

Demand for CDR credits to persist amid likely uptick in Article 6-quality credits: sources*08 Dec 2025 | News**Author: Anirudh Iyer, anirudh.iyer@spglobal.com, Himanshu Chauhan, himanshu.chauhan@spglobal.com | EN***Carbon credits | Emissions****Robust government signals may aid demand****Large corporates driving demand for CDRs****Buyers at various price points for removals**

Buying interest for carbon dioxide removal credits, especially from corporates, is likely to continue despite the emergence of competitive community-based credits going ahead from the Article 6 regime, participants told S&P Global Energy Dec. 8.

They were speaking to Platts, part of S&P Global Energy, on the sidelines of Carbon Removal India Alliance's CO2 Forward 2025 event in Delhi.

Large corporates and major technology giants in the West have largely been driving demand for carbon removal credits, particularly engineered credits, as they are able to afford these credits at higher price levels.

Platts assessed current year renewable energy price 5 cents/mtCO₂e down from the previous session at 65 cents/mtCO₂e Dec 8, while biochar, India current year price was assessed \$5/mtCO₂e higher at \$140/mtCO₂e.

Removal credits, which remove traces of carbon from the atmosphere, command a premium over avoidance credits as the former ensures minimal risk of reversal and leakage.

There will be demand from buyers at every price point in the market, an India-based buyer said, adding even at higher price points, some of the removal credits will find takers.

"In my portfolio, there are credits worth \$500/mtCO₂e, \$100/mtCO₂e, and even \$1/mtCO₂e, so it is not as if there won't be demand for removal credits at higher price levels," the buyer said.

Recently, demand for avoidance credits has taken a hit as integrity and additionality-related concerns have dented buyers' sentiment, propelling them towards high-rated nature-based and removal credits.

Platts has previously reported [Google's deal with Varaha](#), [Microsoft's trade with Exomad Green](#), and [Alt Carbon's sale of removal credits to Mitsui OSK Lines](#), highlighting the emerging presence of large corporates in the removals market.

The upcoming Paris Agreement Crediting Mechanism, or Article 6.4 market, aims to address the persisting issues in the voluntary carbon market, though methodologies and project registrations are due to be released and commence, respectively.

A few sources Platts spoke to previously said the onset of the Article 6.4 market may ensure minimal risk for integrity-related issues and make community-based credits such as cookstoves more attractive to buyers.

However, a Singapore-based buyer said avoidance and removal credits would serve different purposes, which would ensure continued support for engineered removal credits.

Also, buyers Platts spoke to saw a positive signal from sovereign governments, suggesting purchasing CDR credits were "assets that will have value in the future," would ensure demand remains robust for such expensive CDR credits going ahead.

Though price sensitivity remains a key factor that influences a buyers' decision to purchase such expensive credits, lack of any integrity or additionality-related issues in this segment may aid in nudging investors to look into this segment for investments.

"These are the four [permanence, reversal, additionality, and leakage], which primarily are the drivers for us to invest in a CDR project," an India-based investor/developer said.

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