

DEALS

BP Energy Backs Emissions-Tracking Software Maker Context Labs

Private-equity firm is leading a \$28 million investment in the Cambridge, Mass., company



Context Labs BV provides software as a service that helps businesses identify and track emissions sources on the way to reducing their environmental impact. Above, methane gas produced by an oil well is flared off near Watford City, N.D.

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By [Luis Garcia](#)

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BP Energy Partners is leading a \$28 million investment in Context Labs BV, a developer of systems that harvest and crunch data—from satellite imagery to oil-well output—to help businesses track their carbon emissions.

Context Labs offers software as a service that can gather high volumes of data and provide attributes such as time and location, to map sources of carbon emissions and help companies

spot faulty equipment, said Dan Harple, Context Labs's founder and chief executive. All collected data is validated—when, for example, sensor calibrations are checked—and encrypted into a blockchain ledger where it can be audited but not changed, he said.

“If it was tampered with, we have algorithms that would detect that,” Mr. Harple said. “It’s a way of building trust in the data.”

The software can be used, for example, to collect and analyze data from a high-precision thermal camera to tell a pipeline operator in Texas which equipment in a gas-compression station emits abnormal levels of methane.

Mr. Harple started Context Labs in Cambridge, Mass., in 2013. The company began to focus on emissions data after he realized the difficulties that businesses face when reliably measuring how much carbon dioxide and other greenhouse gases they are responsible for.

“Every company now has an energy-transition strategy,” he said. Context Labs can help them make their emissions “more digitally quantifiable,” he added.

Nathan Brawn, a managing director at BP Energy in Dallas, said alternative methods used to evaluate the carbon footprint of an operation rely either on specific measuring devices or third-party certifications.

“A lot of it is qualitative and not going after what’s actually happening on the ground day to day,” Mr. Brawn said.

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BP Energy, which also has formed a joint venture with Context Labs, sees a chance to capitalize on an increased desire in the energy industry to reduce ambiguity in reporting environmental impacts, he said.

“Energy companies will have to really quantify their environmental performance going forward,” Mr. Brawn said. “Finding ways to enable them to do that more accurately is incredibly important to the energy transition.”

By enabling companies to more accurately measure and document their carbon footprint, the systems Context Labs offers may help reduce greenwashing, or exaggerating environmental benefits, and lead investors to businesses that are really making progress, said Chief Operating Officer Mark McDivitt.

“The challenge right now in the global market is putting a proper price on carbon,” Mr. McDivitt said.

Other participants in the investment in Context Labs include consulting firm KPMG LLP; Equinor Ventures, the venture-capital arm of energy company Equinor ASA; family office Shamrock Ventures; impact investor i(x) Investments; and Neglected Climate Opportunities LLC, an affiliate of the Jeremy and Hannelore Grantham Environmental Trust.

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