

Platts Analytics

Platts Scenario Planning Service



Defining and forecasting long-term outlooks and alternate scenarios for energy prices and markets to help you plan for the future.

The Platts Scenario Planning Service defines and tracks the critical assumptions behind our worldwide oil, gas and coal projections with a focus on our medium- and longer-term outlooks.

S&P Global

Platts

Platts Scenario Planning Service:

A Critical Service for Long-term Planning

Investments in the energy industry tend to have long lead times and long payout periods. Success or failure often depends on conditions five, ten or more years into the future. The Platts Scenario Planning Service (SPS) delivers an integrated outlook across energy markets and defines and tracks alternative outcomes in a way that makes them useful in testing business strategies.

Platts SPS is:

- **Quantitative**
Platts SPS focuses on and quantifies the parameters that are most important to you — namely, prices and supply/demand volumes — along with our assessment of probabilities.
- **Ongoing**
Platts SPS is an ongoing retainer service — not a multi-client study — so that we can keep the scenarios evergreen, track the key assumptions behind each one, and let clients know if and when developments in energy markets change our views on possible outcomes and probabilities.
- **Customizable**
Each client may have their own particular views or concerns over key assumptions. Platts SPS allows subscribers to get a consistent view of the energy world, under their assumptions, using S&P Global Platts proprietary models. We also work with clients to assist them in determining how best to incorporate the conclusions of the scenario work into their decision-making process.
- **Relevant**
Platts SPS covers many of the most important and relevant issues affecting the global commodities markets today.

Platts SPS can help clients answer the following questions:

- What is the most likely outlook for oil and gas prices, volumes, and the key assumptions behind them?
- What are the risks that prices and volumes could significantly differ from S&P Global Platts Reference Case?
- How much different could they be?
- What probabilities should I assign to these alternatives?
- What early warning signs will indicate whether to put increasing
- What are implications of stringent GHG policy scenarios? Of heightened penetration of renewables and electric vehicles?

Platts Scenario Planning Service Features

The Platts Scenario Planning Service provides a fully consistent supplement to S&P Global Platts Reference Case retainer services. Specifically, clients benefit from the following service components:

Annual Guidebook

- Comprehensive document that defines the assumptions behind S&P Global Platts oil and gas Reference Cases, along with long-term alternative scenarios for global and regional crude and product markets, regional natural gas markets and global coal markets. Oil products include Jet kero, gasoline, gas oil/heating oil, and fuel oil. Emphasis is placed on the 2020-2040 time frame.
- Updated long-term price outlook for WTI, Brent and Dubai crudes, North American and European and Asian natural gas (HH, TTF, Platts JKM), and CAPP and ARA coal prices.
- Identification of “signposts” that are regularly monitored by S&P Global Platts to determine whether assumptions are tracking the Reference Case or deviating toward scenario cases.
- Outlooks on renewables update as well as sectoral and fuel CO2 emission on a national level.
- Analysis on energy and environmental policy and end-use energy technology.

Quarterly Tracking Reports

- Defining of short-term scenarios surrounding S&P Global Platts near-term crude oil and natural gas outlooks.
- Updated long-term price outlook for WTI, Brent and Dubai crudes, North American and European and Asian natural gas (HH, TTF, Platts JKM), and CAPP and ARA coal prices.
- Long-term update of product prices (gasoline, distillate, jet, fuel oil) and crude spreads.
- Monitoring of “signposts,” including:
 - Latest global oil and gas demand growth trends
 - Energy and environmental policy developments
 - OPEC production, capacity and strategy plans
 - Trends of FSU and other key non-OPEC oil producers
 - Progress on key natural gas pipelines and LNG projects
 - Domestic oil and gas production trends, including shale potential, in the U.S., Europe, and Asia
 - Migration patterns of key gas-intensive manufacturing industries
 - Emerging demand and supply technologies assessment of impact on scenario probabilities

Current News and Analysis Bulletins

Sent on an “as-events-dictate” basis, insightful assessments of specific events with the potential to alter trends.

Annual Roundtables (Houston and London)

Subscribers can attend one of the annual roundtables, which provide an opportunity for attendees to:

- Discuss scenarios directly with S&P Global Platts team.
- Dialogue over specific key concerns.
- Define additional scenarios of interest.
- Attend special in-depth presentations which typically cover topics such as:
 - World oil — limits to North American and global shale liquids production.
 - North American natural gas — scenarios around LNG exports and natural implications for pricing.
 - Global natural gas and LNG – renewables as a limiting factor to the global market for gas in power generation.
 - Refining/relative crude pricing — assessment of drivers impacting North American vs. Global crude prices.
 - Political risk and energy policy — the long-term impact of MENA political instability on OPEC supply availability.
 - Technology changes - assessing new, evolutionary and disruptive technologies and their potential energy sector implications.

Global Gas Analysis

- A gas demand outlook that uses Platts’s World Energy Demand Model, calculating the total energy requirements for each of the four primary energy consuming sectors and determining which fuels are likely to meet those requirements.
- Integrated with S&P Global Platts North American and European Natural Gas and Global LNG Analytics services.
- Long-term demand, supply, pipeline shipments and LNG imports and exports provided for select countries/regions.

Electric Vehicle Sales and Policy Scorecard

Regular analytics around developments, technologies and policies driving alternative transport, including implications for vehicle fleets, fuel demand and emissions. In addition to the more focused topical bulletins and special reports, the quarterly Electric Vehicle Sales and Policy Scorecard, summarizes latest EV sales, Platts Analytics estimates of oil displacement, key drivers of uptake and ultimate EV adoption forecasts.

Power Storage Outlooks

The U.S. Power Storage Outlook examines developments in the power storage industry, provides a forecast for market penetration through 2022 and offers views of the economic potential. The European Power Storage Outlook offers a similar focus for that part of the world.

Fracking Policy Monitor

Quarterly report that examines the latest U.S. policy developments at the local, state and federal level, including regulatory actions, legislative initiatives, court rulings, trends in public opinion, and scientific studies that influence future production activity.

Alternative Transport/Electric Vehicle Analytics

Regular analytics around policies driving alternative transport, including implications for vehicle fleets and fuel demand and emissions implications. Quarterly report on trends and drivers of electric vehicle penetration.

Custom Scenario Constructions

Clients are entitled to request S&P Global Platts to use in-house tools to construct two (2) specific scenarios per year, tailored to their own views on key variables such as price, economic growth, and supply availability. When requested, we provide guidance and recommendations regarding how best to incorporate the conclusions of the scenario work into their decision-making process.

Access to S&P Platts Staff

As with all our analytics services, phone and email access to our Scenario Planning Group allows you to obtain timely analytical support, maximizing the value of the written content delivered at the roundtables.

Platts SPS: A Critical Service For Long-Term Planning

Investments in the energy industry tend to have long lead times and long payout periods. Success or failure often depends on conditions five, ten, or more years into the future. S&P Global Platts is recognized for providing a clear, quantitative best-estimate of where energy markets are headed, near and longer term.

Who Can Benefit from Platts Scenario Planning Service:

Oil and Gas Producers, Equipment Manufacturers, Drilling Companies, Shippers:

Firms in these industries have always been risk takers and cannot let uncertainty prevent them from undertaking the investments required to grow their business.

Electricity Generating Companies:

Considering the possibilities and consequences is critical to wise decision-making in the power industry. The Scenario Planning Group works closely with S&P Global Platts Natural Gas, Electric Power and Emissions groups to define realistic scenarios with meaningful consequences for the industry.

Refiners and Marketers:

The downstream business will evolve differently under alternative scenarios for oil price, availability, government policy, and end-use technology. The Platts SPS quarterly tracking reports and annual roundtables provide regular updates on developments in energy policies and automobile technology with the potential to influence longer-term trends.

Government Agencies (Energy, Environment, Finance, Commerce):

Lawmakers and executive agencies need to debate the consequences of policies under a range of possible energy futures. Finance and commerce ministries will find Platts SPS useful as well, since variation in the price and volume of oil and gas can have significant revenue and balance-of-payments consequences for both exporting and importing nations. National environmental agencies can consider progress towards achieving Paris Accord INDC targets under different scenarios.

Financial Institutions:

As banks are called upon to provide debt for new energy projects, it is imperative to analyze the profitability of projects and investments under a range of reasonable scenarios particularly those that stress test project cash generation. Platts SPS can provide the quantification they need for their analyses.

Commodity Investors:

There has been an expansion of interest in commodities, including oil and gas, as a long-term investment alternative to stocks and bonds. S&P Global Platts assessment of long-term prospects for price can serve as useful guide in assessing the long-term attractiveness of energy commodities as a portfolio option.

ESG Investors:

Investors are increasingly favoring companies that focus on sustainability and are in need of assessing the climate-related risks and opportunities within regional and global markets. Platts SPS provides a 2-Degree Scenario, which can help quantify these risks in the energy sector.

Large Energy Consumers:

Choices have to be made on large energy-intensive capital equipment purchases by manufacturers, airlines, and vehicle fleet operators.

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