

# Mongolia Coal Sector Update to the 18th Session of the Global Methane Initiative (GMI) Coal Subcommittee

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**19-20 November 2013**

**Mongolian Nature and Environment Consortium**



# Mongolia Coal Sector Update

- Coal production in 2012: 29.9 million metric tons, exports of 20.9 million, domestic consumption 7.4 million
  - Projected to decrease in 2013 due to decreased coal exports and fallen coal prices
  - CMM emissions decreasing for the time being due to decreased coal production. CMM emissions increased steadily over previous 5 years.
  - Creating legal and tariff conditions, supporting private sector involvement in the energy sector
  - Set up fully integrated energy system by 2040
  - Construction of new thermal power plants, power transmission lines and hydropower plants
  - Increase capacity and rehabilitation of heating systems in the towns and aimag centers
  - Utilization of renewable energy sources and other hybrid systems



# Mongolia Coal Sector Update (2)

- Regulatory Update
  - Minerals Law under revision, will include provisions regarding CMM
    - Government is establishing state-owned company to be responsible for CMM issues in Mongolia. It was initiated based on results of EPA grant in Mongolia.
  - Petroleum Law under revision, will include CBM
  - New investment law eases restrictions and provides greater certainty on taxes in key sectors including mining
  - State Policy on Minerals Sector (2013-2024) under discussion by Parliament where CMM issues to be reflected
  - Parliament passed securities law allowing companies to be listed on both domestic and foreign exchanges
- Implementation of national plans/directives
  - Japan International Cooperation Agency conducted Master Plan study for development and utilization of coal in Mongolia which is targeted for the year 2025.
  - “Coal Program” will be revised based on Order #174 by the Ministry of Mining
  - Government Action Program for 2012-2016 covers short term activities of coal sector
  - National Action Programme on Climate Change, revised 2011



# CMM Project Outlook

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- Challenges to emission reduction projects in Mongolia:
  - Ownership and regulatory framework for CMM at present under discussion
  - Limited knowledge of CMM resource available
  - Lacking economic incentives and sources of finance for CMM recovery and utilization
  - Underdeveloped technical capability and lack of experience with CMM recovery projects



# CMM Project Outlook (2)

- Approaches to overcoming challenges
  - Regulatory reform underway
    - Ministry of Mining has established Working Group on CMM
  - Capacity building
    - Training and workshops
      - 5 workshops organized in Mongolia for Last two years on CMM resources assessment and emission inventory by EPA grant.
    - Assessment and evaluating potential CMM opportunities in Mongolia
      - MNEC/USEPA Grant: Prefeasibility Study on Methane Recovery & Utilization in Nalaikh Coal Mine
      - MNEC/USEPA Grant: Coal Mine Methane (CMM) Resource Assessment and Emissions Inventory Development in Mongolia
      - USEPA Prefeasibility Studies
        - Naryn Sukhait
        - Baganuur



# Mongolia Coal Sector Methane Action Plan

- MNEC is drafting Action Plan with the Mineral Resources Authority
- Pending developments:
  - Mineral Policy Strategy which is under discussion in Parliament
  - Outcome of CMM legislation inclusion in Minerals Law currently underway
  - Results of CMM Resource Assessment and Emissions Inventory Development
- Barriers to development include:
  - Incomplete CMM legislation
  - Lacking capacity within the Mineral Resources Authority relating to CMM development
- Assistance needed:
  - EPA white paper on CMM ownership and regulatory issues (forthcoming)
  - Information on experiences of other countries on Action Plan development
- Action Plan will be completed in 2015





# Contact Information and Announcements

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- **Results of CMM Resource Assessment and Emissions Inventory to be published soon**

