



United Nations Economic Commission for Europe (UNECE)  
Sustainable Energy Division, [www.unece.org/ie](http://www.unece.org/ie)

# Summary of Responses to the Questionnaire for UNECE Ad Hoc Group of Experts on CMM

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## Objectives of the Questionnaire

- #1 – Foundation for Developing the Programme of Work for the Ad Hoc Group of Experts**
- #2 – Document Different Perspectives and Priorities Among Industry Participants**



## Document Preparation/Distribution

- Developed by Bureau of the Ad Hoc Group of Experts on Coal Mine Methane following first session
- In 3 UNECE languages: English, French, Russian
- Distribution:
  - ◆ 29 December 2005 –Email to all members of the Group of Experts
  - ◆ 31 January & 1 February 2006 - Distributed at 2nd Session of the Group of Experts
  - ◆ 22 February 2006 - Email and hard copies sent to all members of the Group of Experts not previously responding
  - ◆ 27 February 2006 - Methane to Markets Administrative Support Group (Secretariat to M2M) emailed to the M2M Coal Project Network
- Response deadline: 7 April 2006
- Summary of responses completed and sent to Group of Experts on August 2006
  - ◆ Long version also available with more detail on scoring



## Characterizing Respondents

- 83 Responses
- 26 Countries, 2 International Organizations
- By Stage of Economic Development
  - ◆ 43 from developed economies
  - ◆ 32 from economies in transition
  - ◆ 8 from developing countries
- By Type of Organization
  - ◆ 16 from research/NGO
  - ◆ 21 from government
  - ◆ 12 from consulting
  - ◆ 11 from coal company/industry association
  - ◆ 23 from investor/project developer



## 6 Focal Areas for Questionnaire

- Uniformity of terminology/definitions for methane in coal seams
- Motives to develop CMM projects
  - ◆ Government perspective
  - ◆ Private sector perspective
- Investment barriers for CMM projects
- Revenue drivers for CMM projects
- Attention clusters for Ad Hoc Group of Experts
- Specific activities for Ad Hoc Group of Experts



## Scoring

- Each issue rate on a scale of 1 to 5
  - ◆ 1 – Very important (High)
  - ◆ 5 – Not important (Low)
- Also provided opportunity to add comments
- Computation
  - ◆ Raw score (numerical average)
  - ◆ Rank-based average score
  - ◆ Standard deviation



## Results



## Uniformity of Terminology & Definitions for Methane in Coal Seams

- General agreement on the benefit and need for uniformity
- Disagreement on the appropriate terms and definitions
  - ◆ 25% disagreed with proposed terms and definitions in questionnaire
- Legal status of terminology
  - ◆ Are terms recognized in laws/regulations?
  - ◆ Inconsistency in responses shows:
    - ◆ Uncertainty
    - ◆ Question may have been confusing
  - ◆ Result: Cannot draw clear conclusion



## Motivation to Develop Projects

- Sought views on perceived motivation of governments and the private sector to develop projects
  - ◆ Objective is to discern and address misconceptions
- Results provided no great surprise
- CMM stakeholders see government motivation as
  - ◆ Improving mine safety
  - ◆ Environmental Benefits
  - ◆ Technology R&D
  - ◆ Sustainable Development



## Motivation to Develop Projects

- Private Sector motivations are believed to be
  - ◆ Mine Safety
  - ◆ Economic gain
  - ◆ Enhanced coal production
- Interesting results
  - ◆ Mine safety rated highly by everyone
  - ◆ Sustainable development rated low as a motivating factor for the private sector
  - ◆ Governments and the private sector were viewed as ranking energy security benefits low



## Investment Barriers

### Top 10 (of 27 listed)

1. Insufficient profits
2. CO2 credit approval
3. Limited quality and quantity of resource assessments
4. Insufficient information
5. Access to electricity/natural gas grids
6. No interest from senior management
7. Obtaining permits
8. No interest from mine operator
9. Unclear ownership
10. No legal framework for CMM



## Other Barriers to Investment Identified by Respondents

- Complexity of CDM procedure of UNFCCC and National CDM/JI rules that inhibit market forces
- In some countries, majority of possible drainage projects are already in place
- Reputation risk of doing business in a developing country with poor safety record
- Variability in CMM quality and quantity
- General lack of experience of project developers and financial institutions in developed countries with counterparts in EITs and developing countries and vice versa



## Revenue Drivers

1. Electricity prices
2. CO2 credits
3. Incentives
4. Gas sales price
5. Governmental support
6. Coal mine productivity
7. Regulatory compliance
8. Heat prices



## Attention Clusters

1. Emission reduction issues
2. Mine safety
3. Policy/regulatory issues
4. Technology
5. Finance
6. Geology
7. Project management



## Role of AHGE on CMM

1. Organize workshops
2. Participate in conferences, promotion of activities
3. Initiate a pilot project
4. Create model for bankable project documents
5. Compile awareness CD
6. Initiate a project portfolio



## Mining Professional's View

- Critical role as host of a project
- Understand and emphasize concepts overlooked by other groups
- Survey results
  - ◆ Key concern is that existing mine safety regulations are inhibiting project development
  - ◆ Lack of high quality resource assessment
  - ◆ Do not see many projects with strong potential
  - ◆ Mine safety & productivity are primary drivers



## Next Steps

- Terminology - Consider developing a glossary of terms rather than attempting to develop one set of uniform standards
- Specify attention clusters for the Group
  - ◆ Define specific issues within attention clusters to further narrow focus
  - ◆ Target issues that Group has capability of addressing
  - ◆ Identify actions/vehicles to address these issues
- Consider options/incentives for increasing mine industry participation in Group activities



## Example of Additional Data in Long Report Investment Barriers –Responses

Avg Score (Rank)

	Insufficient Profit	CO2 Credit Approval	Limited Qty/ Qty of Resource Assessments	Insufficient Information	Access to Elec/Gas Grids	No Interest Sr Mgmt	Permits
<b>All</b>	<b>1.70 (1)</b>	<b>1.90 (2)</b>	<b>2.01 (3)</b>	<b>2.03 (4)</b>	<b>2.06 (5)</b>	<b>2.06 (6)</b>	<b>2.07 (7)</b>
<b>Developed</b>	1.60 (1)	1.70 (2)	2.02 (11)	2.26 (11)	1.93 (6)	1.95 (7)	1.84 (4)
<b>Transition</b>	1.81 (1)	1.92 (2)	2.11 (5)	2.17 (4)	2.11 (5)	2.22 (9)	2.48 (15)
<b>Developing</b>	1.86 (2)	2.57 (13)	2.00 (3)	1.86 (2)	2.43 (10)	2.29 (5)	2.29 (5)
<b>Research</b>	1.73 (3)	1.50 (2)	2.13 (12)	1.93 (6)	2.13 (12)	2.07 (11)	2.00 (9)
<b>Gov't</b>	2.06 (1)	2.44 (6)	2.25 (4)	2.07 (2)	2.63 (9)	2.56 (8)	2.25 (4)
<b>Consulting</b>	1.58 (1)	1.92 (8)	1.92 (8)	2.33 (17)	1.83 (6)	1.92 (8)	1.92 (8)
<b>Coal Co</b>	2.00 (5)	1.91 (2)	1.64 (1)	1.91 (2)	2.36 (12)	1.91 (2)	2.73 (20)
<b>Investor</b>	1.35 (1)	1.61 (3)	2.13 (15)	2.00 (12)	1.52 (2)	1.91 (11)	1.87 (10)



Thank You