mt	20,000 mt
UK Allowances Nearest December +2	AIEUK22	AIDUK22	GBP/mt	10,000 mt	20,000 mt

### Platts carbon allowance price assessments

European Union Allowances (EUAs) are financial instruments used in the European Union Emissions Trading Scheme. Companies must hand over 1 EUA for every mt of carbon dioxide or CO2 equivalent greenhouse gas emitted each year. The emission allowance is defined in Article III a of the EU ETS Directive as being “an allowance to emit one ton of carbon dioxide equivalent during a specified period, which shall be valid only for the purposes of meeting the requirements of this Directive and shall be transferable in accordance with the provisions of this Directive.”

They are held in electronic accounts and are submitted electronically to a central EU registry (the Union registry). They can be physically delivered through a forward/futures contract or can be banked i.e. held for use in a future year. Those that hold a surplus can sell them to those that have a shortfall. The deadline for submitting emissions data (for previous calendar

year) is March 31; the deadline for compliance (surrendering EUAs) is April 30.

The UK formally left the EU Emissions Trading System on Jan 1, 2021, as part of the country’s withdrawal from the EU, and has set up its own domestic emission allowance market – UKAs. The relevant futures contract began trading on the Intercontinental Exchange (ICE) from May 19.

#### Platts European & UK Allowance standard specification

Platts assesses over the counter forward prices for European and UK Allowances out to three years ahead. These reflect market value at the end of the normal trading cycle. For European and UK Emission Allowances we define this as:

UK and Continental European forward contracts – 16:30 London time

Platts publishes forward emission assessments for Europe and the UK on all UK working days. On certain days ahead of some UK Public holidays, such as Christmas Eve and New Year’s Eve, Platts assesses the 16:30 market-on-close price earlier than normal, at 12:00 noon London time. This is to take account of typically much lower liquidity and the earlier end of trade.

Expiration date - The expiry date for contracts will be the last Monday in December unless the last Monday is a non-working day or one of the following four days is a non-working day in which case the expiry date will be the previous Monday.

Units: European Allowance prices are quoted in Eur/mt; UK Allowance prices are quoted in GBP/mt with Eur/mt equivalents.

Platts converts its UK Allowance assessments from GBP/mt to Eur/mt to allow for ease of comparison or analysis in regional markets. Such conversions are done using published exchange rates.

## REVISION HISTORY

**August 2021:** Added complete VCM methodology, including Platts CAC and Platts CRC, as well as updated geography/co-benefit language at front of document. Additionally, spelled out specifics for all individual voluntary carbon credit assessments.

**July 2021:** Added methodology clarification around CCB certification. Added in EU and UK allowance methodology.

**June 2021:** Added Platts CNC and Household Devices spot market assessments.

**April 2021:** Added Platts CEC Eur/mtCO<sub>2</sub>e to assessment table.

**January 2021:** Typos corrected.

**January 2021:** Guide created.