

A light blue world map is centered in the background of the slide, showing the continents of North America, South America, Europe, Africa, Asia, and Australia.

Report of the Ad Hoc Group of Experts on Coal Mine Methane

Committee on Sustainable Energy
16th Session
30 November 2007
Geneva

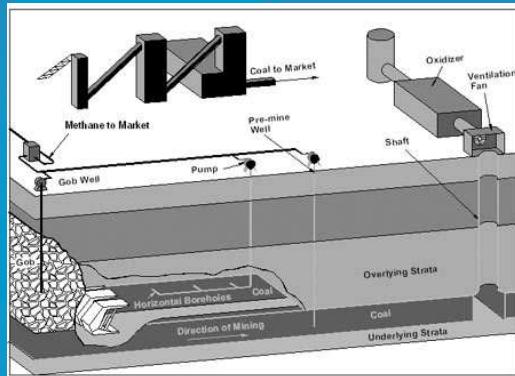
Roland Mader, Chair

Clark Talkington, Secretary

UNECE Ad Hoc Group of Experts on Coal Mine Methane

What is Coal Mine Methane (CMM)?

CMM is the methane released from coal seams during mining. Once emitted to the atmosphere, it becomes a potent greenhouse gas.



Many Benefits

- Improved mine safety and productivity
- Reduced greenhouse gas emissions
- Productive use of an otherwise wasted energy resource
- Additional revenue centre
- Skilled job creation
- Positive corporate image

Many Uses

Natural Gas Pipeline/
Town Gas

Internal Combustion
Engines

Manufacturing -
Eg., Methanol, DME,
Desalination (shown here)



CNG/LNG



Mine Ventilation Air

Microturbines

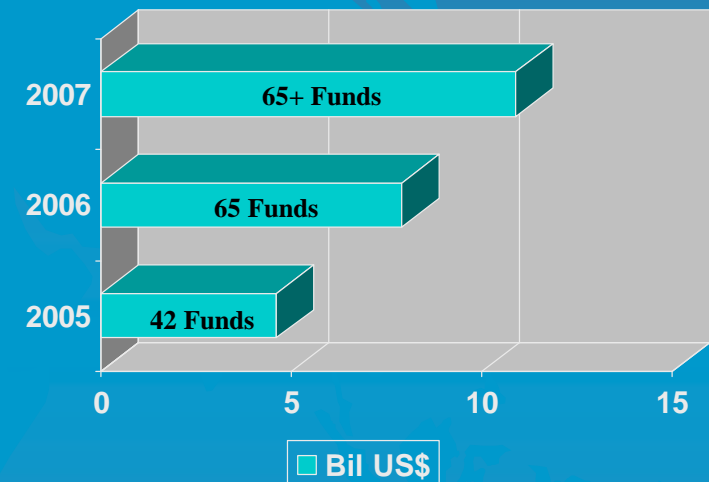


Heating

CMM as a CO2 Asset Class

- Growing global resource from 450 MtCO₂e in 2005 to 530 MtCO₂e in 2020
- Conventional technologies proven with low marginal abatement costs and large carbon mitigation potential
- Strong industry players in key markets
- Mine safety benefits address desire for socially beneficial investments
- In market experiencing rapid growth in investment capitalization, CMM projects are attractive

Global Investment Capital for CO₂ Projects



*Sources: World Bank Carbon Finance Unit, Point Carbon, *Carbon Finance*



UNECE Ad Hoc Group of Experts on CMM

PROGRAMME OF WORK

Mine Safety
(methane only)

Downstream
(CMM Utilization)

Project Finance
(Extrabudgetary)

Cooperation with
Intergovernmental
Bodies

Mine Safety

- Highest priority among Ad Hoc Group of Experts
- Legal/regulatory frameworks to promote sound degasification practices and making link between upstream and downstream improvements
 - In 2007, received commitment of pro bono support from major international law firm
- In 2008, expect to initiate cooperation with mining industry associations to support mine safety initiatives in emerging economies
- Pursuing discussions with insurance industry on linkage between insurance policies, mine safety and methane utilization
- Submitted proposal to 6th Tranche of UN Development Account, but was not successful

CMM Use

- Developing glossary of terms and definitions used worldwide (in cooperation with M2M)
- Examining production and use of low-quality methane (below 25%)
- Finance project (next slide)
- Workshops/Conferences
 - Methane to Markets Expo – October 2007
 - Poland - February 2008
 - Other in 2008?

Tasks – Project Finance (Extrabudgetary)

- Assist projects with development of investment grade documents and presentation before EE21 and other investment funds
- Intended to focus on project-specific support, but greater market liquidity and privatization of coal sector is changing focus to capacity-building workshops
 - Kemerovo, Russian Federation – July 2007
 - Up to three workshops in 2008
- Great demand for technical support to improve methane degasification as part of overall CMM project support
 - Discussing with potential donor

Project Finance

Stakeholders View of UNECE Involvement

- Investors/Financial community - positive
 - Neutral role in market stimulation
 - Projects vetted by credible organization
 - UN endorsement is positive for public relations
- Mining companies/project sponsors - ambivalent
 - Public nature of cooperation difficult
 - Large companies do not believe they need assistance
 - Want more engineering support for methane degasification to enhance safety – UNECE currently does not have this capacity
 - Do see benefit of positive public image associated with UN
- Governments - generally positive
 - Very supportive of training
 - See UN as another vehicle for supporting mine safety and environmental protection

Cooperation



- Environment for Europe
 - Category II Paper at Ministerial Mtg in October 2007
- Methane to Markets Partnership
- UNDP/UNIDO
- ILO
 - Mine safety



Thank You!

Roland Mader, Chair

Clark Talkington, Secretary

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