



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

Date: 19 August 2005

Ms. Erin Birgfeld
Administrative Support Group
Methane to Markets Partnership
6207J
1200 Pennsylvania Ave, NW
Washington, DC 20460
USA

Dear Ms. Birgfeld:

The purpose of the letter is to deliver to the Steering Committee and Administrative Support Group the Interim Action Plan to address coal mine methane (CMM) emissions in Methane to Markets Partnership countries.

The Methane to Markets Partnership Terms of Reference (TOR), adopted and signed on 16 November 2004, establishes sector-specific subcommittees that “will be responsible for guidance and assessment of area-specific activities and engaging representatives of the private sector, multilateral development banks, researchers and other relevant non-governmental organizations.” More specifically, Section 3.4 of the TOR requires each subcommittee to develop a collaborative action plan.

The Coal Mine Methane Subcommittee has convened twice since adoption of the TOR: on 17 November 2004 in Washington, DC at the Ministerial Meeting and 27-28 April 2005 in Geneva, Switzerland. The discussions that took place at both meetings formed the basis for the Subcommittee’s Action Plan which is enclosed with this letter. In developing the Plan, we sought and received input from committee members, observer delegates, and, especially, Project Network members. For additional reference, I encourage your to review the minutes from both meetings at www.methanetomarkets.org.

If you have any questions or comments with regard to the Action Plan or the work of the Subcommittee, please do not hesitate to contact me at +1.202.343.9484 or talkington.clark@epa.gov.

Sincerely,

Clark Talkington
Co-Chair, CMM Subcommittee

Cc: Mr. S. Choudhury, CMD, Central Mine Planning & Design Institute, India, Co-Chair
Mr. Huang Shengchu, Vice Chair
CMM Subcommittee

ACTION PLAN

COAL MINE METHANE SUBCOMMITTEE

METHANE TO MARKETS PARTNERSHIP

I. INTRODUCTION

The Partnership Terms of Reference (TOR) states that each Subcommittee should develop an action plan. The *Charge to the Subcommittees* adopted by the Partnership along with the TOR, notes that “ideally, action plans would identify needs, opportunities, and priorities for project development in the sector and for interested Partners, and would be developed with input from members of the Project Network.” The *Charge to the Subcommittees* continues by outlining specific elements that should be a part of the Action Plan including :

- Overview of methane recovery and use opportunities and description of available technologies and best practices;
- Identification of key barriers and issues for project development (TOR paragraph 3.4);
- Discussion of market assessment and reform issues (TOR paragraph 3.4);
- Identification of project finance opportunities and mechanisms (TOR paragraph 3.4);
- Discussion of country-specific needs, opportunities, and priorities,
- Identification of possible cooperative activities to increase methane recovery and use in the sector
- Outreach to engage Project Network members

In developing the Action Plan for coal, the Subcommittee determined that the specific elements noted above will be critical in guiding the Subcommittee’s actions in the longer term. However, it will take considerable time to aggregate this information. Therefore, the Subcommittee determined that an Interim Action Plan is more appropriate at this stage. The Interim Plan includes several action items intended to secure the requested information for the final Plan.

Based on the discussions in Washington, DC in November 2004 and Geneva, Switzerland in April 2005, the CMM Subcommittee has established 11 tasks for the Interim Plan. The Interim Action Plan describes each of the 11 tasks, establishes expected time frames for their completion, designates leads for each task from member countries and the Project Network, and identifies other member countries and Project Network members who are participating on the working group for each task. Once the tasks are complete, the Subcommittee should be able to complete a roadmap for future activities and compile a thorough and informative final Action Plan.

The Subcommittee Chairs will deliver a status report on progress at the next Steering Committee meeting in Buenos Aires, Argentina in November 2005.

INTERIM ACTION PLAN – COAL MINE METHANE SUBCOMMITTEE

Short Term Activities	Target Date	Lead	Others
Complete CMM Country Profiles	Aug 2005	Head of Delegation from Each Member Country	As of July 1, still require profiles from Argentina, Brazil, India, Nigeria, South Korea. Russia is not complete
Compile available information on ownership issues in Partner Countries <ul style="list-style-type: none"> • From country profiles • Input from Project Network 	Nov 2005	Talkington (US) Schultz (UK PN)	Input from Country Profiles and Project Network members
Develop a comprehensive Coal subcommittee website <ul style="list-style-type: none"> • Create a portal to CMM tools and websites • Balance quantity/quality of information with ease of use 	Nov 2005	Birgfeld (ASG) Mallet (Australia) Sloss (IEACCC)	Review by Committee members and Project Network members
Develop guidelines and criteria for Partnership Activities (e.g. workshop, technical assistance) in Coal Sector <ul style="list-style-type: none"> • Example – Involves at least two Partnership countries, etc 	Dec 2005	Franklin (US) Karas (Australia)	Review by Committee members and Project Network members
Set subcommittee goals /Determine need for project criteria <ul style="list-style-type: none"> • Draft memo to frame discussion • Consider quantitative and qualitative goals • Define criteria for counting project-specific emission reductions toward goals 	May 2005	Weavers (Australia) Franklin (US) Talkington (US)	Griffiths (UNECE) Mader (Germany PN) Vitchev (UK PN) Pilcher (US PN) Bose (US PN)
Develop global overview of CMM opportunities <ul style="list-style-type: none"> • Key components of the action plan Database of projects and project opportunities	Dec 2005	Talkington (US)	Review by Committee members and Project Network members
Partners to actively recruit members of the Project Network in their own countries	On-going	All	
Plan regional technical workshops	Early 2006		None identified at meeting
Develop workplan for project expo (in 2006)	Early 2006	Pilcher (US PN) Karas or Weavers (Australia) Franklin (US)	Thompson (UK PN) Sloss (IEACCC) Griffiths (UNECE)
Develop uniform technical standards and terminology	Work group formed by Dec 2005	Griffiths (UNECE) Mallet (Australia) Franklin (US)	Huang (China) Italy Hirasawa (Japan) Russian Federation Several Project Network members
Identify Sources of Finance and build capacity	Early 2006	Vitchev (UK PN) Talkington (US)	Huang (China) Griffiths (UNECE)

II. INTERIM ACTION ITEMS

The summaries below provide a brief background on the initial plans for each action item. As the projects evolve, it is expected that the summaries will provide greater definition and clarity including more detailed workplans and deliverables.

Complete CMM Country Profiles

Many Partner Countries have completed their profiles detailing coal mine methane (CMM) recovery and utilization in their countries. Several countries, however, still have not submitted their profile. The profiles are intended to provide the information required for the Action Plan and serve as an excellent starting point for gathering country-specific information.

Legal and legislative requirements surrounding ownership of CMM Gas

Both country delegates and Project Network members expressed a desire for more information and guidance on the legal principles and legislative procedures of ownership in each country. The committee recognized the great diversity amongst countries in terms of addressing gas ownership, emissions reduction credit ownership, mineral licensing, product royalties, contract procedures, and the basic legislative process for permitting and approving projects. A “one size fits all” approach will not work, yet ownership and confusing legal frameworks remain a significant hurdle. The discussion highlighted the need for a systematic review of permitting the requirements in each Partner country. Thus, as a part of the Interim Action Plan, the committee agreed to develop a summary report on ownership issues in Partner countries. The committee members, though, recognize each country’s sovereignty and agreed that it should be left to each country to determine whether they will seek assistance in addressing any legal, policy, or market issues within their country.

Develop a Comprehensive Coal Subcommittee Website

A website can be an excellent tool to promote CMM recovery and use. In many of the Partnership countries, there is at least one organization that devotes some effort to promoting CMM recovery. All delegates and Project Network members believe that a website offering information on CMM project opportunities and providing other information including data, vendor lists, and links to relevant sites is very important. There was substantial debate over the type and volume of information, but it was generally agreed that the website should be informative and easily navigable without being overly complicated. Once the revised Methane to Markets website is available, this task force will work with the Administrative Support Group to develop a strong CMM-based web page.

Develop Guidelines and Criteria for Partnership Activities (e.g. workshop, technical assistance) in Coal Sector

Guidelines are needed to ensure that activities undertaken in the name of the Partnership meet the goals of the Partnership and provide value-added. Several prospective criteria were suggested in Geneva, but this task force is charged with developing a list of standards.

Set Subcommittee Goals/Determine Need for Project Criteria

There was much discussion concerning the need for and feasibility of setting emission reduction goals for both the Subcommittee work program as a whole, and as part of individual project criteria. While there was general agreement regarding the importance of setting quantitative goals, there was no clear consensus among Partner countries on what amount and whether quantitative goals for the Subcommittee are practical at this point in time. Suggestions ranged from setting only qualitative goals, to setting progressive reduction targets in the out years. Citing the early stages of Subcommittee project development, the absence of defined project criteria, and the lack of assigned resources dedicated to project development at this point, a number of participants felt that it may be premature at this stage to set quantified reduction goals. For the short term, it was decided that a framework discussion paper on setting quantitative and qualitative Coal Mine Subcommittee goals, with consideration to the need for CMS project criteria, would be included in the Action Plan.

Global CMM Overview

While the country profiles provide significant insight into CMM activities and projects, there was widespread recognition that there needs to be active mechanisms for transferring information on project summaries and results, technology descriptions, feasibility studies, financial opportunities, and project development needs. The Global Overview is expected to address many of the subject areas required in the Final Action Planned set forth in the *Charge to Subcommittees*. This is expected to be one of the most important, informative, and popular documents produced by the Subcommittee.

Partners to Actively Recruit Members of the Project Network in Their Own Countries

Partner countries agreed to actively recruit members for the Project Network in their own countries. It is recognized that the Project Network is a vital source for project ideas, technology solutions, business development, and communication and outreach.

Plan Regional Technical Workshops

Regional technical workshops provide great value added assuming they are well planned and executed. There continues to be a strong desire on the part of all member countries and most Project Network members for high-quality technical and market workshops. The Subcommittee and Project Network are considering several potential workshops in 2005 and 2006. In developing workshops, M2M member countries may consider supporting travel for experts from other M2M countries. Experts whose travel is covered should be prepared to be active participants in workshop proceedings, and in some cases will likely need to prepare documents or other materials prior to attending the workshop.

Develop Workplan for Project Expo (in 2006)

Project Expos are commonly used in the oil and gas sector to provide a structured forum for prospective developers, technology vendors, the service industry, and mineral rights owners to come together in one place and discuss mutually beneficial arrangements on specific projects. The CMM Subcommittee is looking to translate this idea to coal mine methane projects. Due to the lead time necessary to plan and manage a worthwhile event, the Subcommittee is looking to 2006 to hold the Expo.

Uniform technical standards and terminology

The group expressed a strong desire for a uniform set of technical definitions and measurement standards, with language translations. Practical experiences with non-uniform terminology and standards has resulted in difficulties in comparing CMM project results across countries and even within countries, in setting legal frameworks under which projects operate, and in reporting and describing project technologies and conditions. The committee agreed to convene an expert group to develop a guidance document on uniform technical standards and definitions as a part of the Action Plan. It is notable that some countries may not have the flexibility to alter the terminology, thus the committee agreed to the creation of a guidance document rather than binding standards. Several committee members and Project Network members also noted that such an endeavor requires time and resources and requested that ***sufficient resources be committed to successfully complete the task***. Based on its experience in developing the UN Framework Classification for Fossil Energy and Mineral Resources, the UNECE offered to lead this effort under the leadership of the UNECE Ad Hoc Group of Experts on Coal Mine Methane.

Identify Sources of Finance and Build Capacity

Project Network participants expressed a need for tools that help to connect project developers, investors, and mining companies. Pre-feasibility study guidance that provides “rules of thumb” through basic financial models or checklists was suggested as a way to help prepare first-stage business portfolios to build investor confidence in a project. The possibility of establishing project criteria to define a project in terms of qualitative and quantitative measures was also raised. A number of countries offered to share the results of feasibility studies and demonstration studies to help build reference points for financial planning guidance. For the Action Plan, the committee agreed that it should develop a global report on

financing considerations and investor profiles for individual countries. Members of the Project Network agreed to lead this activity in coordination with Partner country representatives.

III. LONGER TERM ACTIVITIES

The consensus opinion amongst the participants was that future program areas should focus on real reduction goals through project implementation, and that implementation will rely on developing a strong interaction between country Partners and Project Network members. Meeting participants suggested a number of ways to ensure this interaction occurs, including:

- Survey of countries and Project Network to access project needs, interests, and capabilities;
- Electronic bulletin board or list-server to facilitate dialogue among Subcommittee members;
- Database of global projects that lists critical information associated with the project such as emission reductions, up-stream and down-stream technologies utilized, measurement protocol, and contact information.
- Development of a central Coal Mine Subcommittee clearinghouse, regionally-oriented CMM clearinghouses, commercial/private sector clearinghouses, or providing ready access to existing CMM clearinghouses;
- Subcommittee-specific website that serves as a focal point for program inquiries, dissemination of information, and linkages to tools and resources;
- ‘Two-way’ workshops and seminars that have both government and industry involvement, and which cover ‘cradle-to-grave’ steps in project development process.
- Project facilitation and development including reference cases of feasibility studies for the various technologies and CMM project types;
- Pilot projects and demonstrations in developing countries where coal mines have little experience with the proposed technologies.