

# China CBM/CMM Incentive Policies

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## ■ About CCII

- National research organization with 600 staff, established in 1959.
- Scope of work
  - Coal
  - Energy
  - Environment
  - Occupational safety and health





China Coalbed Methane Clearinghouse established with support of USEPA in 1994



- ❖ Cleaner Coal in China, 2009.4
  - ☞ International Energy Agency
  - ☞ China coal information Institute

# 概要 Outlines

1. Introduction
2. Finance Support
3. Preferential Tax
4. Encourage Utilization
5. Improve Management
6. Outlook
7. Conclusions

# 1 前言 Introduction

- ❖ 安全、能源、环境
- ❖ 煤矿瓦斯防治部际协调领导小组，2005.3
  - ❧ 发改委、安监总局、科技部、财政部、劳动保障部、国土资源部、环保部等
- ❖ 国家能源局煤炭司瓦斯处，2008.7
  
- ❖ Safety、Energy、Environment
- ❖ Inter-governmental Committee of CBM/CMM Control，2005.3
  - ❧ NDRC、SAWS、MOST、MOF、DLSS、MLR、MEP etc.
- ❖ CBM/CMM Division, National Energy Bureau,2008.7



- ❖ 《关于加快煤层气（煤矿瓦斯）抽放利用的若干意见》（国办发〔2006〕47号）
  - ❧ 上网发电和民用价格的政策 - 发展改革委
  - ❧ 开发利用补贴和煤层气抽采税收政策 - 财政部、税务总局
  - ❧ 加强煤炭和煤层气资源综合勘查开采管理的通知 - 国土资源部
  - ❧ 煤矿瓦斯先抽后采的指导意见 - 安全监管总局煤矿安监局
  
- ❖ Guidance on Acceleration of CBM/CMM Development and Utilization (Issued by State Council), 2006
  - ❧ Price for CMM power generation and household use - NDRC
  - ❧ Taxation and subsidies - MoF、SAT
  - ❧ Enhance prospecting management on coal and CBM - MLR
  - ❧ Guidance on extract gas prior mining coal - SAWS

- ❧ 煤矿瓦斯排放标准 - 环保总局2008
- ❧ 进一步扩大煤层气开采对外合作有关事项的通知 - 商务部、发展改革委、国土资源部；
- ❧ “煤矿瓦斯、火灾与顶板重大灾害防治关键技术研究”国家科技支撑计划项目 - 科技部
  
- ❧ Emission standard for CMM drainage - MEP,2008
- ❧ Notice on extension of CBM foreign cooperation - MofCom、NDRC、MLR；
- ❧ Research on key tech. preventing critical disasters of CMM, fire, roof in coal mine - MOST



- ❖ 《煤层气(煤矿瓦斯)开发利用“十一五”规划》,2006
  - ❧ 2010年，瓦斯抽采:50亿m<sup>3</sup>以上，抽采率>40%
  - ❧ 瓦斯利用量>30亿m<sup>3</sup>，利用率>60%。
  
- ❖ The 11th 5-Year Plan on CBM/CMM Development and Utilization(2006-2010), NDRC
  - ❧ 2010，CMM:>5 billion m<sup>3</sup>，drainage rate>40%
  - ❧ Utilization of CMM >30 billion m<sup>3</sup>，Use rate>60%

## 2 资金支持 Finance Support

- ❖ 30亿元国债资金，自2005年起
- ❖ 正在申请今后3年30亿
- ❖ 吨煤税前提取15 - 20元 / 吨,山西40元 ;
- ❖ 环保资金 ( M2M, CDM,GEF,VER etc.)



- ❖ 3 billion RMB country bond for safety innovation since 2005
- ❖ Next 3 yrs 3 billion RMB proposed
- ❖ Safety fee, as cost before tax 15-20Yuan/t (40/t Shanxi; 60/t Huainan)
- ❖ M2M, CDM, GEF, VER, etc.

## Loan 2146: Coal Mine Methane Development 2146贷款项目：煤层气开发利用

- ❖ 晋城煤层气综合开发利用项目
- ❖ A：120兆瓦煤层气；煤层气抽采；煤层气地面抽放（井工定向钻进）
  - 煤层气将达到世界最大规模
  - 每年抽采1.82千万立方米煤层气取代2.91万吨用煤
  - 清洁发展机制相关机构2012年签署了1.2百万吨的温室气体排放量；估算效益约为110万美元（项目成本的90%）
- ❖ CMM/CBM production, capture and utilization in Jincheng
- ❖ Part A – 120 MW CMM PP; CMM drainage; CBM surface well development (underground directional drilling)
  - CMM PP to be the largest in the world
  - 182 million m<sup>3</sup>/yr CMM/CBM capture; replace 291,000 t/yr of coal
  - CDM ERPAs signed for 12 million t CO<sub>2</sub>e until 2012; estimated benefits about \$110 million (90% of project cost)

### 3 税费政策 Preferential Tax

- 2020年前可申请减免探矿权使用费、采矿权使用费，暂不征收资源税
- 销售煤层气增值税先征后退。退税款用于技术研究和扩大再生产不征收企业所得税
- 购进专用设备，双倍余额递减法或年数总和法加速折旧



- Exempt prospecting, mining right fee, don't levy royalty tentatively till 2020
- Levy first and return later for VAT on CBM/CMM sale. Don't levy income-tax if return VAT spent on tech. research and enlarging production
- Accelerate the depreciation of special equipment

- 贷款或自有资金的技术改造项目中国产设备投资的40%可从企业技改项目设备购置当年比前一年新增的企业所得税中抵免。
- 研究开发新技术、新工艺的技术开发费，在按规定实行100%扣除基础上，允许再按当年实际发生额的50%在所得税税前加计扣除。
- 设备、仪器、零附件、专用工具，免征进口关税和进口环节增值税。
- Tax credit from income tax increment to prior year by 40% investment of loans or self-owned funds spent on purchase the equipments made in China
- 50% cost of research on new tech. or process is allowed to deduct from the sum before income tax
- Exemption from import duties and import-related VAT for equipments, instruments, spare parts, tools

## 4 鼓励利用 Utilization Encouragement

### ( 1 ) 发电

- 鼓励采用单机容量500千瓦以上机组。
- 不参与市场竞价，不承担电网调峰任务
- 上网电价比照生物质发电上网电价（当地2005年脱硫燃煤机组标杆上网电价加补贴0.25元/千瓦时）

### ( 1 ) Power generation

- Encourage to use >500 kW unit
- Not to participate in the bidding market, not to undertake the task to peak adjust of power grid
- Refer to biomass power price with subsidy of 0.25RMB/kWh



## ( 2 ) 民用

- 出厂价格由供需双方协商确定。
- 未进入城市公共配气管网供需双方协商确定；进入城市公共配气管网，按照与天然气等热值合理比价关系的原则确定。
- 中央财政:0.2元/立方米,地方财政可给予适当补贴。



## ( 2 ) Household use

- price to be determined in negotiations
- Not to enter the city gas grid: consultation; enter grid: refer to calorific heat value compared with the NG.
- Subsidies,0.2 RMB/m<sup>3</sup> from Central Gvt., from Local Gvt.

## 优惠政策对比表

种 类	新内容	旧内容	变 化
探矿权、 采矿权	2020年前，可申请减免	第一年，免；二~三年：50%； 四~七：25%；	提高
资源税	免	0-3%，但 < 10亿m <sup>3</sup> , 0%	提高
增值税	先征后返	外企5%；国内企13%返8%。	提高
所得税	免，国产设备，新技术、工 艺开发，可从此减。	二年内免，再三年减半	提高
关税	免	免	相同
折旧	双倍余额递减或年数总和法	按 > 6年计	提高
补贴	发电：照生物质0.25元/kWh 民用：0.2元/m <sup>3</sup>		新增

注：一~三年：100元/Km<sup>2</sup>年；> 四年：+ 100/a，但总额 < 500元；



## Comparison Table

Item	New	Old	Change
Prospecting Mining Right	Exempt till 2020	Exempt, 1st Y; half, 2nd-3rd Y; 25%, 4th-7th Y ;	Improved
Royalty	Exempt	0-3% , if < 1 billion m <sup>3</sup> , 0%	Improved
VAT	Levy first and return later	Foreign 5% ; Domestic 13% return 8%。	Improved
Income Tax	Exempt , IF Research on equipment, new tech. or process	Exempt in first 2 yrs, half following 3 yrs	Improved
Tariffs	Exempt	Exempt	Same
Depreciation	Double declining balance method or the sum of the years	> 6 yrs	Improved
Subsidies	Power : biomass 0.25/kWh Household : 0.2/m <sup>3</sup>		New

\* : 1 ~ 3yr : 100Yuan/Km<sup>2</sup>.a ; > 4 yr : + 100/a , but Sum < 500Yuan ;

## 5 改善管理 Improve Management

- 除中联煤层气公司外，再选择若干企业开展煤层气合作开采试点。
- 重点鼓励取得煤层气矿业权或煤炭矿业权的国有大型煤矿企业和油气公司。
- 申请试点企业由所在省商务主管部门和发展改革部门初审后，11月31日前向商务部和发展改革委申请。
- 煤矿企业开采过程中的煤矿瓦斯抽采不属对外合作专营范围。
- Enterprises selected can cooperate with foreign company
- Encourage giant coal, oil or gas companies
- Provincial Gvt review and then submit to MofCom and NDRC
- CMM extraction by coal mine company is not included the exclusive right

# 6 Outlook

## ❖ 2008年

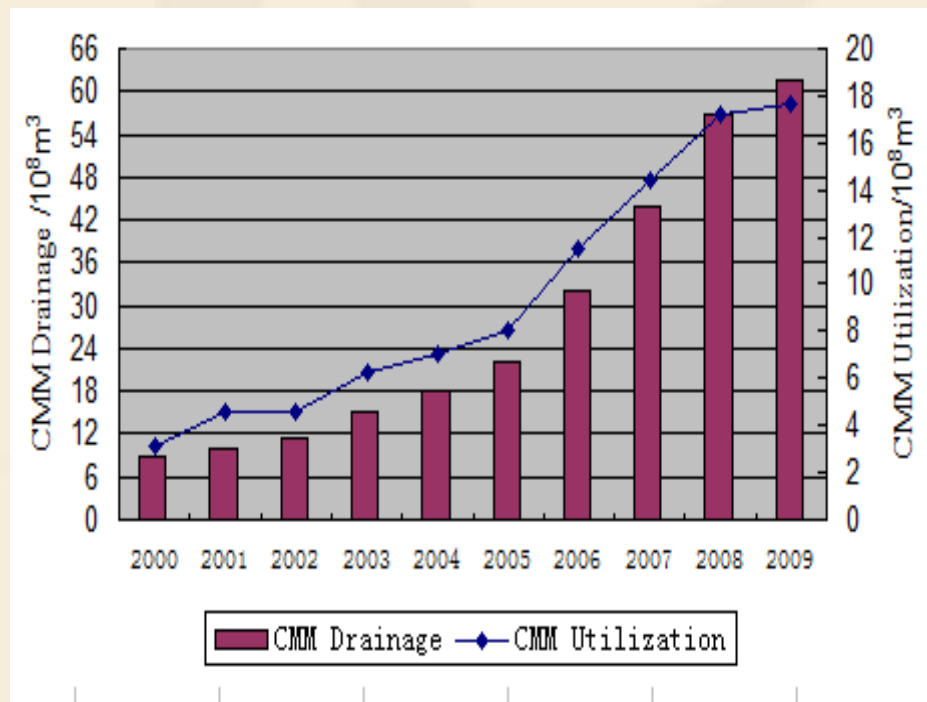
☞ 抽采量：56.7亿立方米

☞ 利用量：17.18亿m<sup>3</sup>

## ❖ 2008

☞ Drainage：5.67 B m<sup>3</sup>

☞ Utilization：1.718B m<sup>3</sup>



- ❖ 安全生产标准
  - ❧ 《低浓度瓦斯利用标准》
  - ❧ 《煤层气开采防火防爆安全规程》
  - ❧ 《煤层气集输安全规程》
- ❖ “十二五”煤层气（煤矿瓦斯）开发利用规划
  
- ❖ Work safety standards
  - ❧ Standard for utilization of CMM
  - ❧ Safety Regulations for Fire & Explosion Prevention of CBM Surface Exploitation
  - ❧ Safety Regulations for Coalbed Methane Gathering & Transportation
- ❖ The 12th 5-Year Plan on CBM/CMM Development and Utilization( 2011-2015)

- ❖ CMM Recovery and Use technology Workshop, Changsha, Huanan, 17-18, June 2010
- ❖ International Symposium on CBM, Beijing, 11-12, Nov. 2010

# 结论 Conclusions

- ❖ 政府高度重视、社会普遍关注
- ❖ 项目潜力巨大、开发机会较多
- ❖ 政策环境良好、有待进一步落实
  
- ❖ Government pays great attention, community concern
- ❖ Huge potential and lots opportunities for projects
- ❖ Policy environment well and need to fulfill

**Thank You!**

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