

# FMC Corporation

FMC Wyoming Corporation  
580 Westvaco Road  
Green River, WY 82935

September 10, 2009

Climate Action Reserve  
523 W. Sixth Street, Suite 428  
Los Angeles, CA 90014

To Whom It May Concern,

As an owner and operator of an underground mine that is considering the development of a mine methane abatement and utilization project, we are pleased to provide comments on the Climate Action Reserve's Coal Mine Methane Project Protocol, Version 1.0. Our comments are below.

1) Section 2.1, Project Definition (Page 7)

FMC commends the Reserve for defining mines that are eligible to use this protocol as coal mines as well as trona mines that are classified by MSHA as Category III gassy underground metal and non-metal mines. While trona mines are generally not as well known as coal mines, the Green River Basin of southwest Wyoming contains the world's largest known reserve of trona. FMC mines trona in the Green River basin and utilizes underground longwall mining extraction and ventilation techniques that are very similar to those used by underground longwall coal mines in the U.S. Our longwall shearing equipment produces a gob in which the methane gas from the surrounding strata migrate to the face of the mine, posing a safety risk to the mine's operations. For this reason, our mine has started employing post-mine gob drainage techniques to supplement the central mine ventilation system. By including trona in the set of mines eligible to use this protocol, the Reserve provides mines like FMC with the incentive to develop a project to destroy methane vented from our post-mine drainage system in order to generate high-quality carbon offset credits.

The "Version 1.0 note to users:" indicates that projects that send mine methane to pipeline are not eligible. We suggest clarifying that this restriction refers to the delivery of gas to an offsite natural gas pipeline that is owned by a third party. We anticipate that projects that utilize gas in an on-site boiler will need to transport the gas from wellheads to the boiler using some type of pipeline. We suggest you clarify that the use of a pipeline owned by the mine to transport gas from a wellhead to a facility, both of which



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are owned by the mine, is eligible under this protocol.

2) Section 2.1.1, Drainage Projects (Page 8)

As written in the final paragraph of this section, each project's drainage system and destruction devices shall be detailed in the current mine plan. The definition of "current mine plan" is not provided. Mines regularly update plans to accommodate changing business conditions, geological changes, production rates and other parameters. These changes are usually minor but can be significant dependent upon the circumstances driving the plan update. It could become onerous to provide that information each time something changes in the mine plan if that is the intent of the document language as written. While FMC understands the desire to have this information available this type of information is commonly held in confidence and FMC would desire for business purposes to maintain that status.

3) Section 3.4.1, The Regulatory Test (Page 11)

As currently written, project developers are eligible to register GHG reductions with the Reserve according to this protocol for 10 years or until the project activity is required by law, as defined by the terms of the Regulatory Test. We disagree with the Reserve's decision to not allow mine methane projects to generate offsets for the remainder of their crediting period in the event regulations are enacted that require mine methane to be legally destroyed. Mine methane projects are very capital-intensive and require multi-year payback periods in order to be economically viable. Companies like FMC will be reluctant to finance projects like these unless we have the assurance that we can generate offsets for period guaranteed upfront in order to achieve a return on our investment.

In addition, we note that projects that are not required by law but are determined to be common practice are no different from an additionality standpoint than projects that become required by law. As a result, just as a change in the Performance Standard Test that occurs during a project's crediting period should not affect a project's ability to generate offset credits for the remaining duration of its crediting period, neither should a change in regulation. We encourage the Reserve to revise the Regulatory Test to guarantee projects at the time of listing the ability to generate offsets for a full crediting period.

4) Section 3.4.3, Regulatory Compliance (Page 13)

FMC would suggest that the Reserve consider revising this section to allow for instances where a regulatory agency finds non compliance items which are subsequently disputed or conferenced by the developer. We would propose that CRT's be issued for the project



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until the dispute is resolved. It can be a somewhat lengthy process to bring these types of issues to a conclusion which could have significant impact on the economics of the subject project.

5) Section 7.1, Project Documentation (Page 39)

The definition of “current mine plan” is not provided. As discussed in item 2 above while FMC understands the desire to have this information available this type of information is commonly held in confidence and FMC would desire for business purposes to maintain that status.

6) Section 7.3, Record Keeping (Page 40)

As discussed in item 2 above while FMC understands the desire to have this information available this type of information is commonly held in confidence and FMC would desire for business purposes to maintain that status.

We commend CAR for diligent efforts to structure this protocol in a manner that facilitates effective and widespread adaptation by the mining industry. Should you have any questions regarding our comments, please contact:

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Sincerely,



Aaron Reichl  
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